

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to
Commission File Number: 001-39445

MSP Recovery, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
2710 Le Jeune Road
Floor 10
Coral Gables, Florida
(Address of principal executive offices)

84-4117825
(I.R.S. Employer
Identification No.)

33134
(Zip Code)

Registrant's telephone number, including area code: (305) 614-2222

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.0001 par value per share	LIFW	The Nasdaq Global Market
Redeemable warrants, each lot of 25 warrants is exercisable for one share of Class A common stock at an exercise price of \$287.50 per share	LIFWW	The Nasdaq Global Market
Redeemable warrants, each lot of 25 warrants is exercisable for one share of Class A common stock at an exercise price of \$0.0025 per share	LIFWZ	The Nasdaq Global Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, 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 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input checked="" type="checkbox"/>		

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 13, 2023, the registrant had 14,323,764 shares of Class A common stock, \$0.0001 par value per share, and 124,253,176 shares of Class V common stock, \$0.0001 par value per share, outstanding.

Explanatory Note

As previously reported, MSP Recovery, Inc., d/b/a LifeWallet, identified errors in the accounting for the indemnification asset, various intangible assets and rights to cash flows, and consolidation of an entity in connection with our business combination. As a result of these errors, management and the audit committee of our board of directors concluded that our previously issued unaudited condensed consolidated financial statements for the periods ended June 30, 2022, and September 30, 2022, were materially misstated. Accordingly, our unaudited condensed consolidated financial statements for the foregoing periods require restatement and should no longer be relied upon. The financial information that was previously filed or otherwise reported as of and for the periods ended June 30, 2022 and September 30, 2022 was superseded by the information in our Annual Report on Form 10-K filed with the SEC on July 27, 2023 and this Quarterly Report on Form 10-Q. See Note 2, *Basis of Presentation And Summary of Significant Accounting Policies*, to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q for additional information on the restatement and the related financial information impacts.

Table of Contents

	<u>Page</u>
PART I.	
	FINANCIAL INFORMATION
Item 1.	Financial Statements (Unaudited)
	Condensed Consolidated Balance Sheets as of September 30, 2023 and December 31, 2022
	Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2023 and 2022 (as restated)
	Condensed Consolidated Statements of Changes in Equity for the three and nine months ended September 30, 2023 and 2022 (as restated)
	Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2023 and 2022 (as restated)
	Notes to Unaudited Condensed Consolidated Financial Statements
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations
Item 3.	Quantitative and Qualitative Disclosures About Market Risk
Item 4.	Controls and Procedures
PART II.	OTHER INFORMATION
Item 1.	Legal Proceedings
Item 1A.	Risk Factors
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds
Item 3.	Defaults Upon Senior Securities
Item 4.	Mine Safety Disclosures
Item 5.	Other Information
Item 6.	Exhibits
	Signatures

DEFINITIONS

Unless otherwise stated or unless the context otherwise requires, the terms “we,” “us,” “our,” the “Company,” and “LifeWallet” refer to MSP Recovery, Inc. d/b/a LifeWallet. As used in this Quarterly Report on Form 10-Q, unless otherwise noted or the context otherwise requires, the terms below are defined as follows:

“2022 Form 10-K” means the Company’s Annual Report on Form 10-K for the year ended December 31, 2022, which was filed by the Company on July 27, 2023;

“Algorithm” refers to a set of instructions that perform a particular action. Our team of data scientists and medical professionals create proprietary instruction sets, or “Algorithms,” to identify recovery opportunities within the data sets of our Assignors’ Claims. Our proprietary algorithms incorporate various data points within the data sets of our Assignors’ Claims, which may include, but are not limited to, medical coding classification systems such as diagnosis codes (e.g., ICD-8/ICD-9/ICD-10 codes), procedure codes (e.g., CPT codes), and drug codes (e.g., NDC codes); non-medical data such as demographics and date ranges; and data from public sources such as crash reports, offense incident reports, and other reports that provide details as to an occurrence. These Algorithms are then applied to our Assignors’ aggregated Claims data, filtering through the billions of lines of data from our Assignors to identify recoverable opportunities consistent with a given Algorithm’s criteria. Identified potential recoveries are then further quality reviewed by our medical team;

“Billed Amount” (a/k/a the charged amount or retail price) is the full commercial value of services billed by the provider, or the full charge that the provider would ordinarily bill for the service provided. The Billed Amount for a specific procedure code is based on the provider and may vary from location to location. Where a Billed Amount is not provided in the data received from the Assignor, the Company may use paid amount or paid adjusted values, where available, to extrapolate a Billed Amount value. Where we have to extrapolate a Billed Amount to establish damages, the calculated amount may be contested by opposing parties;

“Board of Directors” or “Board” means the board of directors of the Company;

“Business Combination” means the business combination pursuant to the MIPA, as defined herein;

“CCRA” mean Claims Cost Recovery Agreement;

“CF” means Cantor Fitzgerald, L.P., a New York based investment bank;

“Claim” means the right, title to, and/or interest in, any and all claims or potential claims, including all related reimbursement and recovery rights, which the Company has, may have had, or may have in the future assigned to it (whether or not asserted), including all rights to causes of action and remedies against any third-party, whether a primary payer or responsible party, at law or in equity. The term “Claim” includes but is not limited to: (i) claims arising under consumer protection statutes and laws; (ii) claims arising under the Medicare and Medicare Advantage secondary payer statutes, whether based in contract, tort, statutory right, or otherwise, in connection with the payment to provide healthcare services or supplies; (iii) claims arising under any state statutes and common laws irrespective of the rights that are conferred to MSP through assignment or otherwise; and (iv) all right, title, and interest to any recovery rights that may exist for any potential cause of action where a responsible party or primary payer is liable, even where it has not been established because liability is not yet proven as of the date that the Claim is identified or discovered, together with all receivables, general intangibles, payment intangibles, and other rights to payment now existing or hereafter arising and all products and proceeds of the foregoing;

“Class A Common Stock” means the Company’s Class A common stock, par value \$0.0001 per share;

“Class V Common Stock” means the Company’s Class V common stock, par value \$0.0001 per share;

“Class B Unit” means the non-voting economic Class B Units of Opco, as described in more detail in Note 3, *Business Combination*, of this Form 10-Q;

“Closing” means the closing of the Business Combination, as described in more detail in Note 3, *Business Combination*, of this Form 10-Q;

“Company” means the registrant, MSP Recovery, Inc. d/b/a LifeWallet, a Delaware corporation;

“Exchange Act” means the Securities Exchange Act of 1934, as amended;

“Existing Warrant Agreement” means the Warrant Agreement dated as of August 13, 2020, by and between the Company and Continental Stock Transfer & Trust Company;

“GAAP” means generally accepted accounting principles in the United States of America, as applied on a consistent basis;

“Hazel” means Hazel Holdings I LLC, a Delaware limited liability company, together with its affiliates;

“HPH” means Hazel Partners Holdings LLC, a Delaware limited liability company;

“HMO” means health maintenance organization;

“IPO” means the August 14, 2020 initial public offering of Lionheart Acquisition Corporation II.

“Law Firm” means La Ley con John H. Ruiz P.A. d/b/a MSP Recovery Law Firm;

“Legacy MSP” means MSP Recovery as it was organized in 2014 as a Medicaid and Medicare Secondary Pay Act recovery specialist;

“LLC Agreement” means the first amended and restated limited liability company agreement of Opco;

“MAO” means Medicare Advantage organization;

“Members’ Representative” means John H. Ruiz, solely in his capacity as the representative of the Members;

“MIPA” means the Membership Interest Purchase Agreement, dated as of July 11, 2021, as amended, and as described in more detail in Note 3, *Business Combination*, of this Form 10-Q;

“MSO” means management service organization;

“MSP Recovery” means MSP Recovery, LLC, a Florida limited liability company;

“MSP RH Series 01” means MSP Recovery Holdings Series 01, LLC, a Delaware limited liability company;

“MSP RH Series 01 Recovery Services Agreement” means the Recovery Services Agreement dated as of October 23, 2020 by and between MSP RH Series 01 and MSP Recovery;

“New Warrants” means 1,029,000,000 warrants, each exercisable to purchase 1/25 of one share, post Reverse Stock Split, of Class A Common Stock (but only exercisable in lots of 25 to purchase whole shares), which were issued as a dividend to the holders of record of Class A Common Stock as of the close of business on the date of Closing;

“Nomura” means Nomura Securities International, Inc.;

“Opco” means Lionheart II Holdings, LLC, a wholly owned subsidiary of the Company;

“OTC Equity Prepaid Forward Transaction” means an agreement between the Company and CF in which CF agreed to (a) transfer to the Company for cancellation any warrants to purchase shares received as a result of being the stockholder of record of a share as of the close of business on the closing date of the Business Combination, pursuant to the previously announced and declared LCAP dividend and (b) waive any redemption right that would require the redemption of the Subject Shares (as defined below) in exchange for a pro rata amount of the funds held in LCAP’s trust account;

“Paid Amount” (a/k/a Medicare Paid Rate or wholesale price) means the amount paid to a provider by a 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 amount 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 Assignor data. 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, as described below. This calculation accounts for an approximate 7% increase in the total Paid Amount. Where we have to extrapolate a Paid Amount to establish damages, the calculated amount may be contested by opposing parties;

“Public Units” means units comprised of one share of Class A Common Stock and one-half of one Public Warrant issued at the IPO;

“Public Warrants” means warrants included in the Public Units issued in the IPO, each exercisable to purchase 1/25 of one share, post Reverse Stock Split, of Class A Common Stock (but only exercisable in lots of 25 to purchase whole shares), in accordance with its terms, as described in more detail in Note 3, *Business Combination*, of this Form 10-Q;

“PVPRC” means the cumulative Paid Amount value of potentially recoverable Claims. We use Algorithms to comb through historical paid Claims data and search for potential recoveries. The PVPRC is a measure of the Paid Amount in respect of those potentially recoverable Claims. In the limited instances where the data received from our Assignors lacks a paid value, the adjustment formula described in the definition of Paid Amount is applied and increases PVPRC by approximately 7%. As non-compliance with Section 111 reporting requirements is commonplace, responsible reporting entities (RRE) routinely fail to report their responsibility to make primary payments; for this reason, data matching is often required to determine which reporting entity is responsible to reimburse a given potentially recoverable Claim;

“Recovery Proceeds” means, with respect to any Claim, any and all gross proceeds recovered, including compensation, interest, penalties, and fees which may be paid or payable with respect to such Claim (including any and all cash, securities, instruments or other property which may be paid or issued by defendants or third parties in litigation proceedings in satisfaction of such Claim);

“SEC” means the U.S. Securities and Exchange Commission;

“Series” means Delaware series limited liability companies, formed pursuant to the Delaware law, that are used by the Company to own and segregate assets, including CCRAs;

“Securities Act” means the Securities Act of 1933, as amended;

“Series MRCS” means Series MRCS, a series of MDA, Series LLC, a Delaware series limited liability company;

“Trust Account” means the trust account established by the Company for the benefit of its stockholders with Continental Stock Transfer & Trust Company;

“Up-C Unit” means each pair consisting of one share of Class V Common Stock and one Class B Unit, as described in more detail in Note 3, *Business Combination*, of this Form 10-Q;

“Virage” means Virage Capital Management LP, a Delaware limited partnership;

“VRM” means Virage Recovery Master LP, a Delaware limited partnership and affiliate of Virage; and

“VRM MSP” means VRM MSP Recovery Partners LLC, a Delaware limited liability company and joint investment vehicle of VRM and Series MRCS;

“Working Capital Credit Facility” means the credit agreement as described in more detail in Note 10, *Claims Financing Obligations and Notes Payable*, of this Form 10-Q.

MSP RECOVERY, INC. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)

<i>(In thousands except per share amounts)</i>	September 30, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 6,659	\$ 3,661
Restricted cash	—	11,420
Accounts receivable	706	6,195
Affiliate receivable (1)	831	2,425
Prepaid expenses and other current assets (1)	14,874	27,656
Total current assets	23,070	51,357
Property, plant and equipment, net	4,890	3,432
Intangible assets, net (2)	3,253,707	3,363,156
Right-of-use assets	368	—
Total assets	\$ 3,282,035	\$ 3,417,945
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 6,643	\$ 8,422
Affiliate payable (1)	19,822	19,822
Commission payable	829	545
Derivative liability	—	9,613
Warrant liability	662	5,311
Other current liabilities	14,588	72,002
Total current liabilities	42,544	115,715
Guaranty obligation (1)	900,455	787,945
Claims financing obligation and notes payable (1)	513,450	198,489
Lease liabilities	264	—
Loan from related parties (1)	130,709	125,759
Interest payable (1)	50,951	2,765
Total liabilities	\$ 1,638,373	\$ 1,230,673
Commitments and contingencies (Note 12)		
Class A common stock subject to possible redemption, 45,183 shares at redemption value as of December 31, 2022 (None as of September 30, 2023)	\$ —	\$ 1,807
Stockholders' Equity (Deficit):		
Class A common stock, \$0.0001 par value; 5,500,000,000 shares authorized; 13,799,230 and 2,984,212 issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	\$ 1	\$ —
Class V common stock, \$0.0001 par value; 130,000,000 shares authorized; 124,264,645 and 125,919,180 issued and outstanding as of September 30, 2023 and December 31, 2022, respectively	12	13
Additional paid-in capital	347,376	137,069
Accumulated deficit	(62,094)	(29,203)
Total Stockholders' Equity (Deficit)	285,295	107,879
Non-controlling interest	1,358,367	2,077,586
Total equity	\$ 1,643,662	\$ 2,185,465
Total liabilities and equity	\$ 3,282,035	\$ 3,417,945

(1) As of September 30, 2023 and December 31, 2022, the total affiliate receivable, affiliate payable, guaranty obligation and loan from related parties balances are with related parties. In addition, the prepaid expenses and other current assets, claims financing obligation and notes payable, and interest payable includes balances with related parties. See Note 13, *Related Party Transactions*, for further details.

(2) As of September 30, 2023 and December 31, 2022, intangible assets, net included \$2.3 billion and \$2.3 billion, respectively, related to a consolidated VIE. See Note 9, *Variable Interest Entities*, for further details.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

MSP RECOVERY, INC. and Subsidiaries
Condensed Consolidated Statements of Operations (As Restated)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	As Restated		As Restated	
<i>(In thousands except per share amounts)</i>				
Claims recovery income	\$ 440	\$ 2,759	\$ 6,479	\$ 4,225
Claims recovery service income (1)	—	5,748	498	17,795
Total Claims Recovery	\$ 440	\$ 8,507	\$ 6,977	\$ 22,020
Operating expenses				
Cost of claim recoveries (2)	574	1,198	1,972	1,906
Claims amortization expense	121,008	111,851	355,481	153,560
General and administrative (3)	6,130	6,621	20,691	17,049
Professional fees	2,466	5,904	15,611	10,973
Professional fees – legal (4)	6,871	8,014	25,889	34,251
Allowance for credit losses	—	—	5,000	—
Depreciation and amortization	85	103	182	254
Total operating expenses	137,134	133,691	424,826	217,993
Operating Loss	\$ (136,694)	\$ (125,184)	\$ (417,849)	\$ (195,973)
Interest expense (5)	(88,279)	(46,180)	(204,287)	(80,947)
Other income, net	408	63,138	8,697	63,175
Change in fair value of warrant and derivative liabilities	348	2,670	4,247	(11,683)
Net loss before provision for income taxes	\$ (224,217)	\$ (105,556)	\$ (609,192)	\$ (225,428)
Provision for income tax expense	—	—	—	—
Net loss	\$ (224,217)	\$ (105,556)	\$ (609,192)	\$ (225,428)
Less: Net loss attributable to non-controlling members	204,462	103,484	576,301	221,476
Net loss attributable to controlling members	\$ (19,755)	\$ (2,072)	\$ (32,891)	\$ (3,952)
Basic and diluted weighted average shares outstanding, Class A Common Stock	12,703,472	2,761,476	7,097,032	2,125,539
Basic and diluted net loss per share, Class A Common Stock	\$ (1.56)	\$ (0.75)	\$ (4.63)	\$ (1.86)

- (1) For the three and nine months ended September 30, 2022, claims recovery service income included \$0.0 million and \$10.6 million, respectively, of claims recovery service income from VRM MSP. There was no claims recovery service income from VRM MSP for the three and nine months ended September 30, 2023. See Note 13, *Related Party Transactions*, for further details.
- (2) For both the three and nine months ended September 30, 2023, cost of claim recoveries included \$0.3 million of related party expenses. For both the three and nine months ended September 30, 2022, cost of claim recoveries included \$0.3 million of related party expenses. This relates to contingent legal expenses earned from claims recovery income pursuant to legal service agreements with the Law Firm. See Note 13, *Related Party Transactions*, for further details.
- (3) For the three and nine months ended September 30, 2022, general and administrative expenses included \$0.2 million and \$0.4 million of related party expenses. See Note 13, *Related Party Transactions*, for further details. No such related party expenses were present for the three and nine months ended September 30, 2023.
- (4) For the three and nine months ended September 30, 2023 and 2022, Professional Fees—legal included \$4.6 million and \$13.5 million, and \$4.6 million and \$5.0 million, respectively, of related party expenses related to the Law Firm. See Note 13, *Related Party Transactions*, for further details.
- (5) For three and nine months ended September 30, 2023, interest expense included \$67.8 million and \$159.2 million, respectively, related to interest expense due to VRM. For the three and nine months ended September 30, 2022, interest expense included \$33.1 million and \$46.5 million, respectively, related to interest expense due to VRM. See Note 13, *Related Party Transactions*, for further details.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

MSP RECOVERY, INC. and Subsidiaries
Condensed Consolidated Statements of Changes in Equity (As Restated)
(Unaudited)

Three Months Ended September 30, 2023

	Class A Common Stock		Class V Stock		Additional Paid-in Capital	Accumulated Deficit	Non-Controlling Interests	Total Equity
	Shares	Amount	Shares	Amount				
<i>(In thousands except shares)</i>								
Balance at June 30, 2023	5,289,434	\$ —	124,264,645	\$ 12	\$ 176,643	\$ (42,339)	\$ 1,669,169	\$ 1,803,485
Conversion of Warrants	125	—	—	—	2	—	1	3
Class A Issuances	8,509,671	1	—	—	170,731	—	(106,341)	64,391
Net loss	—	—	—	—	—	(19,755)	(204,462)	(224,217)
Balance at September 30, 2023	<u>13,799,230</u>	<u>\$ 1</u>	<u>124,264,645</u>	<u>\$ 12</u>	<u>\$ 347,376</u>	<u>\$ (62,094)</u>	<u>\$ 1,358,367</u>	<u>\$ 1,643,662</u>

Three Months Ended September 30, 2022 (As Restated)

	Class A Common Stock		Class V Stock		Additional Paid-in Capital	Member's Deficit	Accumulated Deficit	Non-Controlling Interests	Total Equity
	Shares	Amount	Shares	Amount					
<i>(In thousands)</i>									
Balance at June 30, 2022	2,642,042	\$ —	126,178,932	\$ 13	(As Restated) \$ 127,099	\$ —	(As Restated) \$ (23,666)	(As Restated) \$ 2,360,520	(As Restated) \$ 2,463,966
Contributions prior to recapitalization transaction	—	—	—	—	—	—	—	—	—
Distributions prior to recapitalization transaction	—	—	—	—	—	—	—	—	—
Net loss prior to recapitalization transaction	—	—	—	—	—	—	—	—	—
Cumulative effect of recapitalization transaction	—	—	—	—	—	—	—	—	—
Opening net assets of Lionheart II Holdings, LLC acquired	—	—	—	—	—	—	—	—	—
Adjustment for value of derivative on temporary equity	—	—	—	—	1,062	—	—	—	1,062
Conversion of Warrants	28,247	—	—	—	1,805	—	—	(1,157)	648
Class A Issuances	246,096	—	(230,123)	—	5,310	—	—	(10,272)	(4,962)
Net loss	—	—	—	—	—	—	(2,072)	(97,273)	(99,345)
Balance at September 30, 2022	<u>2,916,385</u>	<u>\$ —</u>	<u>125,948,809</u>	<u>\$ 13</u>	<u>\$ 135,276</u>	<u>\$ —</u>	<u>\$ (25,738)</u>	<u>\$ 2,251,818</u>	<u>\$ 2,361,369</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

MSP RECOVERY, INC. and Subsidiaries
Condensed Consolidated Statements of Changes in Equity (As Restated)
(Unaudited)

Nine Months Ended September 30, 2023

	Class A Common Stock		Class V Stock		Additional Paid-in Capital	Accumulated Deficit	Non-Controlling Interests	Total Equity
	Shares	Amount	Shares	Amount				
<i>(In thousands except shares)</i>								
Balance at December 31, 2022	2,984,212	\$ —	125,919,180	\$ 13	\$ 137,069	\$ (29,203)	\$ 2,077,586	\$ 2,185,465
Conversion of Warrants	9,523	—	—	—	388	—	(169)	219
Class A Issuances	10,805,495	1	(1,654,535)	(1)	209,919	—	(142,749)	67,170
Net loss	—	—	—	—	—	(32,891)	(576,301)	(609,192)
Balance at September 30, 2023	13,799,230	\$ 1	124,264,645	\$ 12	\$ 347,376	\$ (62,094)	\$ 1,358,367	\$ 1,643,662

Nine Months Ended September 30, 2022 (As Restated)

	Class A Common Stock		Class V Stock		Additional Paid-in Capital (As Restated)	Member's Deficit	Accumulated Deficit (As Restated)	Non-Controlling Interests (As Restated)	Total Equity (As Restated)
	Shares	Amount	Shares	Amount					
<i>(In thousands)</i>									
Balance at December 31, 2021	—	\$ —	—	\$ —	\$ —	(155,756)	\$ —	\$ 4,348	\$ (151,408)
Contributions prior to recapitalization transaction	—	—	—	—	—	15	—	—	15
Distributions prior to recapitalization transaction	—	—	—	—	—	(147)	—	—	(147)
Net loss prior to recapitalization transaction	—	—	—	—	—	(28,640)	—	—	(28,640)
Cumulative effect of recapitalization transaction	303,307	—	126,178,932	13	41,579	184,528	—	2,490,751	2,716,871
Opening net assets of Lionheart II Holdings, LLC acquired	—	—	—	—	—	—	(21,786)	—	(21,786)
Adjustment for value of derivative on temporary equity	—	—	—	—	10,065	—	—	—	10,065
Conversion of Warrants	316,328	—	—	—	15,641	—	—	(13,444)	2,197
Class A Issuances	2,296,750	—	(230,123)	—	67,991	—	—	(96,144)	(28,153)
Net loss	—	—	—	—	—	—	(3,952)	(133,693)	(137,645)
Balance at September 30, 2022	2,916,385	\$ —	125,948,809	\$ 13	\$ 135,276	\$ —	\$ (25,738)	\$ 2,251,818	\$ 2,361,369

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

MSP RECOVERY, INC. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (As Restated)
(Unaudited)

	Nine months ended September 30,	
	2023	2022
	(As Restated)	
Cash flows from operating activities:		
Net loss (1)	\$ (609,192)	\$ (225,428)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	182	254
Claims amortization expense	355,481	153,560
Paid in kind interest (1)	204,263	80,947
Change in fair value of derivatives	158	10,065
Change in fair value of warrant liability	(4,406)	1,619
Mark to Market Gain on liability payable in stock	(3,937)	—
Share based compensation	1,875	20,055
Non-cash lease expense	1	—
Deferred income taxes	—	(531)
Allowance for credit losses	5,000	—
Gain on debt extinguishment	—	(63,367)
Gain on sale of intangibles	(4,599)	—
Change in operating assets and liabilities:		
Accounts receivable	53	(7,664)
Affiliate receivable (1)	1,594	2,296
Affiliate payable (1)	—	(25,430)
Prepaid expenses and other assets (1)	13,032	(32,609)
Commission payable	284	75
Accounts payable and other current liabilities	8,678	15,394
Net cash used in operating activities	(31,533)	(70,764)
Cash flows from investing activities:		
Additions to property, plant, and equipment	(1,641)	(1,863)
Purchases of intangible assets	(600)	(2,700)
Proceeds from sale of intangible assets	10,000	—
Net cash provided by (used in) investing activities	7,759	(4,563)
Cash flows from financing activities:		
Proceeds from debt financing	25,000	—
Deferred financing costs	(250)	—
Debt issuance costs	(683)	—
Proceeds from related party loan (1)	4,950	125,759
Release of temporary equity	(11,420)	—
Repayment of the Claims financing obligation	(2,488)	—
Proceeds from Business Combination	—	12,009
Transaction costs incurred for the Business Combination	—	(49,638)
Issuance of common stock	—	8,804
Issuance of temporary equity	—	2,417
Warrant conversions	243	—
Net cash provided by financing activities	15,352	99,351
(Decrease) increase in cash and cash equivalents and restricted cash	(8,422)	24,024
Cash and cash equivalents and restricted cash at beginning of year	15,081	1,664
Cash and cash equivalents and restricted cash at end of period	\$ 6,659	\$ 25,688
Supplemental disclosure of non-cash investing and financing activities:		
Sale of intangible assets	\$ 30,987	\$ —
Purchase of intangible asset financed by note payable	250,000	—
Release of temporary equity	1,807	—
Original issue discount	16,667	—
Purchase of intangible asset through issuance of Class A common stock	—	10,000
Purchase of intangible asset in accrued expenses	—	48,167
Payment of professional fees through issuance of Class A common stock	2,049	1,326
Transaction costs incurred included in accounts payable and accrued liabilities	—	29,692
Non-cash lease liabilities arising from obtaining right-of-use assets	426	—
Payment of Cano Health payment in shares	61,690	—

(1) Balances include related party transactions. See Note 13, *Related Party Transactions*, for further details.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1. DESCRIPTION OF BUSINESS

On May 23, 2022 (the “Closing Date”), MSP Recovery, Inc. d/b/a LifeWallet, a Delaware corporation (formerly known as Lionheart Acquisition Corporation II (“LCAP”)) consummated the previously announced business combination pursuant to that certain Membership Interest Purchase Agreement, dated as of July 11, 2021, as amended (the “MIPA”), by and among the Company, Lionheart II Holdings, LLC, a wholly owned subsidiary of the Company, MSP Recovery, LLC and combined and consolidated subsidiaries (“Legacy MSP”), the members of Legacy MSP (the “Members”), and John H. Ruiz, in his capacity as the representative of the Members (the “Members’ Representative”). Pursuant to the MIPA, the Members sold and assigned all of their membership interests in Legacy MSP to the Company in exchange for non-economic voting shares of Class V common stock, par value \$0.0001, of the Company (“Class V Common Stock”) and non-voting economic Class B Units of Opco (“Class B Units,” and each pair consisting of one share of Class V Common Stock and one Class B Unit, an “Up-C Unit”) (such transaction, the “Business Combination”). The Up-C Units are convertible into Class A Common Stock of the Company at the discretion of the holder of the Up-C Unit. See Note 3, *Business Combination*, for details. Subsequent to the Closing Date, the Company’s sole asset is its equity interest in MSP Recovery, LLC. The Company is the managing member and therefore consolidates Legacy MSP.

Legacy MSP was organized in 2014 as a Medicaid and Medicare Secondary Payer Act recovery specialist. The Company utilizes its proprietary internal data analytics platform to review health Claims assigned by secondary payers such as health plans, MSOs, providers of medical services, and independent physicians associations. This platform allows the Company to identify Claims cost recovery rights with potential recovery paths where Claims either should not have been paid by the secondary payers or should have been reimbursed by third-party entities.

MSP Recovery is assigned recovery rights to Claims by secondary payers via CCRAAs. Prior to executing a CCRA, MSP Recovery utilizes its proprietary internal data analytics platform to review the set of Claims of a prospective assignor to identify Claims with probable recovery paths. MSP Recovery’s assets are these irrevocable broad assignments of health Claims recovery rights that are supported by federal and state laws and regulations. MSP Recovery’s operations are primarily conducted in the U.S. and Puerto Rico.

2023 Reverse Stock Split

Effective at 11:59 PM EDT on October 12, 2023, the Company amended its Second Amended and Restated Certificate of Incorporation filed with the Secretary of State of the State of Delaware to effect a 1-for-25 reverse stock split of the Company’s common stock (the “Reverse Split”). The Company’s Class A Common Stock began trading post split on October 13, 2023 under the same symbol, LIFW. As a result of the Reverse Split, every 25 shares of the Company’s old common stock were converted into one share of the Company’s new common stock. Fractional shares resulting from the Reverse Split were rounded up to the nearest whole number. The Reverse Split automatically and proportionately adjusted, based on the 1-for-25 split ratio, all issued and outstanding shares of the Company’s common stock, as well as the terms of warrants and other derivative securities outstanding at the time of the effectiveness of the Reverse Split. Proportionate adjustments were made to the per share exercise price and the number of shares issuable upon the exercise of all outstanding stock options and warrants to purchase shares of common stock. Share and per share data (except par value) for the periods presented reflect the effects of the Reverse Split. References to numbers of shares of common stock and per share data in the accompanying financial statements and notes thereto for periods ended prior to October 13, 2023 have been adjusted to reflect the Reverse Split on a retroactive basis. Unless otherwise noted, the share and per share information in this Quarterly Report have been adjusted to give effect to the one-for-twenty-five (1-for-25) Reverse Split.

LifeWallet

As of September 30, 2023, the Company’s investment related to LifeWallet included in the condensed consolidated statement of operations was limited to activity and expenses incurred during the nine months ended September 30, 2023, which amounted to \$3.7 million.

Committed Equity Facility

On May 17, 2022, the Company entered into a Company Common Stock Purchase Agreement (the “CF Agreement”) with an affiliate of Cantor Fitzgerald (“CF”). Pursuant to the CF Agreement, after the closing of the Business Combination, the Company will have the right to sell to CF, from time to time at its option, up to \$1 billion in Class A Common Stock shares, subject to the terms, conditions and limitations set forth in the CF Agreement.

On January 6, 2023, the Company entered into a Company Common Stock Purchase Agreement (the “Yorkville Purchase Agreement”) with YA II PN, Ltd., a Cayman Island exempted company (“Yorkville”), which replaced the CF Agreement noted above. Pursuant to the Yorkville Purchase Agreement, the Company has the right to sell to Yorkville from time to time at its option up to \$1 billion in shares of the Company’s Class A Common Stock, subject to the terms, conditions and limitations set forth in the Yorkville Purchase Agreement.

In connection with the Yorkville Purchase Agreement, the CF Agreement has been terminated.

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Subsequent to September 30, 2023, the Company entered into the Standby Equity Purchase Agreement (“Yorkville SEPA”) with Yorkville, which replaced the Yorkville Purchase Agreement described above. Pursuant to the Yorkville SEPA, the Company has the right to sell to Yorkville up to \$250 million of its shares of common stock, subject to certain limitations and conditions set forth in the Yorkville SEPA, from time to time during the term of the Yorkville SEPA. Sales of the shares of common stock to Yorkville under the Yorkville SEPA, and the timing of any such sales, are at the Company’s option, and the Company is under no obligation to sell any shares of common stock to Yorkville under the Yorkville SEPA except in connection with notices that may be submitted by Yorkville, in certain circumstances as described below.

Upon the satisfaction of the conditions to Yorkville’s purchase obligation set forth in the Yorkville SEPA, including having a registration statement registering the resale of the shares of common stock issuable under the Yorkville SEPA declared effective by the SEC, the Company will have the right, but not the obligation, from time to time at its discretion until the Yorkville SEPA is terminated to direct Yorkville to purchase a specified number of shares of common stock (“Advance”) by delivering written notice to Yorkville (“Advance Notice”). While there is no mandatory minimum amount for any Advance, it may not exceed an amount equal to 100% of the average of the daily traded amount during the five consecutive trading days immediately preceding an Advance Notice.

The shares of common stock purchased pursuant to an Advance delivered by the Company will be purchased at a price equal to (i) 98% of the VWAP of the shares of common stock on the applicable date of delivery of the Advance Notice during regular trading hours on such date or (ii) 97% of the lowest daily VWAP of the shares of common stock during the three consecutive trading days commencing on the date of the delivery of the Advance Notice, other than the daily VWAP on a day in which the daily VWAP is less than a minimum acceptable price as stated by the Company in the Advance Notice or there is no VWAP on the subject trading day. The Company may establish a minimum acceptable price in each Advance Notice below which the Company will not be obligated to make any sales to Yorkville. “VWAP” is defined as the daily volume weighted average price of the shares of common stock for such trading day on the Nasdaq Stock Market during regular trading hours as reported by Bloomberg L.P.

In connection with the Yorkville SEPA, and subject to the condition set forth therein, Yorkville has agreed to advance to the Company in the form of convertible promissory notes (the “Convertible Notes”) an aggregate principal amount of \$15.0 million (the “Pre-Paid Advance”). The Pre-Paid Advance was disbursed on November 14, 2023 with respect to \$5.0 million and the remaining balance of the Pre-Paid Advance will be disbursed in the amount of (i) \$5.0 million on the second trading day after the first amendment to the registration statement registering the resale of the shares of common stock issuable under the Yorkville SEPA being filed and (ii) \$5.0 million upon the registration statement registering the resale of the shares of common stock issuable under the Yorkville SEPA being declared effective. The purchase price for the Pre-Paid Advance is 95.0% of the principal amount of the Pre-Paid Advance. If required pursuant to the amended and restated promissory note issued by the Company to Nomura, Yorkville shall pay the aggregate purchase price for the shares of common stock will be offset against an amount outstanding under a promissory note (first towards accrued and unpaid interest, if any, then towards principal equal to 50% of such aggregate purchase price and payment of the remaining 50% of such aggregate purchase price to the Company). Interest shall accrue on the outstanding balance of any Pre-Paid Advance at an annual rate equal to 5.0%, subject to an increase to 18% upon an event of default as described in the Convertible Notes. Yorkville may convert the Convertible Notes into shares of the Company’s common stock at a conversion price equal to the lower of 120% of VWAP the day prior to the date of the closing of each tranche (the “Fixed Price”) or 95% of the lowest daily VWAP during the five consecutive trading days immediately preceding the conversion (the “Conversion Price”), which in no event may the Conversion Price be lower than 20% of the closing price the trading day immediately prior to the signing of the definitive documents (the “Floor Price”). In addition, upon the occurrence and during the continuation of an event of default, the Convertible Notes shall become immediately due and payable and the Company shall pay to Yorkville the principal and interest due thereunder. In no event shall Yorkville be allowed to effect a conversion if such conversion, along with all other shares of common stock beneficially owned by Yorkville and its affiliates would exceed 9.99% of the outstanding shares of the common stock of the Company. If any time on or after November 14, 2023 (i) the daily VWAP is less than the Floor Price for ten consecutive trading days (“Floor Price Trigger”), (ii) the Company has issued substantially all of the shares available under the Exchange Cap (as defined below) (“Exchange Cap Trigger”) or (iii) the Parent is in material breach of the Registration Rights Agreement, dated as of the date hereof, by and between Yorkville and the Company (the “Registration Rights Agreement”) and such breach remains uncured for a period of twenty trading days, or the occurrence of an “Event” (as defined in the Registration Rights Agreement) (“Registration Event Trigger” and collectively with the Floor Price Trigger and the Exchange Cap Trigger, the “Trigger”), then the Company shall make monthly payments to Yorkville beginning on the seventh trading day after the Trigger and continuing monthly in the amount of \$1,500,000 plus an 5.0% premium and accrued and unpaid interest. The Exchange Cap Trigger will not apply in the event the Company has obtained the approval from its stockholders in accordance with the rules of Nasdaq Stock Market for the issuance of shares of common stock pursuant to the transactions contemplated in the Convertible Note and the Yorkville SEPA in excess of 19.99% of the aggregate number of shares of common stock issued and outstanding as of the effective date of the Yorkville SEPA (the “Exchange Cap”).

Yorkville, in its sole discretion and providing that there is a balance remaining outstanding under the Convertible Notes, may deliver a notice under the Yorkville SEPA requiring the issuance and sale of shares of common stock to Yorkville at the Conversion Price in consideration of an offset of the Convertible Notes (“Yorkville Advance”). Yorkville, in its sole discretion, may select the amount of any Yorkville Advance, provided that the number of shares issued does not cause Yorkville to exceed the 9.99% ownership

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

limitation, does not exceed the Exchange Cap or the amount of shares of common stock that are registered. As a result of a Yorkville Advance, the amounts payable under the Convertible Notes will be offset by such amount subject to each Yorkville Advance.

The Company will control the timing and amount of any sales of shares of common stock to Yorkville, except with respect to Yorkville Advances. Actual sales of shares of common stock to Yorkville as an Advance under the Yorkville SEPA will depend on a variety of factors to be determined by the Company from time to time, which may include, among other things, market conditions, the trading price of the Company's common stock and determinations by the Company as to the appropriate sources of funding for our business and operations.

The Yorkville SEPA will automatically terminate on the earliest to occur of (i) the first day of the month following the 36-month anniversary of the date of the Yorkville SEPA or (ii) the date on which Yorkville shall have made payment of Advances pursuant to the Yorkville SEPA for shares of common stock equal to \$250,000,000. The Company has the right to terminate the Yorkville SEPA at no cost or penalty upon five (5) trading days' prior written notice to Yorkville, provided that there are no outstanding Advance Notices for which shares of common stock need to be issued and the Company has paid all amounts owed to Yorkville pursuant to the Convertible Notes. The Company and Yorkville may also agree to terminate the Yorkville SEPA by mutual written consent. Neither the Company nor Yorkville may assign or transfer the Company's respective rights and obligations under the Yorkville SEPA, and no provision of the Yorkville SEPA may be modified or waived by the Company or Yorkville other than by an instrument in writing signed by both parties.

The Yorkville SEPA contains customary representations, warranties, conditions and indemnification obligations of the parties. The representations, warranties and covenants contained in such agreements were made only for purposes of such agreements and as of specific dates, were solely for the benefit of the parties to such agreements and may be subject to limitations agreed upon by the contracting parties.

The net proceeds under the Yorkville SEPA to the Company will depend on the frequency and prices at which the Company sells its shares of common stock to Yorkville. The Company expects that any proceeds received from such sales to Yorkville will be used for working capital and general corporate purposes.

Cano Health

On July 7, 2023, the Company issued 7,960,001 unregistered shares of Class A Common Stock (after giving effect to the Reverse Split) to Cano Health, LLC ("Cano") as payment for \$61.7 million in deferred compensation related to the following agreements, which the Company had the option to pay in cash or in stock and has elected to pay in stock, of which (i) 3,225,807 shares of Common Stock were issued as a deferred consideration for the assignment of certain claims pursuant to that certain Purchase Agreement, effective as of September 30, 2022, as amended to date, by and between MSP Recovery and Cano, and (ii) 4,734,194 shares of Common Stock were issued as deferred consideration for the assignment of certain claims pursuant to that certain Amended and Restated Claims Recovery and Assignment Agreement effective as of December 31, 2021, as amended to date, by and between MSP Recovery and Cano. See summary in "Cano Health" in Note 12, *Commitments and Contingencies*.

Liquidity

As an early-stage growth company, the Company has incurred substantial net losses since inception. As of September 30, 2023, the Company had unrestricted cash and cash equivalents totaling \$6.7 million. The Company has incurred recurring losses and negative cash flows since inception and has an accumulated deficit of \$62.1 million as of September 30, 2023. For the nine months ended September 30, 2023, the Company used approximately \$31.5 million of cash in operations. The Company's liquidity will depend on the ability to generate substantial Claims recovery income and Claims recovery services income in the near future, the timing of which is uncertain, as well as its ability to secure funding from capital sources. The Company's principal liquidity needs have been capital expenditures, working capital, debt service and Claims financing obligations.

The Company anticipates sources of liquidity to include the Working Capital Credit Facility as disclosed in Note 10, *Claims Financing Obligations and Notes Payable*. The Company anticipates having funding through the Working Capital Credit Facility and has taken several actions to address liquidity concerns, including:

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. On March 29, 2023, the Company's subsidiary, Subrogation Holdings, LLC and its parent, MSP Recovery LLP, entered into the Working Capital Credit Facility consisting of commitments to fund up to \$48 million in proceeds. See summary in "*Hazel Transactions*" in Note 10, *Claims Financing Obligations and Notes Payable*.
2. On November 13, 2023, the Company entered into the MTA Amendment No. 2 and Amendment to the Amended and Restated Security Agreement ("Second Virage MTA Amendment"), which extended the due date for the payment obligations to Virage to December 31, 2024. See summary in Note 4, *Asset Acquisitions*. This payment obligation will become a current liability after December 31, 2023, and the Company does not currently have available liquidity to satisfy such obligations.
3. On November 13, 2023, the Company entered into the Amended and Restated Nomura Promissory Note, which extended the due date to December 31, 2024. See summary in Note 10, *Claims Financing Obligations and Notes Payable*. Amended and Restated Nomura Promissory Note will become a current liability after December 31, 2023, and the Company does not currently have available liquidity to satisfy said obligation.
4. On November 14, 2023, the Company entered into the Yorkville SEPA, which included a pre-advancement in the amount of up to \$15.0 million in connection with the purchase of the Company's common stock. See summary above in "*Committed Equity Facility*" within Note 1, *Description of the Business*.
5. Given the uncertainty with regard to the timing and amount of claims recovery income, management implemented a reduction of operating costs in 2023 through the reduction or elimination of certain controllable expenses particularly within the budgeted costs to expand and develop new solutions through LifeWallet platform, advertising expenses and non-contingent legal fees.

The Company has concluded that such actions alleviate the substantial doubt about the Company's ability to continue as a going concern beyond one year from the date these financial statements are issued.

Notice of Non-Compliance with Nasdaq Listing Requirements

On April 24, 2023, the Company was notified by Nasdaq Listing Qualifications staff (the "Staff") that the Company was non-compliant with Nasdaq Listing Rule 5250(c)(1) as a result of not having timely filed its 2022 Form 10-K. The Company was also deemed non-compliant with Nasdaq's Bid Price Requirement as the closing bid price for the Company's Class A Common Stock had fallen below \$1.00 per share for 30 consecutive business days (March 13, 2023 through April 23, 2023). Pursuant to Nasdaq Marketplace Rule 5810(c)(3)(A), the Company was provided with a compliance cure period of 180 calendar days, or until October 23, 2023, to regain compliance with the Bid Price Requirement. On July 27, 2023, the Company filed its 2022 Form 10-K.

On May 24, 2023, the Company was notified by Nasdaq that it was not in compliance with the requirements of Nasdaq Listing Rule 5250(c) as a result of not having timely filed its Form 10-Q for the period ended March 31, 2023 with the SEC. On August 7, 2023, Nasdaq granted the Company an extension until August 30, 2023 to file its Quarterly Reports on Form 10-Q for the quarters ending March 31, 2023 and June 30, 2023. On August 16, 2023, the Company was notified by Nasdaq that it was not in compliance with the requirement of Nasdaq Listing Rule 5250(c)(1) as a result of not having timely filed its Form 10-Q for the period ended June 30, 2023 with the SEC. On August 17, 2023, the Company filed its Quarterly Report on Form 10-Q for the period ending March 31, 2023. The Company has regained compliance with such rule as a result of the filing of the Quarterly Report on Form 10-Q for the period ended June 30, 2023 on August 30, 2023. On August 31, 2023, the Company was notified by Nasdaq that it regained compliance with Nasdaq Listing Rule 5250(c)(1) after having filed its 2022 Form 10-K, and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023 and June 30, 2023.

On September 5, 2023, the Company received a determination from the Staff that the Company's Class A Common Stock had a closing bid price of \$0.10 or less for 10 consecutive trading days during a compliance period and so, pursuant to Listing Rule 5810(3)(A)(iii), the Staff determined to delist the Company's securities from The Nasdaq Capital Market (the "Delisting Determination"). Pursuant to the procedures set out in the Nasdaq Listing Rules, the Company appealed the Delisting Determination to a hearing panel (the "Hearing"), which suspended the Delisting Determination until the Hearing, which was scheduled for November 2, 2023. The Company effected the Reverse Stock Split on October 13, 2023, which caused the price of its Class A Common Stock to trade at a level sufficient to regain compliance with Listing Rule 5810(3)(A)(iii), and Listing Rule 5450(a)(1). On October 27, 2023, the Company was notified by the Staff that it had regained compliance with all applicable listing standards, the Hearing was canceled, and that the Company's stock will continue to be listed and traded on the Nasdaq Stock Market.

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 2. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Basis of Presentation and Principles of Consolidation***Basis of presentation*

These statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) and, in accordance with those rules and regulations, do not include all information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). In the opinion of management, the unaudited condensed consolidated interim financial statements (the “Financial Statements”) reflect all adjustments, which consist only of normal recurring adjustments, necessary to state fairly the results of operations, financial condition and cash flows for the interim periods presented herein. Prior to the Business Combination, the Financial Statements reflect Legacy MSP.

These Financial Statements should be read in conjunction with the consolidated financial statements and notes thereto included in the 2022 Form 10-K. The year-end condensed consolidated balance sheet data was derived from the audited financial statements but does not include all disclosures required by GAAP. The results of operations for any interim period are not necessarily indicative of the results of operations to be expected for the full year.

All intercompany transactions and balances are eliminated from the Financial Statements.

Principles of consolidation

The Company consolidates all entities that it controls through a majority voting interest or otherwise and the accompanying Financial Statements include the accounts of the Company’s wholly owned subsidiaries and these entities for which the Company has a controlling interest in. The Company also consolidates all entities that it controls as the primary beneficiary of a variable interest entity (“VIE”). Under the VIE model, management first assesses whether the Company has a variable interest in an entity, which would include an equity interest. If the Company has a variable interest in an entity, management further assesses whether that entity is a VIE, and if so, whether the Company is the primary beneficiary under the VIE model. Generally, entities that are organized similar to a limited partnership, in which a general partner (or managing member) make the most relevant decisions that affect the entity’s economic performance, are considered to be VIEs which would require consolidation, unless the limited partners have substantive kickout or participating rights. Entities that do not qualify as VIEs are assessed for consolidation under the voting interest model.

Under the VIE model, an entity is deemed to be the primary beneficiary of a VIE if it holds a controlling financial interest. A controlling financial interest is defined as (a) the power to direct the activities of a VIE that most significantly affect the entity’s economic performance and (b) the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. Management determines whether the Company is the primary beneficiary of a VIE at the time it becomes involved with a VIE and reconsiders that conclusion at each reporting date. This analysis includes an evaluation of the Company’s control rights, as well as the economic interests that the Company holds in the VIE, including indirectly through related parties. As a result of the Business Combination, the Company consolidates MSP Recovery under the VIE model.

Correction of Previously Reported Interim Condensed Consolidated Quarterly Financial Statement

The interim condensed consolidated financial statements include corrections to the three and nine months ended September 30, 2022, respectively, which were presented in Note 18 to the audited consolidated financial statements and notes thereto for the fiscal year ended December 31, 2022, in the Company’s fiscal year 2022 Form 10-K filed on July 27, 2023. This restatement corrected errors in the accounting for the indemnification asset, various intangible assets and rights to cash flows, and consolidation of an entity in connection with our business combination.

Description of Restatement of Financial Information

Subsequent to the issuance of the interim financial information as of and for the periods ended June 30, 2022 and September 30, 2022, management identified material errors in such financial information. As disclosed within Note 4, *Asset Acquisitions*, the Company acquired various intangible assets in connection with the Business Combination. The Company identified an error in the accounting for these acquisitions, in that the Class A market price as of the Closing Date utilized in the valuation included the value of the New Warrants, whereas the Up-C Units provided in the acquisition did not have rights to New Warrants. Therefore, the Class A market price did not equate to the value of the Up-C Units until the opening of the day after the Closing Date when the New Warrants became detached from the Class A shares. This error impacts the intangible assets value that were acquired as of the Closing Date and the resulting amortization of those assets.

In addition, the Company also determined, based on analysis of the rights to cash flows from the Series and the related guaranty obligation, that the Company is the primary beneficiary of the Series, and therefore should consolidate as of the transaction date. This error impacts the intangible assets and indemnification asset value that was acquired as the balance is now reflected in Intangible Assets, net and is therefore amortized rather than recorded as a financial asset; as a result of this change, the indemnification asset is no longer recorded and the Virage Guaranty is accreted through interest expense. The Company’s financial statements should also include the activity of the Series from the date of acquisition as it is now consolidated.

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

As a result of these errors, the Company determined that the valuation of the asset acquisitions and impacts of consolidating the Series were misstated in the Company's financial statements for the periods ending June 30 and September 30, 2022. In the following tables, the Company has presented a reconciliation of its unaudited condensed consolidated financial information as originally reported, to the as restated amounts as of and for the three and nine months ended September 30, 2022.

The table below sets forth the unaudited condensed consolidated balance sheet information, including the balances as reported, adjustments and the balances as restated. Note that only amounts that have changed have been disclosed:

	For the reporting period September 30, 2022		
	As previously reported	Restatement Adjustments	As Restated
<i>(In thousands except per share amounts)</i>			
ASSETS			
Current assets:			
Accounts receivable	\$ 7,525	\$ 138	\$ 7,663
Indemnification asset	752,510	(752,510)	—
Total current assets	820,157	(752,372)	67,785
Deferred tax asset	857	(857)	—
Intangible assets, net	2,077,571	1,395,955	3,473,526
Investment in rights to claim recovery cash flows	3,673,610	(3,673,610)	—
Total assets	\$ 6,574,675	\$ (3,030,884)	\$ 3,543,791
Stockholders' Equity (Deficit):			
Additional paid-in capital	\$ 201,965	\$ (66,689)	\$ 135,276
Accumulated deficit	(23,537)	(2,201)	(25,738)
Total Stockholders' Equity (Deficit)	\$ 178,441	\$ (68,890)	\$ 109,551
Non-controlling interest	5,213,812	(2,961,994)	2,251,818
Total equity	\$ 5,392,253	\$ (3,030,884)	\$ 2,361,369
Total liabilities and equity	\$ 6,574,675	\$ (3,030,884)	\$ 3,543,791

The table below sets forth the unaudited condensed consolidated statements of operations, including the balances as reported, adjustments and the as restated balances. Note that only amounts that have changed have been disclosed:

	For the three months ended September 30, 2022			For the nine months ended September 30, 2022		
	As Reported	Restate ment Adjus tments	As Restated	As Reported	Restatement Adjustments	As Restated
<i>(In thousands except per share amounts)</i>						
Claims recovery income	\$ 2,571	188	\$ 2,759	\$ 3,999	\$ 226	\$ 4,225
Total Claims Recovery	\$ 8,319	\$ 188	\$ 8,507	\$ 21,794	\$ 226	\$ 22,020
Operating expenses						
Cost of claim recoveries	1,160	38	1,198	1,861	45	1,906
Claims amortization expense	66,331	45,520	111,851	92,866	60,694	153,560
Professional fees	5,875	29	5,904	10,931	42	10,973
Total operating expenses	88,104	45,587	133,691	157,212	60,781	217,993
Operating Loss	\$ (79,785)	\$ (45,399)	\$ (125,184)	\$ (8)	\$ (60,555)	\$ (3)
Interest expense	(13,083)	(33,097)	(46,180)	(34,475)	(46,472)	(80,947)
Net loss before provision for income taxes	(27,060)	(78,496)	(105,556)	(118,40)	(107,027)	(225,42)
Provision for income tax benefit (expense)	-	-	-	326	(326)	-
Net loss	(27,060)	(78,496)	(105,556)	(118,07)	(107,353)	(225,42)
Less: Net (income) loss attributable to non-controlling members	26,597	76,887	103,484	116,324	105,152	221,476
Net loss attributable to controlling members	\$ (463)	\$ (1,609)	\$ (2,072)	\$ (1,751)	\$ (2,201)	\$ (3,952)
Basic and diluted weighted average shares outstanding, Class A Common Stock	2,761,476	N/A	2,761,476	2,125,539	N/A	2,125,539
Basic and diluted net income per share, Class A Common Stock	\$ (0.17)	N/A	\$ (0.75)	\$ (0.82)	N/A	\$ (1.86)

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

The table below sets forth the unaudited condensed consolidated statements of cash flows, including balances as reported, adjustments and balances as restated amounts. Note that only amounts that have changed have been disclosed:

(In thousands)	For the nine months ended September 30, 2022		
	As Previously Reported	Restatement Adjustments	As Restated
Cash flows from operating activities:			
Net loss	\$ (118,075)	\$ (107,353)	\$ (225,428)
Claims amortization expense	92,866	60,694	153,560
Paid in kind interest	34,475	46,472	80,947
Deferred income taxes	(857)	326	(531)
Accounts receivable	(7,525)	(139)	(7,664)
Net cash used in operating activities	\$ (70,764)	\$ —	\$ (70,764)
Net cash used in investing activities	\$ (4,563)	\$ —	\$ (4,563)
Net cash provided by financing activities	\$ 99,351	\$ —	\$ 99,351

The table below sets forth the unaudited condensed consolidated statements of changes in equity, including balances as reported, adjustments and balances as restated amounts. Note that only amounts that have changed have been disclosed:

(In thousands except shares)	For the reporting period September 30, 2022											
	As Previously Reported				Restatement Adjustments				As Restated			
	Additio nal Paid-in Capital	Accumu lated Deficit	Non- Control ling Interest s	Total Equity	Additio nal Paid-in Capital	Accumu lated Deficit	Non- Control ling Interest s	Total Equity	Additiona l Paid-in Capital	Accumu lated Deficit	Non- Control ling Interest s	Total Equity
Balance at December 31, 2021	\$ —	\$ —	\$ 4,348	\$ (151,408)					\$ —	\$ —	\$ 4,348	\$ (151,408)
Contributions prior to recapitalization transaction	—	—	—	15				—	—	—	15	
Distributions prior to recapitalization transaction	—	—	—	(147)				—	—	—	(147)	
Net loss prior to recapitalization transaction	—	—	—	(28,640)				—	—	—	(28,640)	
Cumulative effect of recapitalization transaction	49,075	—	5,406,736	5,640,352	(7,496)	(2,915,985)	(2,923,481)	41,579	—	2,490,751	2,716,871	
Opening net assets of Lionheart II Holdings, LLC acquired	—	(21,786)	—	(21,786)				—	(21,786)	—	(21,786)	
Adjustment for value of derivative on temporary equity	10,065	—	—	10,065				10,065	—	—	10,065	
Conversion of Warrants	22,896	—	(13,444)	9,452	(7,255)		(7,255)	15,641	—	(13,444)	2,197	
Class A Issuances	119,929	—	(96,144)	23,785	(51,938)		(51,938)	67,991	—	(96,144)	(28,153)	
Net loss	—	(1,751)	(87,684)	(89,435)	(2,201)	(46,009)	(48,210)	—	(3,952)	(133,693)	(137,645)	
Balance at September 30, 2022	201,965	(23,537)	5,213,812	5,392,253	(66,689)	(2,961,994)	(3,030,884)	\$ 135,276	\$ (8)	\$ 2,251,818	\$ 2,361,369	

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Estimates and Assumptions

The preparation of Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from the Company's estimates. Estimates are periodically reviewed considering changes in circumstances, facts, and experience. Changes in estimates are recorded in the period in which they become known. Significant estimates and assumptions reflected in these Financial Statements include, but are not limited to, Claims recovery income and Claims recovery service income recognition, recoverability of long-lived assets, and cost of Claims recoveries.

Concentration of credit risk and Off-Balance Sheet Risk

Cash and cash equivalents and affiliate receivable are financial instruments that are potentially subject to concentrations of credit risk. See Note 13, *Related Party Transactions*, for disclosure of affiliate receivables. The Company's cash and cash equivalents and restricted cash are deposited in accounts at large financial institutions, which at times may exceed federally insured limits. The Company has not incurred any losses on these accounts. The Company believes it is not exposed to significant credit risk due to the financial strength of the depository institutions in which the cash and cash equivalents are held. The Company has no other financial instruments with off-balance-sheet risk of loss.

Non-controlling Interests

As part of the Business Combination and described in Note 3, *Business Combination*, the Company became the managing member of MSP Recovery, which is consolidated as the Company controls the operating decisions of MSP Recovery. The non-controlling interest relates to the Up-C Units that are convertible into Class A Common Stock of the Company at the discretion of the holder of the Up-C Unit. The Up-C Unit holders retained approximately 99.76% of the economic ownership percentage of the Company as of the Closing Date. The non-controlling interest is classified as permanent equity within the condensed consolidated balance sheet of the Company. As of September 30, 2023, based on the Class A Common Stock issuances during the period, the non-controlling interest of Class V Common Stock shareholders was 90.01%.

Changes in the Company's ownership interest in MSP Recovery, due to Class V Common Stock shareholders converting their shares to Class A Common Stock, are accounted for as equity transactions. Each issuance of the Company's Class A Common Stock requires a corresponding issuance of MSP Recovery units to the Company. The issuance would result in a change in ownership and would reduce the balance of non-controlling interest and increase the balance of additional paid-in capital.

Claims Recovery Service Income

For the three and nine months ended September 30, 2023 and 2022, the majority of the Company's Claims recovery service income was related to a servicing agreements with VRM MSP and MSP RH Series 01. As part of the Business Combination, the Company acquired rights to cash flows in the assets, after certain required returns to VRM MSP, that had been part of the servicing agreement. As part of this acquisition, the Company no longer receives service income from this agreement and consolidates the entity in which the Company acquired rights to cash flow in the assets as outlined in Note 4, *Asset Acquisitions*.

In connection with the Hazel transactions discussed in Note 4, *Asset Acquisitions*, the Company terminated its service agreement with MSP Recovery RH Series 01, an affiliate of Hazel.

Recent Accounting Pronouncements**New Accounting Pronouncements Recently Adopted**

ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses*. In 2016 and subsequently, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments including subsequent amendments to the initial guidance*; ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825. Financial Instruments*; ASU 2019-05, *Financial Instruments – Credit Losses (Topic 326): Targeted Transition Relief*; ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses. ASU 326*, and ASU 2022-02, *Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures* and related amendments require credit losses on financial instruments measured at amortized cost basis to be presented at the net amount expected to be collected, replacing the current incurred loss approach with an expected loss methodology that is referred to as CECL. This ASU is effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. The Company adopted this guidance on January 1, 2023 and it had no material impact on our Financial Statements.

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 3. BUSINESS COMBINATION

On May 23, 2022, MSP Recovery, Inc. consummated the Business Combination pursuant to that certain Membership Interest Purchase Agreement, dated as of July 11, 2021, as amended (the “MIPA”), by and among the Company, Lionheart II Holdings, LLC, a wholly owned subsidiary of the Company, MSP Recovery, LLC and combined and consolidated subsidiaries (“Legacy MSP”), the members of Legacy MSP (the “Members”), and John H. Ruiz, in his capacity as the representative of the Members (the “Members’ Representative”). Pursuant to the MIPA, the Members sold and assigned all of their membership interests in Legacy MSP to the Company in exchange for non-economic voting shares of Class V common stock, par value \$0.0001, of the Company (“Class V Common Stock”) and non-voting economic Class B Units of Opco (“Class B Units,” and each pair consisting of one share of Class V Common Stock and one Class B Unit, an “Up-C Unit”) (such transaction, the “Business Combination”). Subsequent to the Closing Date, the Company’s sole asset is its equity interest in MSP Recovery.

As a result of the closing of the Business Combination (the “Closing”), the Company is organized in an “Up-C” structure in which all of the business of Legacy MSP and its subsidiaries is held directly or indirectly by the Company, the Company is the managing member and consolidates Legacy MSP. The Company owns all of the voting economic Class A Units and the Members and their designees own all of the non-voting economic Class B Units in accordance with the terms of the first amended and restated limited liability company agreement of the Company. Each Up-C Unit may be exchanged for either, at the Company’s option, (a) cash or (b) one share of Class A Common Stock, subject to the provisions set forth in the LLC Agreement. The aggregate consideration paid to the Members (or their designees) at the Closing consisted of (i) 130,000,000 Up-C Units and (ii) rights to receive payments under the Tax Receivable Agreement, discussed in detail above. Of the 130,000,000 Up-C Units, 126,178,932 Up-C Units were issued in connection with the Closing and 3,821,069 Units were designated to the Company and Opco for cancellation (“Canceled Units”). Since the Closing, the Company has issued 2,000,880 Up-C Units to certain designated persons and intends to further issue shares of Class A Common Stock in respect of transaction-related bonuses or certain other designated persons, which together with the 2,000,880 Up-C Units, would be equivalent in number to the Canceled Units.

In connection with the Closing, the Company changed its name from “Lionheart Acquisition Corporation II” to “MSP Recovery, Inc.” The Business Combination is accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, the Company is treated as the acquired for financial statement reporting purposes. The reverse recapitalization was treated as the equivalent of Legacy MSP issuing stock for the net assets of LCAP, accompanied by a recapitalization. The net assets of LCAP are stated at historical cost, with no goodwill or other intangible assets recorded.

The Company received net proceeds in the business combination transaction of approximately \$23.4 million, which includes the restricted cash received as part of FEF shares as defined in Note 15, *Derivative Liability*. The Company incurred direct and incremental costs of approximately \$79.2 million related to the Business Combination, which consisted primarily of investment banking, legal, accounting, and other professional fees. These transaction-related costs were recorded as a reduction of additional paid-in capital in the condensed consolidated balance sheets. During the nine months ended September 30, 2023, the Company and CF agreed to terminate their OTC Equity Prepaid Forward Transaction. As a result of this termination, the restricted cash received as part of FEF shares amounting to \$11.4 million was released and paid to Cantor.

Warrants

As part of the Business Combination transaction, the Company assumed the liability related to the LCAP public warrants (“Public Warrants”) of \$12.5 million. Pursuant to the terms of the Existing Warrant Agreement, and after giving effect to the issuance of the New Warrants, as defined below, the exercise price of the Public Warrants decreased to a Reverse Split adjusted \$0.0025 per share of Class A Common Stock. During the period from the Closing Date to September 30, 2023, approximately 8.7 million warrants of the original 11.8 million warrants have been exercised and the fair value of the remaining warrants decreased resulting in other income for the three and nine months ended September 30, 2023 and 2022. Following anti-dilution adjustments made in connection with the Business Combination, and adjusted for the Reverse Split, the Public Warrants have an exercise price of \$0.0025 per share, which have become exercisable as of 10 days after closing of the Business Combination, on a cashless basis.

Additionally, in connection with the Business Combination, the Company declared the New Warrant dividend comprising approximately 1,028 million New Warrants payable to the holders of record of the Class A Common Stock as of the close of business on the Closing Date, after giving effect to the waiver of the right, title, and interest in, to or under, participation in any such dividend by the Members, on behalf of themselves and any of their designees. The New Warrants will be exercisable 30 days following the Closing Date until their expiration date, which will be the fifth anniversary of the Closing Date or earlier redemption. The record date for the determination of the holders of record of the outstanding shares of Class A Common Stock entitled to receive the New Warrant dividend was the close of business on the Closing Date. Pursuant to the terms of the LLC Agreement, at least twice a month, to the extent any New Warrants have been exercised in accordance with their terms, the Company is required to purchase from the MSP Principals, proportionately, the number of Up-C Units or shares of Class A Common Stock owned by such MSP Principal equal to the aggregate exercise price divided by the warrant exercise price in exchange for the aggregate exercise price. The Company determined that the New Warrants instruments meet the equity scope exception in ASC 815 to be classified in stockholders’ equity, and as the repurchase right

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

noted above has a mirrored value designed to offset the New Warrants, if exercised would be an equity only transaction. The New Warrants are each exercisable for 1/25th of one share of Class A Common Stock at a Reverse Split adjusted exercise price of \$287.50 per whole share. The New Warrants must be exercised in lots of 25, as no fractional shares will be issued as a result of their exercise. The New Warrants are subject to certain anti-dilution adjustments.

Public Warrants and New Warrants are currently listed on Nasdaq under the symbols “LIFWZ” and “LIFWW,” respectively.

Tax Receivable Agreement

In connection with the Business Combination, the Company also entered into a Tax Receivable Agreement (the “TRA”). Pursuant to the TRA, the Company is required to pay the sellers 85% of the amount of tax benefits that the Company actually realizes as a result of (i) the Company’s direct and indirect allocable share of existing tax basis acquired in the Business Combination, (ii) increases in the Company’s allocable share of existing tax basis and tax basis adjustments that will increase the tax basis of the tangible and intangible assets of the Company as a result of the Business Combination and as a result of sales or exchanges of Up-C Units for cash or shares of Class A Common Stock, and (iii) certain other tax benefits related to entering into the Tax Receivable Agreement, including tax benefits attributable to payments under the Tax Receivable Agreement. During the three and nine months ended September 30, 2023, 0.0 million and 1.7 million, respectively, of Class V units were exchanged for Class A Common Stock of the Company. The Company receives an increase in its share of the tax basis in the net assets of MSP Recovery, LLC due to the interests being redeemed. The Company has assessed the realizability of the net deferred tax assets and in that analysis has considered the relevant positive and negative evidence available to determine whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The Company has recorded a full valuation allowance against the deferred tax assets as of September 30, 2023, which will be maintained until there is sufficient evidence to support the reversal of all or some portion of these allowances. As the tax benefits associated with the TRA have not been recognized, based on estimates of future taxable income, the Company has concluded it is not probable to recognize any tax receivable agreement liability. If the valuation allowance recorded against the deferred tax assets is released in a future period, the TRA liability may be considered probable at that time and recorded within earnings.

Non-Controlling interest

As a result of the Business Combination, the Company reflects non-controlling interests as a result of the Up-C structure. The Company holds all of the voting Class A Units of Opco, whereas the Members (or their designees) hold all of the non-voting economic Class B Units of Opco (these Class B Units represent the non-controlling interest in the Company). The ownership percentage of Class V Common Stock held in the post-combination Company by the Members (or their designees) will be equivalent to the number of Class B Units of Opco, and as such, reflects the non-controlling interest in the Company, which is equivalent to the Class V Common Stock ownership percentage. See Note 11, *Noncontrolling Interest*, for more information on ownership interests in the Company.

Amended and Restated Nomura Promissory Note

On May 27, 2022, the Company issued an unsecured promissory note to Nomura in a principal amount of approximately \$24.5 million related to advisory fees and deferred underwriting fees and expenses that became due and payable by the Company to Nomura, in connection with the consummation of the Business Combination. On April 12, 2023, the Company amended the promissory note, increasing the principal amount to approximately \$26.3 million and extending the maturity date of the promissory note to September 30, 2024. On November 13, 2023, the Company entered into the Amended and Restated Nomura Promissory Note to (a) increase the principal amount to approximately \$28.9 million, (b) extend the maturity date to December 31, 2024 and (c) permit the Company to use the proceeds of an at-the-market offering to repay indebtedness incurred by the Company for which the proceeds are used for operating expenses, subject to certain enumerated restrictions. The Amended and Restated Nomura Promissory Note carries an interest rate of 16% per annum and is payable in kind or in cash, at the Company’s discretion, every 30 calendar days after November 13, 2023. Upon two days prior written notice to Nomura, the Company may prepay all or any portion of the then outstanding principal amount under the Amended and Restated Nomura Promissory Note together with all accrued and unpaid interest thereon. The balance of the unsecured Amended and Restated Nomura Promissory Note and related interest are included within Claims financing obligations and notes payable in the condensed consolidated balance sheet. Refer to Note 10, *Claims Financing Obligations and Notes Payable*.

Note 4. ASSET ACQUISITIONS

VRM

On May 23, 2022 as part of the Closing of the Business Combination, the Company acquired assets through the issuance of Up-C Units. In exchange for approximately 7.9 million Up-C Units (after giving effect to the Reverse Split), the Company acquired Claims previously held by Series MRCS, an affiliate of the Company. The Claims are included as Intangible Assets, net in the condensed consolidated balance sheet.

The Claims are held at cost, which was determined using the opening market price of the Company’s Class A Common Stock as of the day subsequent to the Closing Date discounted by 4.5% or lack of marketability due to timing before shares are sellable. The Company determined the appropriate measurement date was the opening of the first trading day of the Class A Common Stock after the

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Closing Date as this reflects the equivalent value of the Up-C Units provided to the sellers. The Up-C Units provided to the sellers did not include New Warrants, and as such, the Class A Common Stock value excluding the New Warrants was reflected at the Close of the first trading day after the Closing Date. The Claims are treated as finite life intangible assets similar to other Claims that the Company has acquired and have a useful life of eight years. For further details on this Claims acquisition, see Note 7, *Intangible Assets, Net*.

On May 23, 2022 as part of the Closing of the Business Combination, the Company acquired assets through the issuance of Up-C Units. In exchange for approximately 14.3 million Up-C Units (after giving effect to the Reverse Split), the Company acquired the rights to receive the distributable net proceeds (the "Proceeds") of a portfolio of Claims owned by VRM MSP, a Delaware limited liability company and joint investment vehicle of VRM and Series MRCS. Under this asset acquisition structure, the Company determined that the arrangements to acquire the rights to proceeds from certain Claims recovery rights along with the guarantee of the VRM Full Return (noted and defined below) result in the Company consolidating the Series. Upon consolidation, the Company included the value of the Up-C Units provided and the value of the guarantee as Intangible Assets, net in the condensed consolidated balance sheet. These are held at cost and treated as finite life intangible assets similar to other CCRA's that the Company has acquired, and have a useful life of eight years.

In connection with such transaction the Company agreed to pay Virage an amount equal to the contributions by Virage to VRM MSP plus an annual rate of return of 20% (the "VRM Full Return"). Pursuant to the terms of the agreement with Virage, such amount is payable exclusively by any of the following means (or any combination thereof): (a) the Proceeds, (b) a sale of certain reserved shares of Messrs. John Ruiz and Frank Quesada, and the delivery of the resulting net cash proceeds thereof to VRM, or (c) a sale of shares by the Company and delivery of the net cash proceeds thereof to VRM. The amount of the VRM Full Return was \$900.5 million as of September 30, 2023.

As the Company incurred debt related to the VRM Full Return as included in the guarantee obligation within the condensed consolidated balance sheet, this value was included in the purchase price and is included in Intangible Assets, net, in the condensed consolidated balance sheet for the full value of the VRM Full Return at the acquisition date. Any subsequent interest accrual is reflected within interest expense in the condensed consolidated statement of operations.

On April 12, 2023, the Company and Messrs. Quesada and Ruiz entered into an amendment (the "Virage MTA Amendment") to the agreement with Virage and the related Guaranty pursuant to which the payment date for the VRM Full Return was extended from May 23, 2023 until September 30, 2024, subject to acceleration upon certain triggering events. Subsequent to September 30, 2023, the maturity date was extended to December 31, 2024. In addition, the Virage MTA Amendment changed the payment methods to Virage to exclusively be, in the following order of priority: (a) the Proceeds and any other sources of revenue or liquidity of the Company (and its subsidiaries) that are not encumbered by a lien of a party other than Virage and to the extent such revenues and liquidity exceed the amount of net of revenues necessary to establish and maintain an operating reserve of \$70.0 million (reduced to \$47.5 million on July 24, 2023) for certain Company expenses, (b) a sale of certain reserved shares of Messrs. John Ruiz and Frank Quesada, and the delivery of the resulting net cash proceeds thereof to VRM, (c) Parent's sale of additional shares and delivery of proceeds to Virage, subject to certain anti-dilution provisions, (d) if not satisfied by the foregoing, a sale of other shares of the Company by Messrs. John Ruiz and Frank Quesada, and the delivery of the resulting net cash proceeds thereof to VRM; provided that if the VRM Full Return is not fully paid by September 30, 2024 the VRM Full Return shall be payable by any of such payment methods in any order of priority.

As a part of the Virage MTA Amendment, on January 1, 2024, the Company will be required to make a one-time, lump sum payment to Virage for the period starting May 24, 2023 and ending December 31, 2023, in one or a combination of: (a) cash, in an amount equal to 1.0% of each calendar month-end balance (which month-end balance shall be increased daily up to 20% per annum based on a formula set forth in the Virage MTA Amendment) of the amount owing to Virage as of each preceding calendar month end and/or (b) warrants to purchase Class A common stock at \$0.0001 per share, in an amount equal to the quotient of 1.0% of each calendar month-end balance (which month-end balance shall be increased daily up to 20% per annum based on a formula set forth in the Virage MTA Amendment) of the amount owing to Virage as of each preceding calendar month end and the volume weighted average price of a share of our Class A common stock for the five day period prior to the issuance. If paid in warrants, such warrants will expire on January 1, 2026.

Further, for each calendar month beginning with January 31, 2024 until the obligations to Virage are paid in full, the Company has agreed to pay to Virage an amount monthly, in one or a combination of: (a) cash, in an amount equal to 1.0% of each calendar month-end balance (which month-end balance shall be increased daily up to 20% per annum based on a formula set forth in the Virage MTA Amendment) of the amount owing to Virage as of each preceding calendar month end and/or (b) warrants to purchase Class A common stock at \$0.0001 per share, in an amount equal to the quotient of 1.0% of each calendar month-end balance (which month-end balance shall be increased daily up to 20% per annum based on a formula set forth in the Virage MTA Amendment) of the amount owing to Virage as of each preceding calendar month end and the volume weighted average price of a share of our Class A common stock. If paid in warrants, such warrants will expire two years from the date of issuance.

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

The warrants will contain customary provisions for a transaction of this type, including that each warrant will be exercisable in whole or in part at any time prior to the expiration date, be freely transferable, subject only to applicable securities laws, and be subject to customary anti-dilution protection regarding the exercise price and number of shares of Class A Common Stock to be issued upon the exercise of each warrant.

The Virage warrant, if issued will be recorded at fair value on or after January 1, 2024. The Company recorded interest expense related to Virage MTA Amendment as of September 30, 2023 of \$43.7 million. The accrued interest expense related to the Virage MTA Amendment is reflected in Interest Payable on the condensed consolidated Balance Sheet as of September 30, 2023.

On November 13, 2023, the Company entered into the Second Virage MTA Amendment that extended the final payment date of the VRM Full Return to December 31, 2024, subject to acceleration upon certain triggering events. In addition, the Second Virage MTA Amendment (a) changed the minimum operating reserve from \$47.5 million to the budget of the Company (plus applicable taxes) plus 10% and (b) requires Virage and the Company negotiate and agree on a form of initial warrant and monthly warrant by no later than December 1, 2023. The payment obligations will become a current liability after December 31, 2023, and the Company does not currently have available liquidity to satisfy said obligation.

VRM Swap

On July 28, 2023, VRM exercised its option to exchange Claims with service dates prior to January 1, 2014 for more recent Claims. To do so, the VRM MSP agreement was amended to reflect that: (a) rights to recovery proceeds arising from Claims held by VRM MSP, with dates of service before January 1, 2014, were transferred to MSP Recovery; (b) MSP Recovery contributed to VRM MSP in the form of in-kind ownership interests to certain Series entities holding Claims; and (c) as a result of such capital contributions, MSP Recovery was admitted as a member of VRM MSP.

The contribution of certain Series (holding certain CCRAs) by MSP Recovery into VRM MSP is considered a common control transaction, given that the Company consolidates Series before and after such transfers. In addition, the Company analyzed being admitted as a member of VRM MSP and concluded to apply Investments in Equity Method guidance under ASC 323. The Company initially measured and recorded its equity method investment in VRM MSP using a cost accumulation model; however, in consolidation, the investment in VRM MSP is eliminated, with the CCRA intangible assets remaining on the balance sheet under the "Intangible assets" line item. The investment in VRM MSP will reflect a zero balance. In addition, given VRM MSP's primary assets are the CCRAs, VRM MSP's ability to generate any earnings (not already reported via MSP Recovery consolidation of Series), is negligible; therefore, MSP Recovery does not expect any significant earnings from VRM MSP.

Hazel Transactions

Claims Transactions and Purchase Money Loan

On March 29, 2023, the Company acquired a controlling interest in nine legal entities, whose sole assets are CCRAs, from Hazel Holdings I LLC (together with its affiliates, "Hazel"). This is referred to as the "Claims Purchase." The purchase price for the Claims Purchase was funded by (i) a purchase money loan between Hazel, as a lender, and the Company, as a borrower, in the amount of \$250 million (the "Purchase Money Loan") and (ii) proceeds from the sale of certain, separate CCRAs in the Claims Sale (as defined below).

Also, on March 29, 2023, the Company sold a controlling interest in three legal entities whose sole assets are CCRAs to Hazel. The agreement provided that the Company and Hazel would share in the recovery proceeds therefrom, in accordance with an agreed waterfall after Hazel had realized the first \$150 million in claims recoveries. This transaction is referred to as the "Claims Sale," and together with the Claims Purchase, the "Claims Transactions."

As the Claims Transactions were negotiated together in contemplation of one another, they have been combined for accounting purposes. The Company analyzed the Claims Sale and determined that this transaction would be treated as the sale of in-substance nonfinancial assets, in exchange for noncash consideration in the form of the CCRAs from the Claims Purchase measured at fair value. The variable consideration related to future recoveries is fully constrained, because, at this time, it is not probable that any amounts will be owed above the \$150 million recovery threshold that would trigger additional payments. The Company analyzed the Claims Purchase and determined it results in the initial consolidation of variable interest entities that are not businesses. The acquired CCRAs held by those entities are recognized at fair value.

The fair value of the assets sold in the Claims Sale was determined to be \$45.5 million. The Company's carrying value of those CCRAs surrendered was \$40.9 million. Because there are no other observable prices for such transactions, the Company determined the fair value by reference to the purchase price for those CCRAs in a recent transaction. The fair value of the acquired CCRAs was determined to be \$285.5 million, and the Company recognized the Purchase Money Loan recognized at \$250 million, as any implicit discount or premium to current market rates at the time of issuance were insignificant.

This resulted in a gain on the Claims Transactions of \$4.6 million, which largely corresponds to the previously recognized amortization of the CCRAs that were sold in the Claims Sale.

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Amounts borrowed and obligations under the Purchase Money Loan and the Working Capital Credit Facility (See Note 10, *Claims Financing Obligation and Note Payable*) are secured by a pledge of proceeds from specific Claims in the Company's Claims portfolio, with the lien securing the Purchase Money Loan being subordinated and junior to the lien securing the Working Capital Credit Facility. Pursuant to the Purchase Money Loan and the Working Capital Credit Facility, the Company entered into a collateral administrative agreement between the Company and Hazel, which sets forth certain arrangements between the Company and Hazel in relation to Claims owned by the Company, the proceeds of which are due to the Company were pledged to Hazel to secure the Purchase Money Loan and the Working Capital Credit Facility.

Note 5. INVESTMENT IN EQUITY METHOD INVESTEES

The Company holds three investments which are accounted for using the equity method: MAO-MSO Recovery II LLC Series PMPI ("Series PMPI"), MAO-MSO Recovery LLC, and MAO-MSO Recovery II LLC (collectively, the "MAO-MSO entities").

Series PMPI is a series of MAO-MSO Recovery II LLC. The Company exercises significant influence over the operating and financial activities of Series PMPI, but does not exercise control of the entity. In accordance with Series PMPI's operating agreement, the controlling member is entitled to a preferred return of 20% per annum (the "Preferred Return"). Once the Preferred Return has been met, the controlling member is entitled to 50% of claims recoveries by PMPI. The noncontrolling member is allocated 100% of the costs of PMPI. Since the Preferred Return exceeds the total members' equity of PMPI as of both September 30, 2023 and December 31, 2022, the value of the equity method investment in the condensed consolidated balance sheet is \$0.

The MAO-MSO entities are Delaware limited liability companies formed as master series entities whose central operations are to form other series legal entities that will hold and pursue claims recovery rights. The MAO-MSO entities are not designed to hold or pursue claims recoveries themselves. The Company holds a 50% economic interest in both entities and has significant influence through its equity investment, but does not control either entity. As equity method investments, the Company recognizes its proportionate share of net earnings or losses as equity earnings in Other income. The activity of these entities has been insignificant for the three and nine months ended September 30, 2023 and 2022. Since the Company did not make a contribution to the MAO-MSO entities, and the entities have recorded losses, the value of the equity method investment in the condensed consolidated balance sheets is \$0 as of both September 30, 2023 and December 31, 2022.

Summary financial information for equity accounted investees, not adjusted for the percentage ownership of the Company is as follows:

Series PMPI (in thousands)	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Revenue	\$ 8	\$ 16	\$ 8	\$ 16
Amortization	500	500	1,500	1,500
Other expenses	—	8	—	8
Loss	(492)	(492)	(1,492)	(1,492)

Series PMPI (in thousands)	September 30, 2023	December 31, 2022
Total Assets	\$ 1,874	3,341
Total Liabilities	\$ 309	274

Note 6. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net consist of the following:

(In thousands)	September 30, 2023	December 31, 2022
Office and computer equipment	\$ 434	\$ 430
Leasehold improvements	113	113
Internally developed software	5,687	4,050
Other software	67	68
Property, plant and equipment, gross	\$ 6,301	\$ 4,661
Less: accumulated depreciation and amortization of software	(1,411)	(1,229)
Property, plant and equipment, net	\$ 4,890	\$ 3,432

For the three and nine months ended September 30, 2023 and 2022, depreciation expense and amortization expense was \$0.1 million and \$0.2 million, respectively, and \$0.1 million and \$0.3 million, respectively.

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 7. INTANGIBLE ASSETS, NET

The Company holds CCRAs held by Series MRCS, which were acquired through the issuance of equity as part of the Business Combination in 2022 and additional acquisitions of additional CCRAs throughout 2022 and 2023. These assets are held at cost and treated as a finite intangible asset with a useful life of eight years.

Intangible assets, net consists of the following:

<i>(in thousands)</i>	September 30, 2023	December 31, 2022
Intangible assets, gross	\$ 3,872,256	\$ 3,630,823
Accumulated amortization	(618,549)	(267,667)
Net	\$ 3,253,707	\$ 3,363,156

During the nine months ended September 30, 2023, the Company purchased \$286.9 million of CCRAs included in Intangible Assets, net, of which \$285.5 million was through the Hazel transaction (See Note 4, *Asset Acquisitions*), \$0.8 million was through a Class A Common Stock issuance in July 2023 and \$0.6 million was paid in cash.

For the three and nine months ended September 30, 2023 and 2022, claims amortization expense was \$121.0 million and \$355.5 million, respectively, and \$111.9 million and \$153.6 million, respectively.

Future amortization for CCRAs, for the remainder of 2023 and thereafter is expected to be as follows:

<i>(in thousands)</i>	CCRAs Amortization
2023	121,008
2024	483,959
2025	483,907
2026	483,907
2027	483,907
Thereafter	1,197,019
Total	\$ 3,253,707

There were no impairment indicators in the nine months ended September 30, 2023 and 2022 related to the intangible assets. The Company monitors intangible assets for potential impairment indicators, including, but not limited to, assumptions regarding the amount and timing of future collections derived from its CCRAs. The Company continues to pursue recoveries from various parties under rights held through its CCRAs; however, extended delays may result in future impairment of the Company's intangible assets.

The following table presents the changes in the Company's intangibles assets for nine months ended September 30, 2023:

<i>(in thousands)</i>	Intangible Assets
Balance as of December 31, 2022	\$ 3,363,156
Acquisitions of CCRAs	286,929
Amortization expense	(355,481)
Sale of CCRAs	(40,897)
Total	\$ 3,253,707

Note 8. LEASES

The Company leases office space under a non-cancellable operating lease which commenced in September 2023 and expires August 2026. Prior to this lease, the Company held a short-term lease, therefore the Company recorded an initial ROU asset and lease liability upon signing the new lease agreement. Lease expense for both three and nine months ended September 30, 2023 amounted to \$13.2 thousand.

In addition, the Company rents an office space from the Law Firm, which is on a month-to-month basis and therefore is not included within the ROU Asset and Lease liability nor in the future minimum lease payments below. Short-term rent expense for the three and nine months ended September 30, 2023 and 2022 was \$0.3 million and \$0.9 million, respectively, and \$0.2 million and \$0.6 million, respectively.

The presentation of right-of-use assets and lease liabilities in the condensed consolidated balance sheet is as follows:

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

<i>(In thousands)</i>	Classification	September 30, 2023
Assets		
Right-of-use asset	Right-of-use assets	\$ 368
Total Leased Assets		\$ 368
Liabilities		
Current		
Operating lease liability	Other current liabilities	\$ (104)
Non-current		
Operating lease liability	Lease liabilities	\$ (264)
Total Lease Liability		\$ (368)

The future minimum lease payments under non-cancellable operating leases as of September 30, 2023 for the next five years and thereafter are as follows:

<i>(in thousands)</i>	\$
Remainder of 2023	38
2024	153
2025	157
2026	107
2027	—
Thereafter	—
Total minimum payments required	455
Less: implied interest	(87)
Present value of lease liabilities	\$ 368

Note 9. VARIABLE INTEREST ENTITIES

Investments in Consolidated Variable Interest Entities

The Company evaluates its ownership, contractual, and other interests in entities to determine if they are VIEs, if the Company has a variable interest in those entities, and the nature and extent of those interests. These evaluations are highly complex and involve management judgment and the use of estimates and assumptions based on available historical information, among other factors. Based on its evaluations, if the Company determines it is the primary beneficiary of such VIEs, it consolidates such entities into its financial statements. The VIEs information below is presented on an aggregate basis based on similar risk and reward characteristics and MSP Recovery's involvement with the VIEs.

The Company includes a number of entities that are determined to be VIEs and for which the common control group can direct the use of the entities' assets and resources for other purposes. The Company consolidates VIEs in which one of the combined entities is the primary beneficiary.

The assets of the consolidated VIEs may only be used to settle obligations of these VIEs and to settle any investors' ownership liquidation requests. There is no recourse to MSP Recovery for the consolidated VIEs' liabilities. The assets of the consolidated VIEs are not available to MSP Recovery's creditors.

Total assets and liabilities included in its condensed consolidated balance sheets for these VIEs were \$2.3 billion and \$0.4 million, respectively, as of September 30, 2023 and \$2.3 billion and \$0.4 million, respectively, as of December 31, 2022. The assets at September 30, 2023 and December 31, 2022 include the Intangible Assets, net included in the Series of \$2.0 billion and \$2.3 billion, respectively.

Investments in Unconsolidated Variable Interest Entities

The Company is involved with VIEs in which it has investments in equity but does not consolidate because it does not have the power to direct the activities that most significantly impact their economic performance and thus is not considered the primary beneficiary of the entities. Those VIEs are reflected as equity method investments.

Total assets and liabilities for these VIEs were \$1.9 million and \$1.0 million, respectively, at September 30, 2023 and \$3.4 million and \$0.3 million, respectively, at December 31, 2022.

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Generally, MSP Recovery's exposure is limited to its investment in those VIEs (see Note 5, *Investment in Equity Method Investees*). For MAO-MSO Recovery II, LLC and Series PMP1, MSP Recovery may be exposed to providing additional recovery services at its own cost if recovery proceeds allocated to it are insufficient to recover the costs of those services. MSP Recovery does not have any other exposures or any obligation to provide additional funding.

VRM MSP

As discussed in Note 4, *Asset Acquisitions*, the Company became a member of VRM MSP through the contribution of certain Series (holding certain CCRA) by MSP Recovery into VRM MSP, which was considered a common control transaction. The Company determined, based on analysis of the rights to cash flows from the Series and the related guaranty obligation, that the Company is the primary beneficiary of the Series entities, and therefore should consolidate as of the transaction date. The Company consolidates the Series held within VRM MSP, however does not consolidate VRM MSP itself.

Refer to Note 4, *Asset Acquisitions*, for additional information on this VRM MSP transaction.

Note 10. CLAIMS FINANCING OBLIGATIONS AND NOTES PAYABLE

Based on claims financing obligations and notes payable agreements, as of September 30, 2023 and December 31, 2022, the present value of amounts owed under these obligations were \$529.2 million and \$198.5 million, respectively, including capitalized interest. The weighted average interest rate is 14.5% based on the current book value of \$529.2 million with rates that range from 2% to 20%. The Company is expected to repay these obligations from cash flows from claim recovery income or potentially for the renegotiated debt through class A common stock issuances.

As of September 30, 2023, the minimum required payments on these agreements are \$678.1 million. Certain of these agreements have priority of payment regarding any proceeds until full payment of the balance due is satisfied. The maturity of the commitments range from the date sufficient claims recoveries are received to cover the required return or in some cases by 2031.

Brickell Key Investment Amendment

In 2015, the Company entered into a Claims Proceeds Investment Agreement ("CPIA"), as amended, with Brickell Key Investments LP (the "Holder"). Pursuant to the CPIA, as amended, the Company grants to the Holder the right to purchase Class A common shares in the Company (the "Class A Shares") up to a maximum amount of 2,666,667 (the "Amount") for a purchase price equal to \$6,666.67 (\$0.0025 per Class A Share), and is payable in cash. This Warrant (the "Warrant") will expire at 5:00 p.m. (Eastern Time), on September 30, 2027 and may be exercised in whole or in part by Holder at any time prior to such date. In exchange for the Company issuing the Warrant, the amounts owed to the Holder pursuant to CPIA are amended to equal \$80 million. The Holder has the right to receive the \$80 million owed through proceeds as outlined in the CPIA, cash paid by the Company or monetization of the Warrant (through the sale of the Warrant or sale of the underlying Class A Shares). If the Holder monetizes the Warrant, the amount owed will be reduced at a measure of \$30.00 per Class A Share. In connection with the Amendment and Warrant Agreement, the Holder also executed a Stock Pledge Agreement (the "Pledge Agreement") with Legacy MSP founders, John H. Ruiz and Frank C. Quesada (the "Founders"). As part of the Pledge Agreement, the Founders agreed to pledge 50 million shares to secure payment of the original principal amount of the CPIA. In addition, the Pledge Agreement provides the right to repurchase the Warrant from the Holder on or before June 30, 2023. The Founders entered into an agreement with the Company where this repurchase right has been assigned to the Company (the "Side Agreement"). As the Company has, at its option, the ability to pay its obligation through cash proceeds or through monetization of the Warrants, the \$80.0 million of amounts owed as of September 30, 2023 was included as Claims financing obligation and notes payable on the condensed consolidated balance sheet.

The Founders did not exercise the option to repurchase the Warrants on or before June 30, 2023. The Company recognized the Warrants at fair value which, considering the price of the Company's common stock was below \$30.00 as of September 30, 2023, it was determined to be zero.

Hazel Working Capital Credit Facility and Hazel Purchase Money Loan

On March 29, 2023, the Company's subsidiary, Subrogation Holdings, LLC, entered into an Amended and Restated Credit Agreement (the "Working Capital Credit Facility") with Hazel Partners Holdings LLC ("HPH"), an affiliate of Hazel, as the lender and administrative agent, which provides for up to \$80 million (with a 40% original issue discount), consisting of a Term Loan A commitment to fund up to \$30 million in proceeds (in multiple installments), and a Term Loan B Commitment to fund up to \$18 million in proceeds (in multiple installments), the funding of each conditioned on certain milestones. An initial \$10 million in proceeds was drawn under the Term Loan A on March 6, 2023. On March 29, 2023, an additional \$5 million was disbursed to the Company under the Term Loan A. On May 11, 2023 and June 13, 2023, HPH notified the Company's subsidiary, Subrogation Holdings, LLC, that it would not disburse additional funds under the Working Capital Credit Facility until the Company satisfied certain funding conditions, including the filing of Annual Report on Form 10-K for the year ending December 31, 2022, which was filed on July 27, 2023.

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

The parties subsequently agreed that \$5.5 million would be funded under Term Loan A in accordance with the terms of the Working Capital Credit Facility subsequent to the filing of the 2022 Form 10-K and receipt of funding notices, deeming funding conditions satisfied or waived. Following such funding, the Term Loan A commitment would be terminated, with total funding of \$20.5 million. In addition, the parties agreed to increase the Term Loan B commitment from \$18 million to \$27.5 million, after giving effect to the original issue discount on the Working Capital Credit Facility, which will be funded in multiple installments and in accordance with the terms of the Working Capital Credit Facility. Funding will be at a rate of \$2.25 million per month until December 2023, and thereafter at \$1.75 million per month, subject to potential further reductions in the case of certain agreed cost savings and funds availability. The amended terms to the Working Capital Credit Facility were memorialized in the Second Amended and Restated First Lien Credit Agreement dated November 10, 2023.

During both the three and nine months ended September 30, 2023, the Company's subsidiary, Subrogation Holdings, LLC, received funding from HPH amounting to \$5.5 million from Term Loan A and \$4.5 million in two installments under Term Loan B. Subsequent to September 30, 2023, the Company's subsidiary, Subrogation Holdings, LLC, received an additional \$4.5 million under Term Loan B.

Pursuant to the Second Amended and Restated First Lien Credit Agreement, and in order to secure those additional advances of Term Loan B beginning in January 2024, the Company agreed to provide, as additional collateral, the following: (i) a pledge of proceeds from certain Claims in the Company's Claims portfolio, up to \$14 million; (ii) a pledge of the equity interests in an Affiliate of Messrs. John Ruiz and Frank Quesada; and (iii) a personal guaranty by Messrs. John Ruiz and Frank Quesada, as primary obligors, guaranteeing those additional advances of Term Loan B beginning in January 2024.

In addition, as discussed in Note 4, *Asset Acquisitions*, on March 29, 2023 the Company entered into the Purchase Money Loan with Hazel in the amount of \$250.0 million.

Loans under the Working Capital Credit Facility accrue interest at a Term Secured Overnight Financing Rate for 12-month interest period, plus an applicable margin of 10% per annum. Accrued interest on the Working Capital Credit Facility is payable in kind and will be capitalized. The Working Capital Credit Facility has a stated maturity date of March 31, 2026, and HPH may extend for up to one year in its sole discretion. The Purchase Money Loan accrues interest at a rate of 20% per annum, payable in kind or in cash at the Company's discretion. The Purchase Money Loan has a maturity date of March 31, 2026, extendable up to one year in Hazel's sole discretion.

The Company is permitted to prepay the loans under the Working Capital Credit Facility from time to time without prepayment premium. Prepayment of the Purchase Money Loan will be permitted after the prepayment or repayment of loans under the Working Capital Credit Facility, and such prepayment of the Purchase Money Loan may be subject to prepayment penalty, as applicable.

The Purchase Money Loan and the Working Capital Credit Facility contain certain representations, warranties, and covenants of the Company and its subsidiaries, including restrictions on debt incurrence, liens, investments, affiliate transactions, distributions and dividends, fundamental changes, certain debt prepayments, and Claim settlement.

As discussed in Note 4, *Asset Acquisitions*, amounts borrowed and obligations under the Purchase Money Loan and the Working Capital Credit Facility are secured by a pledge of proceeds from certain Claims in the Company's Claims portfolio, with the lien securing the Purchase Money Loan being subordinated and junior to the lien securing the Working Capital Credit Facility. Pursuant to the Purchase Money Loan and the Working Capital Credit Facility, the Company entered into a collateral administrative agreement between the Company and HPH, which sets forth certain arrangements between the Company and HPH in relation to the management of the litigation of certain Claims owned by the Company, the proceeds of which are due to the Company, and were pledged to Hazel and HPH to secure the Purchase Money Loan and the Working Capital Credit Facility, respectively.

Amended and Restated Nomura Promissory Note

On April 12, 2023, the Company amended the promissory note to Nomura originally issued on May 27, 2022, which increased the principal amount to approximately \$26.3 million and extended the maturity date of the promissory note to September 30, 2024. Pursuant to the Amended and Restated Promissory Note dated November 13, 2023, the Company amended the promissory note to Nomura to (a) increase the principal amount to approximately \$28.9 million, (b) extend the maturity date to December 31, 2024 and (c) permit the Company to use the proceeds of an at-the-market offering to repay indebtedness incurred by the Company for which the proceeds are used for operating expenses, subject to certain enumerated restrictions. The Amended and Restated Promissory Note will become a current liability after December 31, 2023, and the Company does not currently have available liquidity to satisfy said obligation. The Amended and Restated Nomura Promissory Note carries an interest rate of 16% per annum and is payable in kind or in cash, at the Company's discretion, every 30 calendar days after November 13, 2023. Upon two days prior written notice to Nomura, the Company may prepay all or any portion of the then outstanding principal amount under the Amended and Restated Nomura Promissory Note together with all accrued and unpaid interest thereon.

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 11. NONCONTROLLING INTEREST

The non-controlling interest balance primarily represents the Up-C Units of the Company held by the Members. The following table summarizes the stock ownership in the Company as of September 30, 2023:

	Shares of Common Stock	Ownership Percentage
Ownership of Class A Common Stock	13,799,230	9.99 %
Ownership of Class V Common Stock	124,264,645	90.01 %
Balance at end of period	138,063,875	100.00 %

The non-controlling interest holders have the right to exchange Up-C Units, at the Company's option, for (i) cash or (ii) one share of Class A Common Stock, subject to the provisions set forth in the LLC Agreement. As such, future exchanges of Up-C Units by non-controlling interest holders will result in a change in ownership and reduce or increase the amount recorded as non-controlling interest and increase or decrease additional paid-in-capital or retained earnings when the Company has positive or negative net assets, respectively. As of September 30, 2023, 2.5 million Up-C Units have been exchanged into shares of Class A Common Stock. In addition, 0.5 million new Up-C Units were issued during the nine months ended September 30, 2023.

In addition to the non-controlling interest related to Up-C Units, the Company also has non-controlling interests related to MAO-MSO Recovery LLC Series FHCP ("FHCP"), which is a non-wholly owned subsidiary of MSP Recovery. In accordance with FHCP's operating agreement, the noncontrolling member is entitled to a preferred return of 20% per annum (the "Preferred Return"). Once the Preferred Return has been met, the noncontrolling member is entitled to 80% of claims recoveries by FHCP. The controlling member is allocated 100% of the costs of FHCP. Since the Preferred Return exceeds the total members' equity of FHCP as of both September 30, 2023 and December 31, 2022, the non-controlling interest also includes \$4.3 million representing the entire members' equity of FHCP.

Note 12. COMMITMENTS AND CONTINGENCIES

The Company is subject to certain legal proceedings, claims, investigations, and administrative proceedings in the ordinary course of its business. The Company records a provision for a liability when it is both probable that the liability has been incurred and the amount of the liability can be reasonably estimated. These provisions, if any, are reviewed and adjusted to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular case. Depending on the nature and timing of any such proceedings that may arise, an unfavorable resolution of a matter could materially affect the Company's future results of operations, cash flows or financial position in a particular period.

The Company pursues claims recoveries through settlement, arbitration and legal proceedings. The accounting policy for these activities is discussed under Claims recovery income in Note 2, *Basis of Presentation And Summary of Significant Accounting Policies*, in our Annual Report on Form 10-K for the year ended December 31, 2022.

A significant majority of the Company's expected recoveries arise from Claims brought pursuant to the private cause of action under the Medicare Secondary Payer Act ("MSP Act"). This law allows the Company to pursue recoveries against primary payers for reimbursement of medical expenses that the Company's assignors paid for when primary payers (i.e., liability insurers) were responsible for payment. On May 16, 2023, the Repair Abuses of MSP Payments Act (the "RAMP Act") was introduced in the U.S. Senate and the U.S. House of Representatives, respectively, seeking to amend the private cause of action under the Medicare Secondary Payer Act, by striking "primary plan" and inserting "group health plan" into the existing text. As there is no indication that the RAMP Act is intended to be enacted retroactively, it should not have any effect on the recoverability of historical claims. To the extent that the Company has recovery rights in claims that have not yet been sought, or to the extent that the Company is assigned additional claims that may otherwise have been entitled to recoveries under the MSP Act, the passing of the RAMP Act could impact the Company's ability to pursue recoveries on those prospective claims.

Investigations

As previously disclosed on Form 8-K, on August 11, 2022, the Securities and Exchange Commission (the "SEC") initiated an investigation of the Company, and requested documents relating to, among other matters, the business combination transaction with Lionheart Acquisition Corporation II consummated on May 23, 2022 and related matters. The Company received a subpoena dated March 1, 2023 from the SEC regarding the aforementioned subject matter, and subsequently received a subpoena on May 10, 2023 requesting documents in connection with the Company's financial statements for the periods ended June 30, 2022 and September 30, 2022 that required restatements as disclosed in the Company's Form 8-K filed with the SEC on April 14, 2023. On August 16, 2023, the Company received an additional subpoena from the SEC regarding certain funding sources of the Company prior to the Business Combination, as well as various statements and disclosures by the Company in connection with and following the Business Combination. The Company intends to fully cooperate with the SEC in responding to the subpoenas.

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

In addition, on March 10, 2023, the Company received a subpoena from the U.S. Attorney's Office in connection with a grand jury investigation in the U.S. District Court for the Southern District of Florida requesting certain information concerning the Company. To the best of the Company's knowledge, the Department of Justice has not issued any target letters to anyone associated with the Company as a result of this investigation. (The United States Attorney's Manual states that a "target" is a person as to whom the prosecutor or the grand jury has substantial evidence linking him or her to the commission of a crime and who, in the judgment of the prosecutor, is a putative defendant.)

The Company has cooperated, and will continue to cooperate, fully with these inquiries. In connection with its review of the matters related to the preparation and filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2022, a special committee of the Company's board of directors, along with external advisors retained thereby, also reviewed the subject matter of information requests related to the foregoing subpoenas. Based on this review, the Company believes that these investigations will be resolved without any material developments; however, there can be no assurance as to the outcome or future direction thereof.

Cano Health

On August 10, 2023, the Company sued Cano Health, LLC ("Cano") in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida for declaratory relief and anticipatory breach of the CCRA, Purchase Agreement, and a Services Agreement (collectively, the "Cano Agreements") between the parties. On the same day, Cano sued the Company in the same court, alleging fraud in the inducement, breach of contract, tortious interference, and unjust enrichment relating to the Cano Agreements. While it is inherently difficult to predict the eventual outcomes of pending actions, the Company denies all liability alleged by Cano and intends to defend the litigation vigorously.

The Company has outstanding a \$5.0 million receivable from Cano; however, due to Cano's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2023, which included a substantial doubt about its ability to continue as a going concern, the Company established a reserve for the balance due under such receivable during the nine months ended September 30, 2023.

Note 13. RELATED PARTY TRANSACTIONS

Loans from related parties

During the year ended December 31, 2022, the Company issued an unsecured promissory note in an aggregate principal amount of \$112.8 million (the "Promissory Note") to John H. Ruiz and Frank C. Quesada, the Company's Chief Executive Officer and director and Chief Legal Officer and director, respectively (collectively, the "MSP Principals"), in exchange for the MSP Principals agreeing to provide cash to pay transaction costs related to the Merger, pay down affiliate payable balances, and provide operating cash to the Company. In addition to the amounts in the Promissory Note, at the merger date with LCAP, the MSP Principals contributed \$13.0 million through funds that had been loaned to VRM MSP to cover related service fees. The Promissory Note as well as the amount contributed at the merger date bears interest at an annual rate of 4%, payable in kind, and will mature on the four-year anniversary of the issuance. The Promissory Note is payable by the Company at any time, without prepayment penalties, fees, or other expenses. During the three and nine months ended September 30, 2023, the Company recorded \$1.3 million and \$3.9 million, respectively, on interest expense related to the Promissory Note.

A portion of the proceeds under the Promissory Note in an amount equal to \$36.5 million was advanced to the Law Firm, an affiliate of certain Members, for certain operating expenses pursuant to a legal services agreement. This amount is reflected in prepaid expenses and other current assets within the condensed consolidated balance sheets and had a balance of \$13.4 million as of September 30, 2023. The advances of Law Firm expenses are reflected in Professional fees - legal within the condensed consolidated statement of operations. The advances are expensed as incurred, as the Company does not have recourse to any amounts incurred should Law Firm fail to secure recoveries, although it does have recourse to any amounts advanced that have not been incurred as an expense.

Under the legal services agreement, Company shall advance certain of Law Firm's monthly expenses, including payroll and overhead; however, should Law Firm earn fees under the legal service agreements (the "Existing LSAs") noted below, net of pre-existing obligations including payments to co-counsel sufficient to cover its monthly expenses, Company is entitled to reimbursement of the advance of said monthly expenses. Further, to the extent that Law Firm earns a surplus of fees in excess of its monthly expenses, said surplus shall be used to reimburse past amounts of Law Firm's monthly expenses that Company advanced. For the nine months ended September 30, 2023, approximately \$13.5 million of the \$36.5 million advanced by the Company to the Law Firm has been incurred for expenses pursuant to the legal services agreement.

Legal Services – Law Firm

Certain Company entities have previously entered into the Existing LSAs with the Law Firm, an affiliate of certain Members, for the recovery of Claims. Pursuant to the terms of the Existing LSAs, the Law Firm provides the Company with investigation, case management, research and legal services in the pursuit of recovery of Claims in exchange for a portion of the recovered proceeds relating to such Claims. The Existing LSAs also provide that the Law Firm serves as lead counsel or co-lead counsel for any litigation relating

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

to such Claims. As of September 30, 2023 and December 31, 2022 there was no amount due, as amounts paid through the prepaid noted above had covered amounts of existing LSAs due to the Law Firm for Claim recoveries. For the three and nine months ended September 30, 2023, \$4.6 million and \$13.5 million, respectively, was included in Professional fees – legal, for expenses related to the Law Firm in the condensed consolidated statements of operations. The amounts were largely due to the payment of Law Firm expenses per the related party loan as noted above. For the three and nine months ended September 30, 2022, \$4.6 million and \$24.7 million, respectively was included in Professional fees – legal for expenses related to the Law Firm in the condensed consolidated statements of operations. The amounts were largely due to share base compensation as noted below and the payment of Law Firm expenses per the related party loan as noted above. For the three and nine months ended September 30, 2023 and 2022, no amounts were included for cost of claims recoveries for expenses related to the Law Firm in the condensed consolidated statements of operations.

During the nine months ended September 30, 2023, the Company received a \$4.95 million loan from the Law Firm, evidenced by an unsecured promissory note, to provide general operational funding. The aggregate unpaid principal amount of this promissory note is due 24 months from the date of the last advance from the Purchase Money Loan is made. This promissory note is payable by the Company at any time, without prepayment penalties, fees, or other expenses. The note does not carry any interest and can be repaid at any time or from time to time without a prepayment penalty.

The Law Firm may also collect and/or hold cash on behalf of the Company in the ordinary course of business. As of September 30, 2023 and December 31, 2022, \$0.5 million and \$2.1 million, respectively, was due from the Law Firm and included in the condensed consolidated balance sheets in Affiliate Receivable. In addition, the Company rents office space from the Law Firm as discussed in Note 8, *Leases*.

MSP Recovery Aviation, LLC

The Company may make payments related to operational expenses on behalf of its affiliate, MSP Recovery Aviation, LLC (“MSP Aviation”). The Company has made payments in the periods of the financial statements only related to specifically billed flights. As of both September 30, 2023 and December 31, 2022, \$0.2 million was due from MSP Aviation and included in the condensed consolidated balance sheets in Affiliate Receivable. For the three and nine months ended September 30, 2023 \$0.0 and \$0.2 million was included in General and Administrative expenses related to MSP Aviation in the condensed consolidated statements of operations. For the three and nine months ended September 30, 2022, \$0.2 million and \$0.4 million, was included in General and Administrative expenses related to MSP Aviation in the condensed consolidated statements of operations.

Funds held for other entities

The Company may collect and/or hold cash on behalf of its affiliates in the ordinary course of business. As of both September 30, 2023 and December 31, 2022, \$19.8 million and \$19.8 million was due to affiliates of the Company and included in the condensed consolidated balance sheets in Affiliate Payable. These amounts were primarily due to Series MRCS, and will be repaid either through excess cash flows from operations or other financing. During the year ended December 31, 2022, the Company also entered into a note payable with Series MRCS as outlined in Note 7, *Intangible Assets, Net*. As of September 30, 2023 and December 31, 2022, the balance of the note payable was \$0.5 million and included in the condensed consolidated balance sheets in Claims financing obligation and notes payable.

As of September 30, 2023 and December 31, 2022, there were additional receivables from other affiliates of \$0.2 million and \$0.1 million, respectively. These were included in the condensed consolidated balance sheets in Affiliate Receivable.

VRM

Historically, MSP Recovery has received Claims recovery service income for services provided to VRM MSP. The Company concluded that VRM MSP is a related party due to ownership interests in the entity held by Series MRCS LLC. During the three and nine months ended September 30, 2022, \$0.0 and \$10.6 million, respectively, of claims recovery service income was received from VRM MSP as part of the servicing agreement and was included in the condensed consolidated statements of operations. There was no Claims recovery service income for services provided to VRM MSP for the three and nine months ended September 30, 2023.

For the three and nine months ended September 30, 2023, the Company recorded \$67.8 million and \$159.2 million, respectively, for interest expense related to the VRM Full Return and Virage MTA Amendment. For the three and nine months ended September 30, 2022, the Company recorded \$33.1 million and \$46.5 million for interest expense related to the VRM Full Return. Prior the Business Combination, the Company had not guaranteed the VRM Full Return therefore no amount of interest was recorded by prior to Business Combination.

Working Capital Credit Facility Collateral

Pursuant to the Second Amended and Restated First Lien Credit Agreement, and in order to secure those additional advances of Term Loan B beginning in January 2024, the Company approved for Messrs. John Ruiz and Frank Quesada to provide, as additional collateral, the following: (i) a pledge of the equity interests in an Affiliate of Messrs. John Ruiz and Frank Quesada; and (ii) a personal

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

guaranty by Messrs. John Ruiz and Frank Quesada, as primary obligors, guaranteeing those additional advances of Term Loan B beginning in January 2024.

Note 14. NET LOSS PER COMMON SHARE

Basic earnings per share of Class A Common Stock is computed by dividing net income attributable to common shareholders by the weighted-average number of shares of Class A Common Stock outstanding during the period. Diluted earnings per share of Class A Common Stock is computed by dividing net income attributable to common shareholders adjusted for the assumed exchange of all potentially dilutive securities, by the weighted-average number of shares of Class A Common Stock outstanding adjusted to give effect to potentially dilutive elements. Diluted loss per share for all period presented is the same as basic loss per share as the inclusion of the potentially issuable shares would be anti-dilutive.

The following table sets forth the computation of basic and diluted earnings per share of Class A Common Stock:

(In thousands except shares and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
		(As Restated)		(As Restated)
Numerator – basic and diluted:				
Net loss	\$ (224,217)	\$ (105,556)	\$ (609,192)	\$ (225,428)
Less: Net loss attributable to MSP Recovery, LLC pre Business Combination	—	—	—	—
Less: Net loss attributable to the noncontrolling interest post Business Combination	204,462	\$ 103,484	576,301	\$ 221,476
Net loss attributable to common shareholders	<u>\$ (19,755)</u>	<u>\$ (2,072)</u>	<u>\$ (32,891)</u>	<u>\$ (3,952)</u>
Denominator – basic and diluted:				
Weighted-average shares of Class A common stock outstanding – basic	12,703,472	2,761,476	7,097,032	2,125,539
Effect of dilutive securities:				
Weighted-average shares of Class A common stock outstanding – dilutive	12,703,472	2,761,476	7,097,032	2,125,539
Earnings per share of Class A common stock – basic	\$ (1.56)	\$ (0.75)	\$ (4.63)	\$ (1.86)
Earnings per share of Class A common stock – diluted	\$ (1.56)	\$ (0.75)	\$ (4.63)	\$ (1.86)

Shares of the Company's Class V Common Stock do not participate in the earnings or losses of the Company and are therefore not participating securities. As such, separate presentation of basic and diluted earnings per share of Class V Common Stock under the two-class method has not been presented.

In the calculation for earnings per share for the three and nine months ended September 30, 2023, the Company excluded from the calculation of diluted earnings per share 124,264,645 shares of Class V Common Stock, 3,084,703 Public Warrants outstanding, 2,666,667 shares issuable upon the exercise of the CPIA Warrant, and 1,028,046,326 of New Warrants outstanding because their effect would have been anti-dilutive. As discussed in Note 1, *Description of the Business*, the Reverse Split did not affect the number of outstanding warrants; it had effect on the exercise terms of the warrants.

Note 15. DERIVATIVE LIABILITY

The Company and CF had previously entered into an agreement for an OTC Equity Prepaid Forward Transaction, pursuant to which CF agreed to (a) transfer to the Company for cancellation any warrants to purchase shares received as a result of being the stockholder of record of a share as of the close of business on the closing date of the Business Combination, pursuant to the previously announced and declared LCAP dividend and (b) waive any redemption right that would require the redemption of the Subject Shares (as defined below) in exchange for a pro rata amount of the funds held in LCAP's Trust account.

At the Closing of the Business Combination, the Company transferred from the Trust Account to an escrow account an amount equal to (a) the aggregate number of such Subject Shares (approximately 44,000 shares), multiplied by (b) the per share redemption price for shares out of the Trust Account, as a prepayment to CF of the amount to be paid to CF in settlement of the OTC Equity Prepaid Forward Transaction for the number of shares owned by CF at the closing of the Business Combination (the "FEF Shares"). CF may sell the Subject Shares at its sole discretion in one or more transactions, publicly or privately. Any such sale shall constitute an optional early termination of the OTC Equity Prepaid Forward Transaction upon which (a) CF will receive from the escrow account an amount equal to the positive excess, if any, of (x) the product of the redemption price and the aggregate number of shares over (y) an amount

MSP RECOVERY, INC. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

equal to the proceeds received by CF in connection with sales of the shares, and (b) the Company will receive from the escrow account the amount set forth in (y) above.

The Company concluded that the instrument includes an embedded derivative for the change in value of the Company's Class A Common Stock, and as such, at the end of each period the Company will mark to market the shares through booking a derivative liability/asset. The calculation of the derivative liability/asset would be the difference between the restricted cash and current fair value of the outstanding FEF shares (number of FEF shares multiplied by market price of the Company's Class A Common Stock as of period end).

On January 6, 2023, the Company and CF entered into an Omnibus Fee Amendment Agreement ("Fee Amendment Agreement"). Pursuant to the terms of the Fee Amendment Agreement, in satisfaction of the deferred underwriting commissions under a previous agreement, the Company and CF agreed to release from escrow the \$11.4 million of restricted cash and release the FEF shares previously held as Class A Common Stock subject to possible redemption within temporary equity. Prior to the Fee Amendment Agreement, CF had not sold any FEF shares.

As a result of the Fee Amendment Agreement and termination of the OTC Forward Transaction, as of September 30, 2023, the Company no longer has any restricted cash, Class A Common Stock subject to possible redemption, or derivative liability in the condensed consolidated balance sheets.

Note 16. SUBSEQUENT EVENTS

Notice of Compliance with Nasdaq Listing Requirements

On October 27, 2023, the Company received a letter from the Staff at Nasdaq that the bid price deficiency has been cured, that the Company is in compliance with all applicable listing standards, and that the Company's stock will continue to be listed and traded on the Nasdaq Stock Market.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

MSP RECOVERY INC.’S MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless the context requires otherwise or unless otherwise noted, all references in this Form 10-Q to “LifeWallet,” “the Company,” “we,” “us,” or “our” are to MSP Recovery, Inc., d/b/a LifeWallet, a Delaware corporation. The following discussion and analysis provides information that the Company’s management believes is relevant to an assessment and understanding of the Company’s condensed consolidated results of operations and financial condition. The discussion should be read together with our 2022 Form 10-K for the year-ended December 31, 2022 and our condensed consolidated financial statements and the related notes and other information included elsewhere in this Quarterly Report on Form 10-Q (the “Q3-2023” or “Form 10-Q”). This discussion may contain forward-looking statements based upon the Company’s current expectations, estimates, and projections that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements due to, among other considerations, the matters discussed under “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements.”

Cautionary Note Regarding Forward-Looking Statements

Certain of the statements contained in this Quarterly Report on Form 10-Q are forward-looking and constitute forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act. Forward-looking statements may generally be identified by the use of words such as “anticipate,” “believe,” “could,” “expect,” “intend,” “plan,” “predict,” “may,” “should,” 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, guidance for 2023 portfolio recovery and revenue. 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. Although we believe that our expectations are based on reasonable assumptions within the bounds of our knowledge of our industry, business, and operations, we cannot guarantee that actual results will not differ materially from our expectations. In evaluating such forward-looking statements, you should specifically consider various factors, including the risks outlined under “Risk Factors.” Any forward-looking statement made by the Company herein speaks only as of the date made. The discussion of risks and uncertainties set forth in this Form 10-Q is not necessarily a complete or exhaustive list of all risks facing the Company at any particular point in time. New risks and uncertainties come up from time to time, and it is not possible for management to predict or identify all such events or to assess either the impact of all such risk factors on our business or the extent to which any individual risk factor, combination of factors, or new or altered factors, may cause results to differ materially from those contained in any forward-looking statement. The Company has no obligation, and does not intend, to update any forward-looking statements after the date hereof for any reason, even if new information becomes available in the future, 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 validity of the assignments of Claims to the Company; the ability to successfully expand the scope of our Claims or obtain new data and Claims from the Company’s existing assignor base or otherwise; the Company’s ability to innovate and develop new solutions, and whether those solutions will be adopted by the Company’s existing and potential assignors; negative publicity concerning healthcare data analytics and payment accuracy; compliance with the listing standards of The Nasdaq Capital Market; and those other factors listed under “Risk Factors” below and elsewhere in this Form 10-Q and other reports filed by the Company with the SEC.

Our Business

We are a leading healthcare recovery and data analytics company. We focus on the Medicare, Medicaid, and commercial insurance spaces. We are disrupting the antiquated healthcare reimbursement system, using data and analytics to identify and recover improper payments made by Medicare, Medicaid, and commercial health insurers.

Medicare and Medicaid are payers of last resort. Too often, they end up being the first and only payers, because the responsible payer is not identified or billed. As Medicare and Medicaid pay a far lower rate than what other insurers are often billed, this costs the healthcare system (and the supporting taxpayers) tens of billions of dollars a year in improper billing and lost recoveries. By discovering, quantifying, and settling the billed-to-paid gap on a large-scale basis, the Company is positioned to generate meaningful annual recovery revenue at high profit margins.

Our access to large volumes of data, sophisticated data analytics, and a leading technology platform provide a unique opportunity to discover and recover on Claims. We have developed Algorithms to identify waste, fraud, and abuse in the Medicare, Medicaid, and commercial health insurance segments. Our team of experienced data scientists and medical professionals analyze historical medical Claims data to identify recoverable opportunities. Once potential recoveries are reviewed by our team, they are aggregated and pursued. Through statutory law and case law, we believe we have an established basis for future recoveries.

We differ from our competitors as we receive our recovery rights through irrevocable assignments of Claims. Rather than provide services under a third-party vendor services contract, we receive the rights to certain recovery proceeds from our Assignors. As assignees, we have control over the direction of the litigation and take on a risk that our competitors do not. We, or our affiliated entities, are the plaintiff in any action filed and have control over the direction of the lawsuit. By receiving Claims through assignment, we can pursue additional recoveries under numerous legal theories that our competitors cannot. Although we typically own assigned Claims, for a significant portion of assigned Claims, our ability to pursue recoveries depends on our ongoing access to data through data access rights granted to us. In these cases, termination of such data access would substantially impair our ability to generate recoveries on those Claims.

Our current Claims portfolio has scaled significantly. We are entitled to a portion of any recovery rights associated with approximately \$1,603 billion in Billed Amount (and approximately \$381 billion in Paid Amount), which contains approximately \$92 billion in Paid Value of Potentially Recoverable Claims, as of September 30, 2023. We believe it would take any competitor a long time to amass the portfolio of Claims rights currently owned by us due to, among things, the volume of our Claims data retained and strength of our data analytics, which we believe are key to attracting new clients that are willing to assign Claims to us.

Our Business Model

Recovery Model

In our current business model, we receive irrevocable assignments of health Claim recovery rights through CCRA from a variety of sources including, but not limited to, MAOs, MSOs, HMOs, hospitals, and other at-risk entities. Prior to executing a CCRA, we utilize our proprietary internal data analytics platform to review the set of Claims and identify Claims with probable recovery paths.

Once recovery rights have been assigned, our data analysts use our proprietary Algorithms to identify potential recoveries. Results are then quality checked by our internal medical team. We contract with the Law Firm and various other law firms across the country to pursue recoveries through the legal system. Where appropriate, Law Firm reaches out to the liable parties to demand payment of amounts that are owed. Prior to litigation, there may be an incentive for the primary insurer to settle. If legal action is required to pursue recovery from primary insurers, claimholders are entitled to pursue “double damages” under the Medicare Secondary Payer Act.

We engage with each Assignor independently. We are typically entitled to 100% of recoveries pursuant to our CCRA. From those recoveries, we are typically contractually obligated to pay 50% of Net Proceeds to the Assignor. In certain cases, we have purchased the Assignor’s rights to recovery proceeds in advance of any collection; therefore, entitling the Company to retain 100% of the Net Proceeds. The “Net Proceeds” of any assigned Claim is defined as the gross amount recovered on an assigned Claim, minus any costs directly traceable to such assigned Claim(s) for which recovery was made. In some instances, we may purchase outright an Assignor’s recovery rights; in this instance, we are entitled to the entire recovery. In some cases, we have entered into arrangements to transfer CCRA or rights to proceeds from CCRA to other parties. Such sales include variable consideration in the form of payments that will be made only upon achievement of certain recoveries or based on a percentage of actual recoveries.

We have yet to generate substantial revenue from the recovery model. To date, the majority of our revenue has been generated by Claims recovery services which are either performance-based or fee for service arrangements as described below.

Chase to Pay

Over time, we plan to pivot the business to the “Chase to Pay” model. Chase to Pay is a real-time analytics driven platform that identifies the proper primary insurer at the point of care. Chase to Pay is intended to plug into the real-time medical utilization platforms used by providers at the points of care. Rather than allow an MAO to make a wrongful payment whereby we need to chase down the primary payer and collect a reimbursement for the MAO, Chase to Pay is intended to prevent the MAO from making a wrongful payment; instead redirecting payment obligations to the correct payer in the first instance. Furthermore, the primary payer typically will make payments at a higher multiple than the MAO would have paid, and MSP will be entitled to receive its portion of the recovery proceeds on the amounts paid by the primary payer.

As Chase to Pay works at the point of care, it is expected to decrease legal costs of recovery. As a result, when implemented, Chase to Pay is expected to improve the net recovery margin as the recovery multiple grows and variable legal costs to recover decline.

We have yet to generate revenue from this model, nor have we executed any agreements with customers to date. We are currently in the process of determining the pricing and form of these arrangements. As part of our “Chase to Pay” model, we launched LifeWallet in January 2022, a platform powered by our sophisticated data analytics, designed to locate and organize users’ medical records, facilitating efficient access to enable informed decision-making and improved patient care.

Claims Recovery Services

We also recognize Claims recovery service revenue from our services to customers to assist those entities with the pursuit of Claims recovery rights. We provide services to other parties to identify recoverable Claims and provide data matching and legal services. Under our Claims recovery services model, we do not own the rights to Claims but provide our services for a fee based on budgeted expenses for the month with an adjustment for the variance between budget and actual expense from the prior month.

We were a party to that certain Recovery Services Agreement (the “MSP RH Series 01 Recovery Services Agreement”), dated as of October 23, 2020, by and between MSP Recovery Holdings Series 01, LLC (“MSP RH Series 01”) and MSP Recovery, pursuant to which MSP Recovery will provide services including identifying, processing, prosecuting, and recovering money for certain Claims of MSP RH Series 01. In return for these services, MSP RH Series 01 paid a one-time fee of approximately \$7.2 million, and has agreed to pay annual service fees of approximately \$3.0 million commencing January 1, 2021, subject to adjustment based on the aggregate value of Claims of MSP RH Series 01 that is subject to the MSP RH Series 01 Recovery Services Agreement. Subsequent to December 31, 2022, this service fee agreement was terminated in connection with the loan facility executed with HPH (as defined below). See Note 4, *Asset Acquisitions*, to the condensed consolidated financial statements for additional detail.

The fees received pursuant to this agreement are related to expenses incurred and are not tied to the Billed Amount or potential recovery amounts. Although we believe our future business to be highly tied to the recovery model and Chase to Pay, we will continue to enter into these contracts as the market dictates.

Recent Updates

2023 Reverse Stock Split

The Company filed a Certificate of Amendment to its Second Amended and Restated Certificate of Incorporation filed with the Secretary of State of the State of Delaware that became effective at 11:59 PM EDT on October 12, 2023 to effect a 1-for-25 reverse stock split of the Company’s common stock (the “Reverse Split”). The stock began trading post split on October 13, 2023 under the same symbol, LIFW. As a result of the Reverse Split, every 25 shares of the Company’s old common stock were converted into one share of the Company’s new common stock. Fractional shares resulting from the Reverse Split were rounded up to the nearest whole number. The Reverse Split automatically and proportionately adjusted, based on the 1-for-25 split ratio, all issued and outstanding shares of the Company’s common stock, as well as the terms of warrants and other derivative securities outstanding at the time of the effectiveness of the Reverse Split. Proportionate adjustments were made to the per share exercise price and the number of shares issuable upon the exercise of all outstanding stock options and warrants to purchase shares of common stock. Share and per share data (except par value) for the periods presented reflect the effects of the Reverse Split. References to numbers of shares of common stock and per share data in the accompanying financial statements and notes thereto for periods ended prior to October 13, 2023 have been adjusted to reflect the Reverse Split on a retroactive basis. Unless otherwise noted, the share and per share information in this Quarterly Report have been adjusted to give effect to the one-for-twenty-five (1-for-25) Reverse Split.

Notice of Non-Compliance with Nasdaq Listing Requirements

On April 24, 2023, the Company was notified by Nasdaq Listing Qualifications staff (the “Staff”) that the Company was non-compliant with Nasdaq Listing Rule 5250(c)(1) as a result of not having timely filed its 2022 Form 10-K. The Company was also deemed non-compliant with Nasdaq’s Bid Price Requirement as the closing bid price for the Company’s Class A Common Stock had fallen below \$1.00 per share for 30 consecutive business days (March 13, 2023 through April 23, 2023). Pursuant to Nasdaq Marketplace Rule 5810(c)(3)(A), the Company was provided with a compliance cure period of 180 calendar days, or until October 23, 2023, to regain compliance with the Bid Price Requirement. On July 27, 2023, the Company filed its 2022 Form 10-K.

On May 24, 2023, the Company was notified by Nasdaq that it was not in compliance with the requirements of Nasdaq Listing Rule 5250(c) as a result of not having timely filed its Form 10-Q for the period ended March 31, 2023 with the SEC. On August 7, 2023, Nasdaq granted the Company an extension until August 30, 2023 to file its Quarterly Reports on Form 10-Q for the quarters ending March 31, 2023 and June 30, 2023. On August 16, 2023, the Company was notified by Nasdaq that it was not in compliance with the requirement of Nasdaq Listing Rule 5250(c)(1) as a result of not having timely filed its Form 10-Q for the period ended June 30, 2023 with the SEC. On August 17, 2023, the Company filed its Quarterly Report on Form 10-Q for the period ending March 31, 2023. The Company has regained compliance with such rule as a result of the filing of the Quarterly Report on Form 10-Q for the period ended June 30, 2023 on August 30, 2023. On August 31, 2023, the Company was notified by Nasdaq that it regained compliance with Nasdaq Listing Rule 5250(c)(1) after having filed its 2022 Form 10-K, and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023 and June 30, 2023.

On September 5, 2023, the Company received a determination from the Staff that the Company’s Class A Common Stock had a closing bid price of \$0.10 or less for 10 consecutive trading days during a compliance period and so, pursuant to Listing Rule 5810(3)(A)(iii), the Staff determined to delist the Company’s securities from The Nasdaq Capital Market (the “Delisting Determination”). Pursuant to the procedures set out in the Nasdaq Listing Rules, the Company appealed the Delisting Determination to a hearing panel (the “Hearing”), which suspended the Delisting Determination until the Hearing, which was scheduled for November 2, 2023. The Company effected the Reverse Stock Split on October 13, 2023, which caused the price of its Class A Common Stock to trade at a level sufficient to regain compliance with Listing Rule 5810(3)(A)(iii), and Listing Rule 5450(a)(1). On October 27, 2023, the Company was notified by the Staff that it had regained compliance with all applicable listing standards, the Hearing was canceled, and that the Company’s stock will continue to be listed and traded on the Nasdaq Stock Market.

On August 4, 2023, the Company's subsidiary, Subrogation Holdings, LLC, received funding amounting to \$5.5 million from Term Loan A and \$2.3 million installment under Term Loan B, both pursuant to the Amended and Restated Credit Agreement (the "Working Capital Credit Facility") with Hazel Partners Holdings LLC ("HPH"). Subsequent to September 30, 2023, the Company's subsidiary, Subrogation Holdings, LLC, received an additional \$4.5 million under Term Loan B.

Amounts borrowed and obligations under the Working Capital Credit Facility are secured by a pledge of proceeds from certain Claims in the Company's Claims portfolio, with the lien securing the Purchase Money Loan being subordinated and junior to the lien securing the Working Capital Credit Facility.

Virage Amendment

On April 12, 2023, we entered into an amendment (the "Virage MTA Amendment") to the Virage MTA and Virage Guaranty pursuant to which the payment date was extended from May 23, 2023 until September 30, 2024, subject to acceleration upon certain triggering events. Subsequent to September 30, 2024, the maturity date was extended to December 31, 2024. The payment obligation will become a current liability after December 31, 2023, and the Company does not currently have available liquidity to satisfy such obligations. Under the Virage MTA Amendment, Virage received a first priority lien on all sources of revenue of the company not otherwise encumbered as of the date of the Virage MTA Amendment, to the extent in excess of the amount of revenues necessary to establish and maintain an operating reserve of \$70 million for overhead expenses and applicable taxes. On July 24, 2023, the operating reserve was adjusted to \$47.5 million and MSP Recovery agreed not to increase its 2023 operating budget without Virage's consent.

On January 1, 2024, the Company will be required to make a one-time, lump sum payment to Virage for the period starting May 24, 2023 and ending December 31, 2023, in one or a combination of: (a) cash, in an amount equal to 1.0% of each calendar month-end balance (which month-end balance shall be increased daily up to 20% per annum based on a formula set forth in the Virage MTA Amendment) of the amount owing to Virage as of each preceding calendar month end and/or (b) warrants to purchase Class A common stock at \$0.0001 per share, in an amount equal to the quotient of 1.0% of each calendar month-end balance (which month-end balance shall be increased daily up to 20% per annum based on a formula set forth in the Virage MTA Amendment) of the amount owing to Virage as of each preceding calendar month end and the volume weighted average price of a share of our Class A common stock for the five day period prior to the issuance. If paid in warrants, such warrants will expire on January 1, 2026.

Further, for each calendar month beginning with January 31, 2024 until the obligations to Virage are paid in full, the Company has agreed to pay to Virage an amount monthly, in one or a combination of: (a) cash, in an amount equal to 1.0% of each calendar month-end balance (which month-end balance shall be increased daily up to 20% per annum based on a formula set forth in the Virage MTA Amendment) of the amount owing to Virage as of each preceding calendar month end and/or (b) warrants to purchase Class A common stock at \$0.0001 per share, in an amount equal to the quotient of 1.0% of each calendar month-end balance (which month-end balance shall be increased daily up to 20% per annum based on a formula set forth in the Virage MTA Amendment) of the amount owing to Virage as of each preceding calendar month end and the volume weighted average price of a share of our Class A common stock. If paid in warrants, such warrants will expire two years from the date of issuance.

The warrants will contain customary provisions for a transaction of this type, including that each warrant will be exercisable in whole or in part at any time prior to the expiration date, be freely transferable, subject only to applicable securities laws, and be subject to customary anti-dilution protection regarding the exercise price and number of shares of Class A Common Stock to be issued upon the exercise of each warrant.

In addition, the Virage MTA Amendment changed the payment methods to Virage to exclusively be, in the following order of priority: (a) the Proceeds and any other sources of revenue or liquidity of the Company (and its subsidiaries) that are not encumbered by a lien of a party other than Virage and to the extent such revenues and liquidity exceed the amount of net of revenues necessary to establish and maintain an operating reserve of \$70 million (reduced to \$47.5 million on July 24, 2023) for certain Company expenses, (b) a sale of certain reserved shares of Messrs. John H. Ruiz and Frank C. Quesada, and the delivery of the resulting net cash proceeds thereof to VRM, (c) Parent's sale of additional shares and delivery of proceeds to Virage, subject to certain anti-dilution provisions, (d) if not satisfied by the foregoing, a sale by Messrs. Ruiz and Quesada other shares of Messrs. Ruiz and Quesada, and the delivery of the resulting net cash proceeds thereof to VRM; provided that if the VRM Full Return is not fully paid by September 30, 2024 the VRM Full Return shall be payable by any of such payment methods in any order of priority. In addition, in connection therewith, Messrs. Quesada and Ruiz agreed to certain transfer restrictions applicable to their common stock, and agreed to effectuate sales of Company common stock in certain circumstances.

On November 13, 2023, the Company entered into the Second Virage MTA Amendment that extended the final payment date of the VRM Full Return to December 31, 2024, subject to acceleration upon certain triggering events. In addition, the Second Virage MTA Amendment (a) changed the minimum operating reserve from \$47.5 million to the budget of the Company (plus applicable taxes) plus 10%, and (b) requires Virage and the Company negotiate and agree on a form of initial warrant and monthly warrant by no later than December 1, 2023.

Amended and Restated Nomura Promissory Note

On April 12, 2023, the Company amended the promissory note to Nomura originally issued on May 27, 2022, which amendment increased the principal amount to approximately \$26.3 million and extended the maturity date of the promissory note to September 30, 2024. Subsequent to September 30, 2023, the Company entered into the Amended and Restated Nomura Promissory Note to (a) increase the principal amount to approximately \$28.9 million, (b) extend the maturity date was extended to December 31, 2024, and (c) permit the Company to use the proceeds of an at-the-market offering to repay indebtedness incurred by the Company for which the proceeds are used for operating expenses, subject to certain enumerated restrictions. The Amended and Restated Nomura Promissory Note will become a current liability after December 31, 2023, and the Company does not currently have available liquidity to satisfy said obligation. The Amended and Restated Nomura Promissory Note carries an interest rate of 16% per annum and is payable in kind or in cash, at the Company's discretion, every 30 calendar days after November 13, 2023. Upon two days prior written notice to Nomura, the Company may prepay all or any portion of the then outstanding principal amount under the Amended and Restated Nomura Promissory Note together with all accrued and unpaid interest thereon.

Cano Health

On July 7, 2023, the Company issued 4,760,001 unregistered shares (after giving effect to the Reverse Split) of Class A Common Stock to Cano Health, LLC ("Cano") as payment for \$61.6 million in deferred compensation related to the following agreements, which the Company had the option to pay in cash or in stock and has elected to pay in stock, of which (i) 3,225,807 shares of Common Stock were issued as a deferred consideration for the assignment of certain claims pursuant to that certain Purchase Agreement, effective as of September 30, 2022, as amended to date, by and between MSP Recovery and Cano, and (ii) 4,734,194 shares of Common Stock were issued as deferred consideration for the assignment of certain claims pursuant to that certain Amended and Restated Claims Recovery and Assignment Agreement effective as of December 31, 2021, as amended to date, by and between MSP Recovery and Cano.

On August 10, 2023, the MSP Recovery sued Cano in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida for declaratory relief and anticipatory breach of the CCRA, Purchase Agreement, and a Service Agreement (collectively, the "Cano Agreements") between the parties. On the same day, Cano sued the Company in the same court, alleging fraud in the inducement, breach of contract, tortious interference, and unjust enrichment relating to the Cano Agreements. The Company has outstanding a \$5.0 million receivable from Cano; however, due to Cano's Quarterly Report on Form 10-Q for the June 30, 2023 period, which includes a substantial doubt about its ability to continue as a going concern, the Company established a reserve for the balance due under such receivable during the nine months ended September 30, 2023.

Virage Swap

On July 28, 2023, VRM exercised its option to exchange Claims with service dates prior to January 1, 2014 for more recent Claims. To do so, the VRM MSP agreement was amended to reflect that: (a) rights to recovery proceeds arising from Claims held by VRM MSP, with dates of service before January 1, 2014, were transferred to MSP Recovery; (b) MSP Recovery contributed capital to VRM MSP in the form of in-kind ownership interests to certain series entities holding Claims; however, recovery proceeds associated with said entities with service dates prior to January 1, 2014 and after March 31, 2023 were retained by MSP Recovery; and (c) as a result of such capital contributions, MSP Recovery was admitted as a member of VRM MSP.

Key Factors Affecting Our Results

Our Claims Portfolio

We differ from some of our competitors because we obtain our recovery rights through irrevocable assignments. When we are assigned these rights, we take on the risk that such Claims may not be recoverable. We are entitled to pursue a portion of any recovery rights associated with approximately \$1,603 billion in Billed Amount (and approximately \$381 billion in Paid Amount), which contained approximately \$92 billion in Paid Value of Potentially Recoverable Claims, as of September 30, 2023. We are typically entitled to 100% of recovery rights pursuant to our CCRAs, but contractually obligated to pay 50% of gross recoveries to the Assignor. In certain cases, we have purchased from our Assignors the rights to 100% of the recovery. By discovering, quantifying, and settling the gap between Billed Amount and Paid Amount on a large scale, we believe we are positioned to generate substantial annual recovery revenue at high profit margins for our assigned Claims. In litigation, our experienced management and legal teams provide us with a competitive advantage. While our model of being assigned the Claim rights allows us the flexibility to direct the litigation and potentially generate higher margins, we have, on an opportunistic basis, paid the Assignor an upfront purchase price for these rights.

To date, we have not generated substantial revenue from our Claims portfolio, and our business model is dependent of achieving revenue from this model in the future. If we are unable to recover the upfront purchase price from the assigned Claims or the investments we have made in pursuing recoveries, it would have an adverse effect on our profitability and business.

Our potential Claims recovery income in a given period will be impacted by the amount of Claims we review and ultimately pursue. The number of Claims that we review is driven by the Claims we receive through assignment. As we are assigned more Claims, we can review the Claims and identify additional recoveries. To expand our Assignor base and obtain more Claims, we plan to implement new strategies to secure new Assignors. These strategies will include a platform to educate potential Assignors about our company, making strategic business partnerships, potential mergers, as well as other marketing strategies. Our Assignors have grown from 32 in 2015, to

105 in 2018, to 123 in 2019, to 134 in 2020 and over 160 Assignors to date. If we are unable to continue to attract new Assignors to our platform, this could adversely affect future profitability.

In addition to obtaining new Claims, our ability to collect on identified Claims at our estimated multiples is key to our future profitability. Pursuant to the Medicare Secondary Payer Act, we believe we are entitled to pursue reasonable and customary rates. Under existing statutory and case law, the private cause of action under the Medicare Secondary Payer Act permits the pursuit of double damages when a primary plan fails to provide for primary payment or appropriate reimbursement. In addition to double damages, federal law provides express authority to pursue statutory interest from primary payers on any amounts owed.

As a result, we may pursue double damages and statutory interest in our Medicare Secondary Payer Act-related recoveries. We seek to recover these amounts under either the recovery model or the Chase to Pay model. Federal law also expressly provides MAOs with the right to charge providers for the Billed Amount when accident related liability exists. Per the terms of various legal services agreements that MSP Recovery has with the Law Firm, for legal services provided, the Law Firm would receive a percentage of the total Claim recovery which would include double damages and additional penalties. Our ability to pursue double damages may be impacted by the RAMP Act as disclosed in Note 12, *Commitments and Contingencies*.

Our Claims recovery revenue is typically recognized upon reaching a binding settlement or arbitration with a counterparty or when the legal proceedings, including any appellate process, are resolved. A decrease in the willingness of courts to grant these judgments, a change in the requirements for filing these cases or obtaining these judgments, or a decrease in our ability to collect on these judgments could have an adverse effect on our business, financial condition, and operating results. Of the Claims identified as potentially recoverable, relating to our accident-related cases as of September 30, 2023, approximately 86.8% of claims are already in the recovery process, which are claims where either the recovery process has been initiated, data has been collected and matched, or resolution discussions are in process.

Key Performance Indicators

To evaluate our business, key trends, risks and opportunities, prepare projections, make strategic decisions, and measure our performance, we track several key performance indicators (“KPIs”). As our company has yet to achieve significant revenues and the drivers of expected revenues require significant lead time before revenue can be generated, management utilizes KPIs to assist in tracking progress, and believes such KPIs are useful in evaluating the performance of our business, in addition to our financial results prepared in accordance with GAAP. The KPIs are total Paid Amount, Paid Value of Potentially Recoverable Claims, Billed Value of Potentially Recoverable Claims, Recovery Multiple, and Penetration Status of Portfolio.

Total Paid Amount: The term Paid Amount is defined in the Definitions section above. As we continue to expand, we anticipate our revenue growth will be greatly dependent on our ability to increase the total Paid Amount and, correspondingly, the Paid Value of Potentially Recoverable Claims, in our portfolio. Management believes this metric is a useful measure to investors and is useful in managing or monitoring company performance because we view an increase in Paid Amount as a positive indicator as it should provide the Company with the ability to increase the Paid Value of Potentially Recoverable Claims. Conversely, a decrease would produce a diminishing expectation of the Paid Value of Potentially Recoverable Claims.

Paid Value of Potentially Recoverable Claims (PVPRC): The term PVPRC is defined in the Definitions section above. We analyze our Claims portfolio and identify potentially recoverable Claims using our Algorithms to comb through historical paid Claims data and search for potential recoveries. PVPRC is a measure of the Paid Amount that has been paid to providers in respect of those potentially recoverable Claims. Management believes this measure provides a useful metric for potential recoveries, but it is not a measure of the actual amount that may be recovered with respect to potentially recoverable Claims, which in turn may be higher or lower based on a variety of factors. As non-compliance with Section 111 reporting requirements is commonplace, responsible reporting entities (RRE) routinely fail to report their responsibility to make primary payments; for this reason, data matching is often required to determine which reporting entity is responsible to reimburse a given potentially recoverable Claim. Our ability to generate future Claims recovery income is largely dependent on our ability to accurately identify potentially recoverable Claims through our data analytics and ultimately recover on these Claims. Management believes this metric is a useful measure to investors and in managing or monitoring company performance because we view an increase in PVPRC as a positive indicator as it should provide the Company with the ability to increase Claims recovery income and otherwise shows growth.

Billed Value of Potentially Recoverable Claims (BVPRC): Billed Value of Potentially Recoverable Claims (“BVPRC”) represents the cumulative Billed Amount of potentially recoverable Claims. We analyze our Claims portfolio and identify potentially recoverable Claims using Algorithms to comb through historical paid Claims data and search for potential recoveries. For a majority of our Claims, the Company believes it has the ability to recover in excess of the Paid Amount by pursuing the Billed Amount plus interest plus double damages under applicable law. Under existing statutory and case law, the private cause of action under the Medicare Secondary Payer Act permits an award of double damages when a primary plan fails to provide for primary payment or appropriate reimbursement. We believe federal law expressly provides MAOs with the right to charge, or authorize the provider of such services to charge, in accordance with the charges allowed under a law, plan, or primary plan policy. We believe our ability to generate future Claim recovery income is largely dependent on our ability to accurately identify potentially recoverable Claims through our data analytics and ultimately recover on these Claims. Management believes this metric is a useful measure to investors and in managing or monitoring

company performance because we view an increase in BVPRC as a positive indicator as it should provide the Company with the ability to increase Claims recovery income and otherwise shows growth.

Recovery Multiple: The vast majority of our recoveries are sought pursuant to the MSP Act and associated regulations (the “MSP Laws”); however, some recoveries are sought under product liability, antitrust, and other various causes of action. For recoveries sought pursuant to the MSP Laws, we generally pursue amounts in excess of the Paid Amount; in other cases, the cause of action will dictate the amount pursued. The Recovery Multiple is the amount of any generated Claims recovery income obtained by the Company in respect to any Claims as compared to the Paid Amount of those Claims (e.g., if a given Claim had a Paid Amount of \$100, a \$600 recovery would represent a Recovery Multiple of 6x). For these purposes, we record values under the Recovery Multiple once we have recorded Claims recovery income, either through the receipt of cash or recognition of accounts receivable on the Claims. Management believes this metric is useful to investors to manage or monitor the Company’s performance because the Recovery Multiple provides a measure of our ability to recover on Claims recovery rights. A Recovery Multiple above 1x would illustrate the Company’s ability to recover amounts in excess of the Paid Amount. As actual recoveries have been limited to date, this measure has limited utility for historical periods. However, management believes this measure will become more meaningful during the next 12 months and beyond to the extent the Company begins to report actual increases in recoveries during those periods. As of September 30, 2023, the Company has obtained settlements where the Recovery Multiple was or would be in excess of the Paid Amount, and settlements at or below the paid amount. However, these settlements do not provide a large enough sample to be statistically significant and are therefore not shown in the table. As the Recovery Multiple is based on actual recoveries, this measure is not based on the Penetration Status of Portfolio, as described below.

Penetration Status of Portfolio: Penetration Status of Portfolio provides a measure of the Company’s recovery efforts by taking into account the current stages of recovery of Claims in the portfolio and tying it in with the estimated market share of the related primary payers. The total percentage represents the estimated aggregate market share for the respective primary payers in which the Company is in some stage of recovery. As the Company initiates additional recovery efforts against additional primary payers, the Company expects this number to increase. These stages of recovery include where (1) the recovery process has been initiated, (2) data has been collected and matched, or (3) potential resolution discussions are in process. The Company uses third-party sources to estimate the aggregate market share of those primary payers in the property and casualty auto insurance market with whom the Company is engaged in one of these stages of recovery. Management believes this metric is useful to investors and in managing or monitoring company performance because it provides insight as to the estimated share of the market that is covered by existing recovery efforts. We estimate that cases that are in the potential resolution discussions and/or data matching are closer to generating potential future Claims recovery income.

	Nine months ended September 30, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020
<i>\$ in billions</i>				
Paid Amount	\$ 381.1	\$ 374.8	\$ 364.4	\$ 58.4
Paid Value of Potentially Recoverable Claims	91.5	89.6	86.6	14.7
Billed Value of Potentially Recoverable Claims	387.1	377.8	363.2	52.3
Recovery Multiple	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽¹⁾
Penetration Status of Portfolio	86.8%	85.8%	75.6%	N/A

- (1) During the nine months ended September 30, 2023, the Company has received total recoveries of \$6.1 million with a recovery multiple of 1.53x. However, the settlement amounts do not provide a large enough sample to be statistically significant, and are therefore not shown in the table.
- (2) On August 10, 2022, the United States Court of Appeals, Eleventh Circuit held that a four-year statute of limitations period applies to certain claims brought under the Medicare Secondary Payer Act’s private cause of action, and that the limitations period begins to run on the date that the cause of action accrued. This opinion may render certain Claims held by the Company unrecoverable and may substantially reduce PVPRC and BVPRC as calculated. As our cases were filed at different times and in various jurisdictions, and prior to data matching with a defendant we are not able to accurately calculate the entirety of damages specific to a given defendant, we cannot calculate with certainty the impact of this ruling at this time. However, the Company has deployed several legal strategies (including but not limited to seeking to amend existing lawsuits in a manner that could allow claims to relate back to the filing date as well as asserting tolling arguments based on theories of fraudulent concealment) that would apply to tolling the applicable limitations period and minimizing any material effect on the overall collectability of its claim rights. In addition, the Eleventh Circuit decision applies only to district courts in the Eleventh Circuit. Many courts in other jurisdictions have applied other statutes of limitations to the private cause of action, including borrowing the three-year statute of limitations applicable to the government’s cause of action; and borrowing from the False Claims Act’s six-year period. The most recent decision on the issue from the District Court of Massachusetts, for example, applies the same statute of limitations as Eleventh Circuit, but expressly disagrees with the Eleventh Circuit’s application of the “accrual” rule and instead adopted the notice-based trigger that the company has always argued should apply. This would mean that the limitations period for unreported claims has not even begun to accrue. This is a complex legal issue that will continue to evolve in jurisdictions across the country. Nevertheless, if the application of the statute of limitations as determined by the Eleventh Circuit was applied to all Claims assigned to us, we estimate that the effect would be a reduction of PVPRC by approximately \$8.9 billion. As set forth in our Risk Factors, PVPRC is based on a variety of factors. As such, this estimate is subject to change based on the variety of legal claims being litigated and statute of limitations tolling theories that apply.

Healthcare Industry

Our business is directly related to the healthcare industry and is affected by healthcare spending and complexity in the healthcare industry. We estimate that our total addressable market is over \$150 billion annually. Our primary focus is on the Medicare and Medicaid market segments. Medicare is the second largest government program, with estimated annual expenditures during 2021 of approximately

\$923 billion for approximately 63.5 million enrollees. Medicaid has a combined estimated annual expenditure during 2021 of approximately \$684 billion for approximately 76.5 million enrollees. Of the billions spent yearly by Medicare on medical expenses for its beneficiaries, we estimate that at least 10% of this was improperly paid by private Medicare plans.

Our addressable market, and therefore revenue potential, is impacted by the expansion or contraction of healthcare coverage and spending, which directly affects the number of Claims available. The Centers for Medicare & Medicaid Services (“CMS”) has projected that health spending will continue to grow at an average rate of 5.4% a year between 2019 and 2028. We also believe reimbursement models may become more complex as healthcare payers accommodate new markets and lines of business and as advancements in medical care increase the number of testing and treatment options available. As reimbursement models grow more complex and healthcare coverage increases, the complexity and number of Claims may also increase, which could impact the demand for our solutions. Such changes could have a further impact on our results of operations.

As of September 30, 2023, approximately 92.6% of our expected recoveries arise from Claims being brought under the Medicare Secondary Payer Act. While we believe the MSP Act has bipartisan support, changes to the laws on which we base our recoveries, particularly the MSP Act, can adversely affect our business. Our ability to generate future revenue is therefore significantly dependent on factors outside our control.

Key Components of Sales and Expenses

The following represent the components of our results of operations.

Revenue

Claims Recovery Income

Our primary income-producing activities are associated with the pursuit and recovery of proceeds related to Claims recovery rights that the Company obtains through CCRAs, which are irrevocably assigned to us. As such, this income is not generated from the transfer of control of goods or services to customers, but through the proceeds realized from perfection of Claims recoveries from rights we own. We recognize Claims recovery income based on a gain contingency model; that is, when the amounts are reasonably certain of collection. This typically occurs upon reaching a binding settlement or arbitration with the counterparty or when the legal proceedings, including any appellate process, are resolved.

In some cases, we would owe an additional payment to the original assignor in connection with the realized value of the recovery right. Claims recovery income is recognized on a gross basis, as we are entitled to the full value of recovery proceeds and make payment to the original assignor similar to a royalty arrangement. Such payments to our Assignors are recognized as cost of Claims recovery in the same period the Claims recovery income is recognized.

Claims Recovery Service Income

We also recognize Claims recovery service income for our services to a related party and a third party to assist those entities with pursuit of Claims recovery rights. We have determined we have a single performance obligation for the series of daily activities that comprise Claims recovery services, which are recognized over time using a time-based progress measure. We enter into Claims recovery service contracts with third parties. Amounts payable for services to third parties are typically based on budgeted expenses for the current month with an adjustment for the variance between budget and actual expenses from the prior month.

The Company does not anticipate significant claims recovery service income during 2023.

Operating Expenses

Costs of Claim Recoveries

Costs of recoveries consist of all directly attributable costs specifically associated with Claims processing activities, including contingent payments payable to assignors (i.e., settlement expenses).

Claims Amortization Expense

Claims Amortization Expense consists of the amortization of CCRA intangible assets for those CCRAs in which we made upfront payments or commitments in order to acquire Claims recovery rights.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel-related expenses for employees involved in general corporate, sales, and marketing functions, including executive management and administration, legal, human resources, accounting, finance, tax, and information technology. Personnel-related expenses primarily include wages and bonuses. General and administrative expenses also consist of rent, IT costs, insurance, and other office expenses.

As we continue to grow as a company and build our team, we expect that our sales, general and administrative costs will increase. We also expect to incur additional expenses as a result of operating as a public company, including expenses necessary to comply with the rules and regulations applicable to companies listed on a national securities exchange and related to compliance and reporting

obligations pursuant to the rules and regulations of the SEC, as well as higher expenses for general and director and officer insurance, investor relations, and professional services.

Allowance for credit losses

Allowance for credit losses consists of a specific reserve for a receivable amount due from Cano. Due to its material nature, it is included separately in the condensed consolidated statement of operations.

Professional Fees

Professional Fees consist of consulting, accounting, and other professional fees that are charged for services provided by third-party vendors.

Professional fees – legal

Professional fees – legal consist of payments for the expenses of the Law Firm covered by a certain Legal Services Agreement and other legal professional services from third-party providers, including payments to co-counsel.

Depreciation and Amortization

Depreciation and amortization expense consist of depreciation and amortization of property and equipment related to our investments in leasehold improvements, office and computer equipment, and internally generated capitalized software development costs. We provide for depreciation and amortization using the straight-line method to allocate the cost of depreciable assets over their estimated useful lives.

Interest Expense

In some cases, we have entered into arrangements to transfer CCRA or rights to proceeds from CCRA to other parties. When such transfers are considered to be sales of future revenue that are debt-like in nature as defined in Accounting Standards Codification (“ASC”) 470, these arrangements are recognized as debt based on the proceeds received and are imputed an interest rate based on the expected timing and amount of payments to achieve contractual hurdles. Our interest expense consists of the imputed interest on these payments. We anticipate that as we recognize Claims recoveries related to CCRA in these arrangements, the interest expense on these arrangements will decrease. In addition, interest expense includes interest paid on the Nomura Promissory Note, Working Capital Credit Facility, Purchase Money Loan, Virage transactions (See Note 4, *Assets Acquisitions*) and Loans from related parties.

Other Income (Expense)

Other income consists of equity investment earnings, some affiliate related income, mark to market gain (loss) for payments due in stock. Other expenses consist of bank service charges, airing fees, tax penalties, settlement expense, political contributions and donations, and some affiliate related expenses.

Changes in Fair Value of Warrant and Derivative Liabilities

Changes in fair value of warrants and derivative liabilities consists of the mark to market of warrant liabilities and derivatives as part of the OTC Equity Prepaid Forward Transaction noted in Note 15, *Derivative Liability*, and warrant liabilities due to Public Warrants as noted in Note 3, *Business Combination*, in the notes to condensed consolidated financial statements.

Net (Income) Loss Attributable to Non-Controlling Members

Net (income) loss attributable to non-controlling members consists of income or loss attributable to Class V Common Stock shareholders.

Income Tax Benefit

As a result of the Business Combination, the Company became the sole managing member of MSP Recovery, which is treated as a partnership for U.S. federal, state, and local income tax purposes. As a partnership, MSP Recovery is not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by MSP Recovery is passed through to and included in the taxable income or loss of its partners, including MSP Recovery, Inc. The Company is subject to U.S. federal income taxes, in addition to state and local income taxes, with respect to the Company’s allocable share of income of MSP Recovery. The Company’s deferred tax balances reflect the impact of temporary differences between the carrying amount of assets and liabilities and the Company’s tax basis. The balances are stated at the tax rates in effect when the temporary differences are expected to be recovered or settled. The Company reviewed the anticipated future realization of the tax benefit of the Company’s existing deferred tax assets and concluded that it is more likely than not that all of the deferred tax assets will not be realized in the future.

Results of Operations

Three months ended September 30, 2023 versus three months ended September 30, 2022

The following table sets forth a summary of our condensed consolidated results of operations for the three months ended September 30, 2023 to three months ended September 30, 2022 indicated.

	Three Months Ended September 30,			
	2023	2022 (As Restated)	\$ Change	% Change
<i>(in thousands except for percentages)</i>				
Claims recovery income	\$ 440	\$ 2,759	\$ (2,319)	(84) %
Claims recovery service income	—	5,748	(5,748)	(100) %
Total Claims Recovery	\$ 440	\$ 8,507	\$ (8,067)	(95) %
Operating expenses				
Cost of claims recoveries	\$ 574	\$ 1,198	\$ (624)	(52) %
Claims amortization expense	121,008	111,851	9,157	8 %
General and administrative	6,130	6,621	(491)	(7) %
Professional fees	2,466	5,904	(3,438)	(58) %
Professional fees – legal	6,871	8,014	(1,143)	(14) %
Depreciation and amortization	85	103	(18)	(17) %
Total operating expenses	\$ 137,134	\$ 133,691	\$ 3,443	3 %
Operating Income/ (Loss)	\$ (136,694)	\$ (125,184)	\$ (11,510)	9 %
Interest expense	\$ (88,279)	\$ (46,180)	\$ (42,099)	91 %
Other income (expense), net	408	63,138	(62,730)	(99) %
Change in fair value of warrant and derivative liabilities	348	2,670	(2,322)	(87) %
Net loss before provision for income taxes	\$ (224,217)	\$ (105,556)	\$ (118,661)	112 %
Provision for income tax benefit (expense)	\$ —	\$ —	\$ —	(100) %
Net loss	\$ (224,217)	\$ (105,556)	\$ (118,661)	112 %
Less: Net (income) loss attributable to non-controlling members	\$ 204,462	\$ 103,484	\$ 100,978	98 %
Net loss attributable to controlling members	\$ (19,755)	\$ (2,072)	\$ (17,683)	853 %

Claims recovery income. Claims recovery income decreased by \$2.3 million to \$0.4 million for the three months ended September 30, 2023 compared to the same period in the prior year, driven by decreased settlements during the period.

Claims recovery service income. Claims recovery service income decreased by \$5.7 million to \$0.0 million for the three months ended September 30, 2023 compared to the same period in the prior year, primarily driven by a decrease in third party service fees. The Company does not anticipate significant claims recovery service income during 2023.

Cost of claims recoveries. Cost of claims recoveries decreased by \$0.6 million to \$0.6 million, for the three months ended September 30, 2023 compared to the same period in the prior year, driven by assignor and law firm costs, which are directly correlated to the decrease in claims recovery income.

Claims amortization expense. Claims amortization expense increased by \$9.2 million to \$121.0 million compared to the same period in the prior year, primarily driven by increased amortization due to the acquisition of CCRA's purchased during the nine months ended September 30, 2023, included in Intangible assets.

General and administrative. General and administrative decreased by \$0.5 million to \$6.1 million for the three months ended September 30, 2023 compared to the same period in the prior year, primarily driven by a decrease in salaries and benefits of \$0.4 million, marketing and promotions of \$0.3 million, payroll expenses and payroll taxes of \$0.2 million, offset by an increase in non-executive board compensation \$0.3 million, among others.

Professional fees. Professional fees decreased by \$3.4 million to \$2.5 million for the three months ended September 30, 2023 compared to the same period in the prior year, primarily driven by decrease in professional fees of \$0.5 million and services fees of \$3.0 million.

Professional fees – legal. Professional fees – legal decreased by \$1.1 million to \$6.9 million for the three months ended September 30, 2023 compared to the same period in the prior year, primarily due to a \$1.1 million decrease in fees to outsourced law firms.

Interest expense. Interest expense increased by \$42.1 million to \$88.3 million in the three months ended September 30, 2023 compared to the same period in the prior year, primarily driven by an increase due to the guarantee obligation as well as due to increases in the basis for which interest is incurred on our Claims financing obligations and accrued interest on the related party loan obtained in June 2022.

Other income (expense), net. Other income, net decreased by \$62.7 million for the three months ended September 30, 2023 compared to the same period in the prior year, driven almost entirely by a gain associated with the settlement of the Brickell Key Investment debt extinguishment for the three months ended September 30, 2022, which did not reoccur in 2023.

Change in fair value of warrant and derivative liabilities. The change in fair value of warrant and derivative liabilities decreased \$2.3 million to \$0.3 million for the three months ended September 30, 2023 compared to the same period in the prior year. For the three months ended September 30, 2023, the \$0.3 million gain related to a mark to market adjustment to the fair value of Public Warrants. For the three months ended September 30, 2022, \$2.7 million of gain was recorded related to mark to market adjustments for the fair value of warrants for \$3.7 million and a loss for the fair value of derivative liabilities related to the Committed Equity facility for \$1.0 million.

Nine months ended September 30, 2023 versus Nine months ended September 30, 2022

The following table sets forth a summary of our condensed consolidated results of operations for the nine months ended September 30, 2023 to the nine months ended September 30, 2022 indicated.

(in thousands except for percentages)	Nine Months Ended September 30,			
	2023	2022 (As Restated)	\$ Change	% Change
Claims recovery income	\$ 6,479	\$ 4,225	\$ 2,254	53 %
Claims recovery service income	498	17,795	(17,297)	(97) %
Total Claims Recovery	\$ 6,977	\$ 22,020	\$ (15,043)	(68) %
Operating expenses				
Cost of claims recoveries	\$ 1,972	\$ 1,906	\$ 66	3 %
Claims amortization expense	355,481	153,560	201,921	131 %
General and administrative	20,691	17,049	3,642	21 %
Professional fees	15,611	10,973	4,638	42 %
Professional fees – legal	25,889	34,251	(8,362)	(24) %
Allowance for credit losses	5,000	—	5,000	100 %
Depreciation and amortization	182	254	(72)	(28) %
Total operating expenses	\$ 424,826	\$ 217,993	\$ 206,833	95 %
Operating Income/ (Loss)	\$ (417,849)	\$ (195,973)	\$ (221,876)	113 %
Interest expense	\$ (204,287)	\$ (80,947)	\$ (123,340)	152 %
Other income (expense), net	8,697	63,175	(54,478)	(86) %
Change in fair value of warrant and derivative liabilities	4,247	(11,683)	15,930	(136) %
Net loss before provision for income taxes	\$ (609,192)	\$ (225,428)	\$ (383,764)	170 %
Provision for income tax benefit (expense)	\$ —	\$ —	\$ —	(100) %
Net loss	\$ (609,192)	\$ (225,428)	\$ (383,764)	170 %
Less: Net (income) loss attributable to non-controlling members	\$ 576,301	\$ 221,476	\$ 354,825	160 %
Net loss attributable to controlling members	\$ (32,891)	\$ (3,952)	\$ (28,939)	732 %

Claims recovery income. Claims recovery income increased by \$2.3 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, driven by increased settlements during the year to date period.

Claims recovery service income. Claims recovery service income decreased by \$17.3 million, for the nine months ended September 30, 2023 from \$17.8 million for the nine months ended September 30, 2022, primarily driven by a decrease in third party service fees. The Company does not anticipate significant claims recovery service income during 2023.

Cost of claims recoveries. Cost of claims recoveries remained consistent with a slightly increase of \$66 thousand in comparison to the same period in prior year.

Claims amortization expense. Claims amortization expense increased by \$201.9 million for nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, primarily driven by increased amortization due to the acquisition of CCRA obtained as part of the business combination completed in the second quarter of 2022 and additional CCRA purchases during the nine months ended September 30, 2023.

General and administrative. General and administrative increased by \$3.6 million in nine months ended September 30, 2023 from the nine months ended September 30, 2022, primarily driven by increases costs in salaries and benefits of \$0.9 million, increase in non-executive board compensation of \$0.9 million, marketing and promotions of \$0.8 million, and insurance of \$0.5 million, among others, as compared to the nine months ended September 30, 2022.

Professional fees. Professional fees increased by \$4.6 million for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, primarily driven by additional costs incurred by being a public company, including \$5.7 million advisory fees, as well as \$0.9 million of other external consultants, offset by a decrease of \$2.0 million in various professional fees.

Professional fees - legal. Professional fees – legal decreased by \$8.4 million when compared to the same period in 2022, primarily driven by a \$20.0 million reduction in shared based compensation, offset by \$2.8 million increase in fees to outsourced law firms and Law Firm expenses of \$8.8 million for the nine months ended September 30, 2023.

Allowance for credit losses. Allowance for credit losses for the nine months ended September 30, 2023 was \$5.0 million, entirely related to an amount due from Cano which has been reserved considering their recent filing which includes a substantial doubt about Cano's ability to continue as a going concern. No such reserves existed for the nine months ended September 30, 2022.

Interest expense. Interest expense increased by \$123.3 million to \$204.3 million in nine months ended September 30, 2023 from \$80.9 million for the nine months ended September 30, 2022, primarily driven by an increase due to the guarantee obligation, as well as due to increases in the basis for which interest is incurred on our Claims financing obligations and accrued interest on the related party loan obtained in June 2022.

Other income (expense), net. Other income, net decreased by \$54.5 million for nine months ended September 30, 2023 driven by a \$63.4 million gain associated with the settlement of the Brickell Key Investment debt extinguishment in 2022. Other income for the nine months ended September 30, 2023 consists primarily of a \$4.6 million of gain on the sale of CCRA's and \$3.9 million of gain on fair value of liability a liability payable in stock.

Change in fair value of warrant and derivative liabilities. For the nine months ended September 30, 2023, increased \$15.9 million in comparison to the nine months ended September 30, 2022. For the nine months ended September 30, 2023, \$4.4 million gain in 2023 related to a mark to market adjustment to the fair value of Public Warrants. For the nine months ended September 30, 2022, \$11.7 million of loss was recorded related to mark to market adjustments for the fair value of warrants for \$1.6 million and for the fair value of derivative liabilities related to the Committed Equity facility for \$10.1 million.

Non-GAAP Financial Measures

In addition to the financial measures prepared in accordance with GAAP, this Form 10-Q also contains non-GAAP financial measures. We consider "adjusted net loss" and "adjusted operating loss" as non-GAAP financial measures and important indicators of performance and useful metrics for management and investors to evaluate our business's ongoing operating performance on a consistent basis across reporting periods. We believe these measures provide useful information to investors. Adjusted net loss represents net loss adjusted for certain non-cash and non-recurring expenses and adjusted operating loss items represents Operating loss adjusted for certain non-cash and non-recurring expenses. A reconciliation of these non-GAAP measures to their most relevant GAAP measure is included below:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
GAAP Operating Loss	\$ (136,694)	\$ (125,184)	\$ (417,849)	\$ (195,973)
Share-based compensation	1,875	—	1,875	20,055
Claims amortization expense	121,008	111,851	355,481	153,560
Allowance for credit losses	—	—	5,000	—
Adjusted operating loss	\$ (13,811)	\$ (13,333)	\$ (55,493)	\$ (22,358)
GAAP Net Loss	\$ (224,217)	\$ (105,556)	\$ (609,192)	\$ (225,428)
Share-based compensation	1,875	—	1,875	20,055
Gain on debt extinguishment	—	(63,367)	—	(63,367)
Claims amortization expense	121,008	111,851	355,481	153,560
Allowance for credit losses	—	—	5,000	—
Paid-in-kind Interest	88,279	46,180	204,287	80,947
Change in fair value of warrant and derivative liabilities	(348)	(2,670)	(4,247)	11,683
Adjusted net loss	\$ (13,403)	\$ (13,562)	\$ (46,796)	\$ (22,550)

Liquidity and Capital Resources

Sources of Liquidity

As an early-stage growth company, the Company has incurred substantial net losses since inception. As of September 30, 2023, the Company had unrestricted cash and cash equivalents totaling \$6.7 million. The Company has incurred recurring losses and negative cash flows since inception and has an accumulated deficit of \$62.1 million as of September 30, 2023. For the nine months ended September 30, 2023, the Company used approximately \$31.5 million of cash in operations. The Company's liquidity will depend on the ability to generate substantial Claims recovery income and Claims recovery services income in the near future, the timing of which is uncertain, as well as its ability to secure funding from capital sources. The Company's principal liquidity needs have been capital expenditures, working capital, debt service and Claims financing obligations.

The Company anticipates sources of liquidity to include the Working Capital Credit Facility as disclosed in Note 10, *Claims Financing Obligations and Notes Payable*. The Company anticipates having funding through the Working Capital Credit Facility and has taken several actions to address liquidity concerns, including:

1. On March 29, 2023, the Company's subsidiary, Subrogation Holdings, LLC and its parent, MSP Recovery LLP, entered into the Working Capital Credit Facility consisting of commitments to fund up to \$48 million in proceeds. See summary in "Hazel Transactions" in Note 10, *Claims Financing Obligations and Notes Payable*.
2. On November 13, 2023, the Company entered into the MTA Amendment No. 2 and Amendment to the Amended and Restated Security Agreement ("Second Virage MTA Amendment"), which extended the due date for the payment obligations to Virage to December 31, 2024. See summary in Note 4, *Asset Acquisitions*. This payment obligation will become a current liability after December 31, 2023, and the Company does not currently have available liquidity to satisfy such obligations.
3. On November 13, 2023, the Company entered into the Amended and Restated Nomura Promissory Note, which extended the due date to December 31, 2024. See summary in Note 10, *Claims Financing Obligations and Notes Payable*. Amended and Restated Nomura Promissory Note will become a current liability after December 31, 2023, and the Company does not currently have available liquidity to satisfy said obligation.
4. On November 14, 2023, the Company entered into the Yorkville SEPA, which included a pre-advancement in the amount of \$15.0 million in connection with the purchase of the Company's common stock. See summary above in "Committed Equity Facility" within Note 1, *Description of the Business*.
5. Given the uncertainty with regard to the timing and amount of claims recovery income, management implemented a reduction of operating costs in 2023 through the reduction or elimination of certain controllable expenses particularly within the budgeted costs to expand and develop new solutions through LifeWallet platform, advertising expenses and non-contingent legal fees.

Working Capital Credit Facility

On March 29, 2023, the Company's subsidiary, Subrogation Holdings, LLC, entered into the Working Capital Credit Facility, which provides for up to \$80 million (with a 40% original issue discount), consisting of a Term Loan A commitment to fund up to \$30 million (in multiple installments) in proceeds and a Term Loan B Commitment to fund up to \$18 million (in multiple installments) in proceeds. An initial \$10 million in proceeds was drawn under the Term Loan A on March 6, 2023. On March 29, 2023, an additional \$5 million was disbursed to the Company's subsidiary, Subrogation Holdings, LLC, under the Term Loan A. Loans under the Working Capital Credit Facility accrue interest at a Term Secured Overnight Financing Rate for 12-month interest period, plus an applicable margin of 10% per annum. Accrued interest is payable in kind and will be capitalized quarterly. The Working Capital Credit Facility has a stated maturity date of March 31, 2026, and HPH may extend for up to one year in its sole discretion.

On May 11, 2023 and June 13, 2023, HPH notified us that it would not disburse additional funds under the Working Capital Credit Facility until the Company satisfied certain milestone funding conditions, including certain servicing obligations as well as filing the 2022 Form 10-K. The parties subsequently agreed that \$5.5 million will be funded under Term Loan A in accordance with the terms of the Working Capital Credit Facility subsequent to the filing of the 2022 Form 10-K and receipt of funding notices, deeming funding conditions satisfied or waived. Following such funding, the Term Loan A commitment would be terminated, with total funding of \$20.5 million. In addition, the parties agreed to increase the Term Loan B commitment from \$18 million to \$27.5 million, after giving effect to the original issue discount on the Working Capital Credit Facility and which will be funded in multiple installments and in accordance with the terms of the Working Capital Credit Facility. Funding will be at a rate of \$2.25 million per month until December 2023, and thereafter at \$1.75 million per month, subject to potential further reductions in the case of certain agreed cost savings and funds availability.

On August 4, 2023, after the filing of the Annual Report on Form 10-K, the Company's subsidiary, Subrogation Holdings, LLC, received from HPH funding amounting to \$5.5 million from Term Loan A and \$2.3 million installment under Term Loan B. On August 30, 2023, the Company's subsidiary, Subrogation Holdings, LLC, received an additional \$2.3 million installment under Term Loan B. On November 13, 2023, the Company's subsidiary, Subrogation Holdings, LLC, received an additional \$4.5 million under Term Loan B.

MSP Principals Promissory Note

On June 16, 2022, the MSP Principals provided cash to the Company to finance operations in an aggregate amount of \$112.8 million. The Company issued the MSP Principals Promissory Note to the MSP Principals in an aggregate principal amount of \$112.8 million that has an annual interest rate of 4%, payable in kind, and matures on the day that is the four-year anniversary of the issuance. On the maturity date, the Company is required to pay the MSP Principals an amount in cash equal to the outstanding principal amount, plus accrued and unpaid interest. The promissory note is pre-payable by the Company at any time, without prepayment penalties, fees or other expenses. A portion of the proceeds under the MSP Principals Promissory Note in an amount equal to \$36.5 million was advanced to the Law Firm for certain operating expenses as contemplated by the Legal Services Agreement. The MSP Principals Promissory Note contains customary events of default that would allow the MSP Principals to declare the MSP Principals Promissory Note immediately due and payable or the MSP Principals Promissory Note will immediately and automatically become due and payable without notice, presentment, demand, protest or other request of any kind. In addition, the MSP Principals Promissory Note may be

accelerated by the MSP Principals if the Board of Directors of the Company (excluding the MSP Principals) terminates the Legal Services Agreement.

During the nine months ended September 30, 2023, the Company received a \$4.95 million loan from the Law Firm, evidenced by an unsecured promissory note, to provide general operational funding. The aggregate unpaid principal amount of this promissory note is due 24 months from the date of the last advance from the Purchase Money Loan is made. This promissory note is payable by the Company at any time, without prepayment penalties, fees, or other expenses. The note does not carry any interest and can be repaid at any time or from time to time without a prepayment penalty.

Amended and Restated Nomura Promissory Note

On May 27, 2022, the Company issued an unsecured promissory note to Nomura in a principal amount of approximately \$24.5 million related to advisory fees and deferred underwriting fees and expenses that became due and payable by the Company to Nomura, in connection with the consummation of the Business Combination (as defined herein).

On April 12, 2023, the Company amended the promissory note, increasing the principal amount to approximately \$26.2 million and extending the maturity date of the promissory note to September 30, 2024. Subsequent to September 30, 2023, the Company entered into the Amended and Restated Nomura Promissory Note to (a) increase the principal amount to approximately \$28.9 million, (b) extend the maturity date to December 31, 2024 and (c) permit the Company to use the proceeds of an at-the-market offering to repay indebtedness incurred by the Company for which the proceeds are used for operating expenses, subject to certain enumerated restrictions. The Amended and Restated Nomura Promissory Note will become a current liability after December 31, 2023, and the Company does not currently have available liquidity to satisfy said obligation. The amended note carries an interest rate of 16% per annum and is payable in kind or in cash, at the Company's discretion, every 30 calendar days after November 13, 2023. Upon two days prior written notice to Nomura, the Company may prepay all or any portion of the then outstanding principal amount under the Amended and Restated Nomura Promissory Note together with all accrued and unpaid interest thereon.

Yorkville Purchase Agreement

On January 6, 2023, the Company entered into Yorkville Purchase Agreement with Yorkville. Pursuant to the Yorkville Purchase Agreement, after the closing of the Business Combination, the Company will have the right to sell to Yorkville from time to time at its option up to \$1 billion in Class A common stock shares, subject to the terms, conditions and limitations set forth in the Yorkville Purchase Agreement. This Purchase Agreement will not be operational until a Registration Statement is effective.

The previous purchase agreement that the Company entered into on May 17, 2022 with Cantor Fitzgerald & Co. has been terminated.

Subsequent to September 30, 2023, the Company entered into the Yorkville SEPA with Yorkville, which replaced the Yorkville Purchase Agreement described above. Pursuant to the Yorkville SEPA, the Company has the right to sell to Yorkville up to \$250 million of its shares of common stock, subject to certain limitations and conditions set forth in the Yorkville SEPA, from time to time during the term of the Yorkville SEPA. Sales of the shares of common stock to Yorkville under the Yorkville SEPA, and the timing of any such sales, are at the Company's option, and the Company is under no obligation to sell any shares of common stock to Yorkville under the Yorkville SEPA except in connection with notices that may be submitted by Yorkville, in certain circumstances as described above.

Refer to *Committed Equity Facility* within Note 1, *Description of the Business*, for additional information on the Yorkville SEPA.

Assignment and Sale of Proceeds Agreement

On June 30, 2022, the Company entered into an Assignment and Sale of Proceeds Agreement (the "Assignment Agreement") and a Recovery Services Agreement (the "Services Agreement" and collectively, the "Agreements") with the Prudent Group ("Prudent") in order to monetize up to \$250 million of the value of the Company's net recovery interest in Claim demand letters that the Company has commenced sending to insurers who admitted they had primary payer responsibility for the underlying accidents to the federal government ("Net Recovery Proceeds"). Pursuant to the Agreements, at the Company's sole and absolute discretion, the Company has the right to direct Prudent to acquire, on a non-recourse basis, a percentage of Net Recovery Proceeds, up to an aggregate of \$250 million, at a purchase price of 90% of Net Recovery Proceeds of such Claim.

Under the Services Agreement, the Company will service and recover on the demand letters and will retain any revenues generated in excess of the amount received from Prudent, plus up to an 18% annual return on the amount Prudent paid for Net Recovery Proceeds. Prudent may terminate the Services Agreement upon 60 days prior written notice to the Company. The Company plans to utilize the Assignment Agreement as funding is needed. To date, the Company has not exercised its rights pursuant to the Services Agreement and does not anticipate doing so in the foreseeable future.

Tax Receivable Agreement

Under the terms of the TRA, we generally will be required to pay to the Members, and to each other person from time to time that becomes a "TRA Party" under the TRA, 85% of the tax savings, if any, that we are deemed to realize in certain circumstances as a result of certain tax attributes that exist following the Business Combination and that are created thereafter, including as a result of payments made under the TRA. The term of the TRA will continue until all such tax benefits have been utilized or expired unless we exercise our right to terminate the TRA for an amount representing the present value of anticipated future tax benefits under the TRA or certain other

acceleration events occur. Any payments made by us under the TRA will generally reduce the amount of overall cash flow that might have otherwise been available to us, and, to the extent that we are unable to make payments under the TRA for any reason, the unpaid amounts generally will be deferred and will accrue interest until paid by us.

Cash Flows

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

(in thousands)	Nine Months Ended September 30,	
	2023	2022
Net cash used in operating activities	\$ (31,533)	\$ (70,764)
Net cash provided by (used in) investing activities	7,759	(4,563)
Net cash provided by financing activities	15,352	99,351
(Decrease) increase in cash and cash equivalents and restricted cash	(8,422)	24,024
Cash and cash equivalents and restricted cash at beginning of year	15,081	1,664
Cash and cash equivalents and restricted cash at end of period	\$ 6,659	\$ 25,688

Cash Flows Used In Operating Activities

Net cash used in operating activities decreased by \$39.2 million to \$31.5 million for the nine months ended September 30, 2023 compared to net cash used in of \$70.8 million for the nine months ended September 30, 2022. During the nine months ended September 30, 2023, net cash used in operating activities was impacted primarily by our net loss, \$355.5 million of claims amortization expense, \$204.3 million of paid-in-kind interest, change in fair value of warrant liability of \$4.4 million, gain on sale of intangible \$4.6 million, allowance for credit losses \$5.0 million, mark to market gain on liability payable in stock of \$3.9 million, and an increase of \$26.2 million of changes in working capital.

Cash Flows Provided by (Used in) Investing Activities

Net cash provided by investing activities increased by \$12.3 million to \$7.8 million for the nine months ended September 30, 2023 compared to net cash used of \$4.6 million for the nine months ended September 30, 2022. During the nine months ended September 30, 2023, our cash provided by investing activities was primarily \$10.0 million proceeds from the sale of CCRAs, which are included in Intangible assets, offset by cash used in investing activities related to the acquisition of additional CCRAs amounting to \$0.6 million and \$1.6 million of additions to property, plant, and equipment.

Cash Flows Provided by Financing Activities

Net cash provided by financing activities decreased to \$15.4 million for the nine months ended September 30, 2023 compared to \$99.4 million net cash provided by financing activities for the nine months ended September 30, 2022. This is primarily due to borrowings from the New Money Loan of \$25.0 million and proceeds from the related party loan of \$4.95 million, which are offset by \$11.4 million restricted cash payment related to the FEF shares to CF, \$2.5 million repayments of the claims financing obligation and \$0.7 million of debt issuance costs and \$0.3 million payment of deferred financing costs.

Contractual Obligations, Commitments and Contingencies

Based on claims financing obligations and notes payable agreements, as of September 30, 2023, the present value of amounts owed under these obligations were \$529.2 million, including capitalized interest to date. The weighted average interest rate is 14.5% based on the current book value of \$529.2 million with rates that range from 2.0% to 20.0%. The Company is expected to repay these obligations from cash flows from claim recovery income.

As of September 30, 2023, the Company has \$900.5 million of guaranty obligations. On April 12, 2023, we entered into the Virage MTA Amendment pursuant to which the payment date was extended from May 23, 2023 until September 30, 2024, subject to acceleration upon certain triggering events. Subsequent to September 30, 2023, the maturity date was extended to December 31, 2024. The guaranty obligation will become a current liability after December 31, 2023, and the Company does not currently have available liquidity to satisfy such obligations. Under the Virage MTA Amendment, Virage will receive a first priority lien on all sources of revenue of the company not otherwise encumbered as of the date of the Virage MTA Amendment, to the extent in excess of the amount of revenues necessary to establish and maintain an operating reserve of \$70 million for overhead expenses and applicable taxes. On July 24, 2023, the operating reserve was adjusted to \$47.5 million and MSP Recovery agreed not to increase its 2023 operating budget without Virage's consent.

As of September 30, 2023, the minimum required payments on these agreements are \$678.1 million. Certain of these agreements have priority of payment regarding any proceeds until full payment of the balance due is satisfied. The maturity of the commitments range from the date sufficient claims recoveries are received to cover the required return or in some cases by 2031.

Critical Accounting Policies

Our condensed consolidated financial statements and the related notes thereto included elsewhere in this Form 10-Q are prepared in accordance with GAAP. The preparation of our condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts and related disclosures in our financial statements and accompanying notes. We base our estimates on historical experience and on various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions due to the inherent uncertainty involved in making those estimates and any such differences may be material.

An accounting policy is considered to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimate that are reasonably likely to occur, could materially impact the condensed consolidated financial statements. Our Critical Accounting Policies and Estimates disclosed in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies*” in our 2022 Form 10-K, for which there were no material changes during the three months ended June 30, 2023, included the following:

- **Revenue Recognition**
 - o Claims Recovery Income
 - o Claims Recovery Service Income
- **Impairment of Intangible Assets**

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Management, including our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Management is likewise required, on a quarterly basis, to evaluate the effectiveness of its internal controls and to disclose any changes and material weaknesses identified through such evaluation of those internal controls. 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 and corrected on a timely basis. Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2023. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective, due to the material weaknesses related to the items noted below. To address these material weaknesses, we performed additional analysis as deemed necessary to ensure that our financial statements were prepared in accordance with U.S. GAAP. Based on such analysis and notwithstanding the identified material weaknesses, management, including our Chief Executive Officer and Chief Financial Officer, believe the condensed consolidated financial statements included in this Quarterly Annual Report fairly represent in all material respects our financial condition, results of operations and cash flows at and for the periods presented in accordance with U.S. GAAP.

Material Weaknesses

As of December 31, 2022, we identified material weaknesses in our internal control over financial reporting. The material weaknesses we identified were as follows:

- We did not have sufficient controls related to the accounting for complex transactions.
- We did not have sufficient controls over the human resources and payroll processes. Specifically:
 - o Insufficient design of controls as the outsourced system used for payroll did not have appropriate service organization report and we did not have appropriate compensating controls or documented segregation of duties over the system used for payroll;
 - o Insufficient design of controls resulting in a lack of an effective control environment over payroll entries;
 - o Insufficient design of controls within our human resources business process.
 - o Insufficient design of controls resulting in a lack of proper documentation over approval of bonus payments.
- Insufficient design of controls as we did not have appropriate segregation of duties and review controls over cash disbursements.

A special committee of the Board of Directors made unanimous recommendations to enhance and improve the public company reporting capabilities of the Company, including but not limited to:

- The implementation of certain management training,
- The hiring of a director of internal audit, and
- Enhancements to the Company's internal communication process, as well as increased reporting to the Audit Committee of the Board of Directors.

We consider these recommendations to be indicative of material weaknesses related to a failure to develop or maintain an effective system of internal disclosure controls for the timely disclosure of material communications from external sources to the Company's management and Board of Directors for review and evaluation. Specifically, the material weaknesses we identified were as follows:

- We did not have sufficient controls related to training personnel to understand their respective roles and responsibilities.
- We did not have sufficient monitoring activities, including a director of internal audit.
- We did not have sufficient lines of communication internally and to the Board of Directors, and therefore did not maintain a sufficient control environment with respect to oversight of the Board of Directors.

These control deficiencies resulted in a misstatement in our accounts or disclosures that resulted in a material misstatement to the previously filed interim unaudited financial statements. Accordingly, we determined that these control deficiencies constitute material weaknesses.

Remediation Plan

We are in the process of implementing measures designed to remediate the control deficiencies that led to the material weaknesses as of December 31, 2022. During 2023, we have:

- To address the material weaknesses in internal controls related to the accounting for complex financial instruments:
 - o We are in the process of implementing further controls over the review of complex financial instruments, which may include engaging outside advisors with specialist knowledge of GAAP and valuation.
- Within the human resources and payroll processes:
 - o We have identified potential human resource outsourced vendors and have begun designing and implementing payroll and human resource related controls.
 - o We have also identified third party payroll service providers with sufficient service organization reports that we expect will allow us to rely on the system once we implement appropriate complimentary user controls.
- To address segregation of duties over cash disbursement:
 - o We have begun designing and implementing appropriate segregation of duties over disbursements during the current year and added controls to review cash disbursements made prior to this implementation.

In order to address the material weaknesses identified by the special committee, the special committee made recommendations to enhance and improve the public company reporting capabilities of the Company, including but not limited to:

- Enhancing development of the control environment with the implementation of certain management training,
- The hiring of a director of internal audit to improve the monitoring and effectiveness of internal controls, and
- Enhancements to the Company's internal communication process to support controls and increase reporting to the Audit Committee of the Board of Directors to allow for more effective exercise of oversight responsibilities.

We intend to implement such recommendations to remediate the weaknesses identified by the special committee.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. Except as set forth below, we are not currently party to any material legal proceedings. Regardless of outcome, such proceedings or claims can have an adverse impact on us because of defense and settlement costs, diversion of resources and other factors and there can be no assurances that favorable outcomes will be obtained.

Investigations

As previously disclosed on Form 8-K, on August 11, 2022, the Securities and Exchange Commission (the "SEC") initiated an investigation of the Company, and requested documents relating to, among other matters, the business combination transaction with Lionheart Acquisition Corporation II consummated on May 23, 2022 and related matters. The Company received a subpoena dated March 1, 2023 from the SEC regarding the aforementioned subject matter, and subsequently received a subpoena on May 10, 2023 requesting documents in connection with the Company's financial statements for the periods ended June 30, 2022 and September 30, 2022 that required restatements as disclosed in the Company's Form 8-K filed with the SEC on April 14, 2023. On August 16, 2023, the Company received an additional subpoena from the SEC regarding certain funding sources of the Company prior to the Business Combination, as well as various statements and disclosures by the Company in connection with and following the Business Combination. The Company intends to fully cooperate with the SEC in responding to the subpoena.

In addition, on March 10, 2023, the Company received a subpoena from the U.S. Attorney's Office in connection with a grand jury investigation in the U.S. District Court for the Southern District of Florida requesting certain information concerning the Company. To the best of the Company's knowledge, the Department of Justice has not issued any target letters to anyone associated with the Company as a result of this investigation. (The United States Attorney's Manual states that a "target" is a person as to whom the prosecutor or the grand jury has substantial evidence linking him or her to the commission of a crime and who, in the judgment of the prosecutor, is a putative defendant.)

The Company has cooperated, and will continue to cooperate, fully with these inquiries. In connection with its review of the matters related to the preparation and filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2022, a special committee of the Company's board of directors, along with external advisors retained thereby, also reviewed the subject matter of information requests related to the foregoing subpoenas. Based on this review, the Company believes that these investigations will be resolved without any material developments; however, there can be no assurance as to the outcome or future direction thereof.

Cano Health

On August 10, 2023, MSP Recovery sued Cano Health, LLC ("Cano") in the Circuit Court of the Eleventh Judicial Circuit in and for Miami-Dade County, Florida for declaratory relief and anticipatory breach of the CCRA, Purchase Agreement, and a Services Agreement (collectively, the "Cano Agreements") between the parties. On the same day, Cano sued the Company in the same court, alleging fraud in the inducement, breach of contract, tortious interference, and unjust enrichment relating to the Cano Agreements. While it is inherently difficult to predict the eventual outcomes of pending actions, the Company denies all liability alleged by Cano and management intends to litigate vigorously on behalf of the Company.

Item 1A. Risk Factors.

There have been no material changes to our principal risks that we believe are material to our business, results of operations, and financial condition, from the risk factors previously disclosed in the Annual Report on Form 10-K for the year ended December 31, 2022 (the "2022 Form 10-K"). Prospective investors are encouraged to consider the risks described in our 2022 Form 10-K, our Management's Discussion and Analysis of Financial Condition and Results of Operations contained in this Form 10-Q and in our 2022 Form 10-K, and other information publicly disclosed or contained in documents we file with the Securities and Exchange Commission before purchasing our securities.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Recent Sales of Unregistered Securities

Palantir Technologies, Inc. ("Palantir")

Over the course of the quarterly period ended September 30, 2023, the Company has issued 274,947 unregistered shares of Class A Common Stock (after giving effect to the Reverse Split) to Palantir, in exchange for services provided in reliance on Section 4(a)(2) of the U.S. Securities Act of 1933.

John H. Ruiz

Pursuant to a purchase agreement dated October 25, 2023, and as disclosed on his Form 4 dated October 26, 2023, on October 26, 2023, the Company issued 467,290 unregistered shares of Class A Common Stock to Virage in satisfaction of certain obligations of the Company, which shares were subsequently purchased from Virage by Mr. Ruiz.

Frank C. Quesada

Pursuant to a purchase agreement dated September 25, 2023, and as disclosed on his Form 4 dated October 2, 2023, on September 29, 2023, the Company issued 274,726 unregistered shares (after giving effect to the Reverse Split) of Class A Common Stock to Virage in satisfaction of certain obligations of the Company, which shares were subsequently purchased from Virage by Mr. Quesada.

Cano Health, LLC (“Cano”)

Pursuant to the Second Amendment to Amended and Restated Claims Recovery and Assignment Agreement and the First Amendment to the Purchase Agreement by and among the Company and Cano, on July 7, 2023, the Company issued 7,960,001 unregistered shares (after giving effect to the Reverse Split) of Class A Common Stock to Cano.

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures.

Not applicable

Item 5. Other Information.

None

Item 6. Exhibits.

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

Exhibit Number	Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
3.1+	Second Amended and Restated Certificate of Incorporation of the Company	8-K	001-39445	3.1	May 27, 2022
3.2+	Amended and Restated Bylaws of the Company	8-K	001-39445	3.2	May 27, 2022
3.3+	Certificate of Amendment to Second Amended and Restated Certificate of Incorporation	8-K	001-39445	3.1	October 16, 2023
10.1+	MTA Amendment and Binding Term Sheet, by and between Virage Recovery Master LP, Series MRCS, a series of MDA, Series LLC, John H. Ruiz, Frank C. Quesada, Virage Capital Management LP, MSP Recovery, LLC, La Ley con John H. Ruiz, MSP Recovery, Inc. and Lionheart II Holdings, LLC, dated April 12, 2023	8-K	001-39445	10.1	April 17, 2023
10.2+	Amended and Restated Secured Promissory Note, dated April 12, 2023 by and between the Company and Nomura Securities International, Inc.	8-K	001-39445	10.2	April 17, 2023
10.3+	Membership Interest Purchase Agreement, dated March 29, 2023, by and among MSP Recovery LLC, MSP Recovery Claims, Series, LLC and Hazel Holdings I LLC	10-K	001-39445	10.31	July 27, 2023
10.4+	Membership Interest Purchase Agreement, dated March 29, 2023 by and among MSP Recovery, LLC, MSP Recovery Claims Series 44, LLC, MSP Recovery Holding Series 01, LLC and Hazel Holdings I LLC	10-K	001-39445	10.32	July 27, 2023
10.5+	Credit Agreement, dated March 29, 2023 by and between Subrogation Holdings LLC, MSP Recovery, LLC, MSP Recovery Claims, Series LLC - Series 15-09-321 and Hazel Holdings I LLC	10-K	001-39445	10.33	July 27, 2023
10.6+	Amended and Restated Credit Agreement, dated March 29, 2023 by and between Subrogation Holdings LLC, MSP Recovery, LLC, MSP Recovery Claims, Series LLC - Series 15-09-321 and Hazel Holdings I LLC	10-K	001-39445	10.34	July 27, 2023
10.7*	Amended and Restated Promissory Note, dated November 13, 2023 by and between the Company and Nomura Securities International, Inc.				
10.8*	MTA Amendment No. 2 and Amendment to the Amended and Restated Security Agreement dated November 13, 2023 by and between Virage Recovery Master LP, Series MRCS, John H. Ruiz, Frank C. Quesada, Virage Capital Management LP, MSP Recovery, LLC, La Ley con John H. Ruiz, MSP Recovery, Inc. and Lionheart II Holdings, LLC				
10.9*	Second Amended and Restated Credit Agreement, dated November 10, 2023 by and between Subrogation Holdings LLC, MSP Recovery, LLC, JRFQ Holdings, LLC, 4601 Coral Gables Property, LLC, Hazel Partners Holdings LLC and MSP Recovery Claims, Series LLC - Series 15-09-321				
10.10*	Standby Equity Purchase Agreement dated November 14, 2023 by and between YA II PN, LTD. and MSP Recovery, Inc.				
10.11*	Registration Rights Agreement dated November 14, 2023 by and between YA II PN, LTD. and MSP Recovery, Inc.				
10.12*	Form of Promissory Note				
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1#	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2#	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS*	XBRL Instance Document				
101.SCH*	XBRL Taxonomy Extension Schema Document				
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document				
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document				
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				

* Filed herewith.
+ Previously filed
Furnished herewith.

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 thereunto duly authorized.

MSP Recovery, Inc.

Date: November 14, 2023

By: _____
/s/ Francisco Rivas-Vásquez
Francisco Rivas-Vásquez
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

THIS PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE. NEITHER THIS PROMISSORY NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

MSP RECOVERY, INC.

AMENDED AND RESTATED PROMISSORY NOTE

Issuance Date: November 13, 2023

Principal Amount: \$28,891,933.41

WHEREAS, MSP Recovery, Inc. d/b/a LifeWallet, a Delaware corporation (formerly known as Lionheart Acquisition Holdings II, the “**Company**”) and Nomura Securities International, Inc. (together with its permitted successors and assigns, “**Holder**”) are the issuer and holder respectively of that certain amended and restated promissory note, issued by the Company in an original principal amount of \$26,346,712.46 on April 12, 2023, with a maturity date of September 30, 2024 (the “**Existing Promissory Note**”); and

WHEREAS, the Company has requested to extend the maturity date of the Existing Promissory Note and Lender has agreed to do so on the terms set forth in this amended and restated promissory note (the “**Promissory Note**”).

FOR VALUE RECEIVED, the Company hereby promises to pay to the Holder the principal amount of \$28,891,933.41 (representing the original principal, capitalized interest and accrued and unpaid interest on the Existing Promissory Note, and as may be reduced pursuant to Section 1(b), Section 4(d) or increased pursuant to Section 2, the “**Principal Amount**”) when due (whether on the Maturity Date, pursuant to acceleration or otherwise) and to pay interest at the rates and times as set forth in this Promissory Note. The Company acknowledges that such amounts shall be due and payable on December 31, 2024 (the “**Maturity Date**”).

1. PAYMENT AT MATURITY.

(a) Payment at Maturity. On the Maturity Date, the Company shall pay to the Holder an amount in cash equal to the outstanding Principal Amount, plus accrued and unpaid interest, plus any other obligations then due or payable under this Promissory Note.

(b) Prepayment Right. Upon two (2) Business Days’ irrevocable prior written notice to the Holder (each a “**Prepayment Notice**”), the Company may prepay all or any portion of the then outstanding Principal Amount together with all accrued and unpaid interest on the Principal Amount. The portion of the Principal Amount to be prepaid by the Company (each a “**Prepayment Amount**”) and the date selected by the Company for such prepayment (each a “**Prepayment Date**”) shall be set forth in the applicable Prepayment Notice; provided that the Prepayment Date shall be no later than ten (10) Business Days following the date on which the Prepayment Notice is delivered to the Holder. On the applicable Prepayment Date, the Company shall pay to the Holder the sum of (i) the Prepayment Amount plus (ii) all accrued and unpaid

interest on the Principal Amount so repaid. In connection with any payment of a portion of the Principal Amount pursuant to this Section 1(b), upon payment of such Principal Amount in accordance with this Section 1(b) together with accrued and unpaid interest on such Principal Amount, the Principal Amount of this Note shall be deemed reduced by the portion of the Principal Amount so prepaid.

2. **INTEREST.** On and following the Issuance Date and until the Principal Amount and all other Note Obligations have been indefeasibly repaid in full in cash, interest will accrue at a rate of 16.0% per annum (the “**Interest Rate**”). Interest shall be payable in cash every 30 calendar days after the Issuance Date (each an “**Interest Payment Date**”) on the then outstanding Principal Amount of this Promissory Note and all other amounts owed and not yet paid as of such date (including any accrued and unpaid interest); provided that, by irrevocable written election to be delivered to Holder no later than two (2) Business Days in advance of each Interest Payment Date, the Company may elect to pay the interest due on such Interest Payment Date in kind (in lieu of payment in cash), which amount of interest shall be automatically added to the Principal Amount and capitalized on such Interest Payment Date. In all cases interest hereunder shall be computed on the basis of a 360-day year comprised of twelve 30-day months. Upon the occurrence and during the continuance of any Event of Default hereunder and election notice from Holder, the Interest Rate shall automatically increase by an additional 200 basis points per annum, which increase may be applied retroactively from the date of occurrence of such Event of Default at Holder’s election.

3. **REPRESENTATIONS AND WARRANTIES.** The Company represents and warrants to, and agrees in favor of, Holder that:

(a) The Company is a corporation duly formed, existing and in good standing under the laws of the State of Delaware, with full and adequate power to carry on and conduct its business as presently conducted. The Company is duly licensed or qualified in all foreign jurisdictions wherein the nature of its activities requires such qualification or licensing. The exact legal name of the Company is as set forth in the first paragraph of this Promissory Note, and the Company currently does not conduct business under any other name or trade name.

(b) The Company has full right, power and authority to enter into this Promissory Note and to perform all of its duties and obligations under this Promissory Note. The execution and delivery of this Promissory Note will not, nor will the observance or performance of any of its terms or provisions, violate or contravene any provision of law or any of the Company’s certificate of incorporation, by-laws or any other governing documents. All necessary and appropriate action has been taken on the part of the Company to authorize the execution, delivery and performance of this Promissory Note.

(c) This Promissory Note is the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency and similar laws affecting the enforceability of creditors’ rights generally and to general principles of equity.

4. **COVENANTS.** The Company covenants and agrees that until the Note Obligations (as defined below) (other than inchoate indemnification obligations for which no claim has been made) have been indefeasibly paid in full in cash:

(a) The Company shall provide prompt (and in any event, within one (1) Business Day) written notice to Holder of the occurrence of any Event of Default or Unmatured Event of Default (each as defined below), along with the Company's plans to address such Event of Default or Unmatured Event of Default.

(b) The Company shall use its commercially reasonable efforts to prepay the Principal Amount in full within 90 days of the Issuance Date, and in any event as early as possible prior to the Maturity Date, including using its reasonable best efforts to raise additional capital necessary to repay all Note Obligations in accordance with the terms hereof.

(c) The Company shall provide Holder with a written update report on the status of its capital raise efforts (which may be sent via e-mail) every 30 days after the Issuance Date.

(d) Within ten (10) Business Days of receipt by the Company of any cash proceeds from any Cash Proceeds Event, the Company shall prepay the Note Obligations in an amount equal to the lesser of (x) the aggregate principal amount of the Note Obligations then outstanding and (y) (i) if the Cash Proceeds Event is the ATM Offering, 50% of the aggregate amount of Net Cash Proceeds received by the Company from the ATM Offering (subject to the last sentence of Section 4(f) below) or (ii) in the case of any other Cash Proceeds Event, 100% of the aggregate amount of Net Cash Proceeds received by the Company from such Cash Proceeds Event.

(e) The Company shall provide prompt (and in any event, within five (5) Business Days) written notice to Holder of the occurrence of any Cash Proceeds Event, which notice shall specify whether any proceeds from such Cash Proceeds Event are due to any Person other than the Holder pursuant to contractual arrangements existing as of April 12, 2023, reasonably identifying such Person and contractual arrangement.

(f) The Company shall not, and shall not permit its subsidiaries to, pay any unsecured indebtedness for borrowed money or other unsecured obligations of the Company or any of its subsidiaries unless the Note Obligations are simultaneously repaid in full, provided that the Company and its subsidiaries may make payments of (i) trade payables and business expenses incurred in the ordinary course and (ii) amounts due under unsecured indebtedness for borrowed money or other unsecured obligations existing as of April 12, 2023; provided, further, that the Company and its subsidiaries may not make voluntarily prepayments of any such existing indebtedness for borrowed money prior to their scheduled maturity date unless the Note Obligations are simultaneously repaid in full. Notwithstanding the foregoing, (i) the Company may use the proceeds of the ATM Offering (other than Permitted Subordinated Debt and subject to the requirements of Section 4(d)) to repay \$1 of Permitted Subordinated Debt for every \$1 of Note Obligations repaid from such proceeds, provided that, notwithstanding anything to the contrary herein (including Section 4(d)), while any Permitted Subordinated Debt is outstanding, if the holder of the Permitted Subordinated Debt waives its right to repayment using proceeds of the ATM Offering, 100% of such proceeds shall be used by the Company to repay the Note Obligations, and (ii) while the YA II Notes are outstanding, the Company may issue capital stock

in connection with any conversions initiated by the holder of the YA II Notes, and, provided that a registration statement is in effect with respect to the resale of such capital stock, promptly upon receipt of any such conversions, the Company shall repay the Note Obligations from proceeds of the ATM Offering (other than Permitted Subordinated Debt) in the amount of \$1 for every \$1 of YA II Notes converted.

(g) The Company shall not declare or make, or agree to pay or make, directly or indirectly, any dividend or other distribution (whether in cash, equity interests or other property) with respect to any holder of the Company's equity interests, or any payment (whether in cash, equity interests or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such equity interests of the Company, any payment of interest, principal or fees in respect of any indebtedness owed by the Company to any holder of any equity interests of the Company, or any option, warrant or other right to acquire any such equity interests of the Company.

(h) The Company shall not take any action to facilitate the sale of any equity interests of the Company by any holder thereof, other than (i) the filing of any Registration Statements (as defined in the ATM Offering) or any other actions required under the ATM Offering, the related Registration Rights Agreement, or the YA II Notes, (ii) the filing of any Resale Registration Statement, (iii) any related or ancillary filings to any Registration Statement or Resale Registration Statement, including filing a prospectus supplement, in order to keep current the information included within any Registration Statement or Resale Registration Statement. In no event shall this Section 4(h) preclude the Company from (i) directly issuing or selling any securities of the Company, (ii) issuing shares pursuant to the ATM Offering, or (iii) communicating with the Company's transfer agent to facilitate transfers in the Company's securities.

5. EVENT OF DEFAULT. Each of the following events shall constitute an “**Event of Default**” hereunder:

(a) failure by the Company to pay when due or payable all or any portion of the Principal Amount, interest or other amount under this Promissory Note, whether on the Maturity Date, by acceleration, by notice of voluntary prepayment or otherwise;

(b) with respect to any mortgage, indenture, contract, note or other instrument by which there is evidenced any indebtedness (i) for money borrowed or assumed by the Company or (ii) the payment of which is guaranteed by the Company, there shall occur (A) any default, event of default or any similar event, (B) any failure to pay a matured obligation, (C) any event that permits or requires the acceleration of the maturity thereof or payment owed thereunder or (D) any event or condition that might become any of the foregoing with notice or the passage of time or both;

(c) other than as specifically set forth in another clause of this Section 5, any breach or failure by the Company to comply with any provision of this Promissory Note;

(d) any representation, warranty, certificate, financial statement, report, notice, or other writing furnished by or on behalf of the Company to Holder is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified;

(e) this Promissory Note shall be repudiated or shall become unenforceable or incapable of performance in accordance with its terms;

(f) the Company shall fail to maintain its existence in good standing in its state of organization or formation or shall fail to be duly qualified, in good standing and authorized to do business in each jurisdiction where failure to do so would reasonably be expected to have a material adverse impact on the assets or condition of the Company;

(g) a judgment or settlement shall be entered or agreed to in any such proceeding which would reasonably be expected to have a material and adverse effect on the ability of the Company to repay this Promissory Note; or

(h) any bankruptcy, insolvency, reorganization, arrangement, readjustment, liquidation, dissolution, or similar proceeding, domestic or foreign, is instituted by or against the Company, and, if instituted against the Company, shall not be dismissed or vacated within sixty (60) days after the filing or other institution thereof; or

(i) the Company shall become insolvent, generally shall fail or be unable to pay its debts as they mature, shall admit in writing its inability to pay its debts as they mature, shall make a general assignment for the benefit of its creditors, shall enter into any composition or similar agreement, or shall suspend the transaction of all or a substantial portion of its usual business.

6. DEFAULT AND REMEDIES.

(a) Upon the occurrence and during the continuance of any Event of Default pursuant to any of Sections 5(a) through (f), Holder at its option may declare, upon written notice to Company, this Note (principal, interest and other amounts) immediately due and payable without other notice, presentment, demand, protest or other request of any kind, ALL OF WHICH ARE HEREBY EXPRESSLY WAIVED BY THE COMPANY, whereupon the entire unpaid Principal Amount of this Promissory Note, all interest accrued thereon, and any other amounts payable hereunder, shall thereupon at once mature and become due and payable; provided that, upon the occurrence of an Event of Default pursuant to Sections 5(g) through (i) all principal, interest and other amounts due under this Promissory Note shall be deemed immediately and automatically due and payable without notice, presentment, demand, protest or other request of any kind, ALL OF WHICH ARE HEREBY EXPRESSLY WAIVED BY THE COMPANY. Upon the occurrence and during the continuance of any Event of Default, Holder may exercise any rights and remedies under this Promissory Note, at law or in equity. Interest shall continue to accrue on the Promissory Note upon the occurrence of an Event of Default and notwithstanding that such amounts are due and payable.

(b) Upon the occurrence and during the continuance of any Event of Default, to the maximum extent permitted under law, Holder may set off the amounts due under this Promissory Note against any and all accounts, credits, money, securities or other property now or hereafter held by or in the possession of Holder to the credit or for the account of the Company, without notice to or the consent of the Company.

(c) All of the rights and remedies of Holder under this Promissory Note are cumulative of each other and of any and all other rights at law or in equity, and the exercise by Holder of any

one or more of such rights and remedies shall not preclude the simultaneous or later exercise by Holder of any or all such other rights and remedies. No single or partial exercise of any right or remedy shall exhaust it or preclude any other further exercise thereof, and every right and remedy may be exercised at any time or from time to time. No failure by Holder to exercise, nor delay in exercising, any right or remedy shall operate as a waiver of such right or remedy or as a waiver of any Event of Default.

(d) Holder may, by written notice to the Company, at any time and from time to time, waive any Event of Default or any event or condition that would become an Event of Default with notice or the passage of time or both (each an **“Unmatured Event of Default”**) which shall be for such period and subject to such conditions as shall be specified in any such notice. In the case of any such waiver, Holder and the Company shall be restored to their former position and rights hereunder, and any Event of Default or Unmatured Event of Default so waived shall be deemed to be cured and not continuing to the extent of, and subject to any and all conditions set forth in, such waiver; but no such waiver shall extend to or impair any subsequent or other Event of Default or Unmatured Event of Default. No failure to exercise, and no delay in exercising, on the part of Holder of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(e) The Company irrevocably waives presentment, protest, notice of protest, notice of intent to accelerate, notice of acceleration, demand, diligence, grace, notice of dishonor or default, notice of nonpayment, notice of acceptance, notice of any loans made, extensions granted or other action taken in reliance hereon, and all other demands and notices of any kind in connection with the Company’s entry into this Promissory Note.

(f) Holder shall have no obligation to give the Company or any other Person notice of the existence of any Event of Default or Unmatured Event of Default or of any decision made or that it is entitled to make hereunder.

7. PAYMENT DATE. To the extent any payment is due on this Promissory Note on a date which is not a Business Day, such payment shall be due on the preceding Business Day.

8. AMENDING THE TERMS OF THIS NOTE. This Promissory Note may be amended only with the written consent of the Company and the Holder. Any amendment effected in accordance with this Section 8 shall be binding upon the Holder and the Company.

9. TRANSFER. This Promissory Note may be offered, sold, assigned or transferred by the Holder without the consent of the Company, subject only to compliance with applicable securities laws. Notwithstanding the foregoing, Holder may not offer to sell, assign or transfer this Promissory Note to any Disqualified Persons. The Company shall cooperate in good faith, provide documentary support and reasonable access to personnel and respond in a prompt manner to any reasonable request by the Holder in relation to any offer, sale, assignment or transfer by the Holder of this Promissory Note, and for avoidance of doubt, shall not take any action to frustrate or seek to hinder any such proposed offer, sale, assignment or transfer; provided that Holder shall notify the Company at least fifteen (15) days in advance of any such proposed offer, sale, assignment or transfer. Upon the Holder giving notice Company of Holder’s intent to propose an offer, sale, assignment or transfer, the Company shall have fifteen (15) days to notify Holder of its intent to

prepay the Note Obligations. The Company may not assign this Promissory Note or its rights and obligations under this Promissory Note without the prior written consent of the Holder and any such assignment in violation of the foregoing shall be null and void.

10.REISSUANCE OF THIS NOTE.

(a) Transfer. If this Promissory Note is to be transferred by the Holder in accordance with Section 9, the Holder shall surrender this Promissory Note to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Promissory Note (in accordance with Section 10(c)), registered as the Holder may request, representing the outstanding Principal Amount being transferred by the Holder.

(b) Lost, Stolen or Mutilated Note. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Promissory Note (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of this Promissory Note, the Company shall execute and deliver to the Holder a new Promissory Note (in accordance with Section 10(c)) representing the outstanding Principal.

(c) Issuance of New Promissory Note. Whenever the Company is required to issue a new Promissory Note pursuant to the terms of this Promissory Note, such new Promissory Note (i) shall be of like tenor with this Promissory Note, (ii) shall represent, as indicated on the face of such new Promissory Note, the Principal Amount remaining, (iii) shall have an issuance date, as indicated on the face of such new Promissory Note, which is the same as the Issuance Date of this Promissory Note, (iv) shall have the same rights and conditions as this Promissory Note, and (v) shall represent accrued and unpaid interest on the Principal and Interest of this Promissory Note, from the Issuance Date.

11.PAYMENT OF COLLECTION, ENFORCEMENT AND OTHER COSTS. The Company shall pay all reasonable costs and expenses (including attorney's fees) incurred by Holder in connection with the negotiation, documentation and enforcement of this Promissory Note, the related transactions or any other matters related thereto; provided that the Company shall not be required to pay costs and expenses (including attorney's fees) incurred in the negotiation of this Promissory Note in excess of Forty Thousand Dollars (\$40,000) (the "Fees and Expenses").

12.CONSTRUCTION; HEADINGS. This Promissory Note shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any Person as the drafter hereof. The headings of this Promissory Note are for convenience of reference and shall not form part of, or affect the interpretation of, this Promissory Note.

13.FAILURE OR INDULGENCE NOT WAIVER; WAIVERS. No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

14. NOTICES; PAYMENTS.

(a) Notices. Whenever notice is required to be given under this Promissory Note, unless otherwise provided herein, such notice shall be to the Holder at:

Miguel Espinosa
Head of Americas Investment Banking
Facsimile: (646) 587-9706
Email: Miguel.Espinosa@nomura.com

Karthik Venkatesh
COO, Americas Investment Banking
Facsimile: (646) 587-9511
Email: Karthik.Venkatesh1@nomura.com

James Chenard
Head of Americas Equity Capital Markets and Solutions
Facsimile: (646) 587-8740
Email: James.Chenard@nomura.com

Meir Lewis
Head of Americas Financial Institutions
Email: meir.lewis@nomura.com

Oliver Trumbo
Head of IBD Legal – Americas
Facsimile: (646) 587-9548
Email: Oliver.Trumbo@nomura.com

And to the Company at:

MSP Recovery, Inc.

Attn: Alexandra Plasencia

2701 S. Le Jeune Rd, Floor 10

Coral Gables, Florida 33146

aplasencia@msprecovery.com

(b) Currency. All dollar amounts referred to in this Promissory Note are in United States Dollars (“**U.S. Dollars**”).

(c) Payments. Whenever any payment is to be made by the Company to any Person pursuant to this Promissory Note, such payment shall be made in lawful money of the United States

of America by a check drawn on the account of the Company and sent via overnight courier service to such Person at such address as previously provided to the Company in writing; provided that the Holder may elect to receive a payment of cash via wire transfer of immediately available funds by providing the Company with prior written notice setting out such request and the Holder's wire transfer instructions. All payments made under this Promissory Note shall be made without defense, recoupment, setoff or counterclaim and free of any restriction or condition.

15.CANCELLATION. Subject to Section 16, after the Note Obligations have been indefeasibly paid in full in cash, this Promissory Note shall automatically be deemed canceled, shall be surrendered to the Company for cancellation and shall not be reissued. The "**Note Obligations**" means the entire Principal Amount, accrued interest, Fees and Expenses and all other amounts due or payable on this Promissory Note, and all other amounts including fees and expenses due or payable to the Holder under this Promissory Note.

16.REINSTATEMENT. This Promissory Note shall continue to be effective or be reinstated (automatically without any action) as the case may be, if and to the extent at any time payment, in whole or in part, of any of the sums due to the Holder on account of the Note Obligations is rescinded or must otherwise be restored or returned by the Holder upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company, or any guarantors, or upon or as a result of the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to the Company or any or any part of its or their property, or otherwise, all as though such payments had not been made.

17.WAIVER OF DEFENSES. THE COMPANY WAIVES ANY PRESENT OR FUTURE COMMON LAW OR STATUTORY DEFENSE, CAUSE OF ACTION, COUNTERCLAIM OR RIGHT OF SETOFF WHICH THE COMPANY MAY NOW HAVE OR HEREAFTER MAY HAVE TO ANY ACTION BY HOLDER IN ENFORCING THIS NOTE. THE COMPANY WAIVES ANY IMPLIED COVENANT OF GOOD FAITH. THIS PROVISION IS A MATERIAL INDUCEMENT FOR HOLDER GRANTING ANY FINANCIAL ACCOMMODATION TO THE COMPANY.

18.GOVERNING LAW; FORUM. This Promissory Note shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Promissory Note shall be governed by, the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of New York. The Company hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in The City of New York, Borough of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. In the event that any provision of this Promissory Note is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law.

Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of this Promissory Note. Nothing contained herein (i) shall be deemed or operate to preclude the Holder from bringing suit or taking other legal action against the Company in any other jurisdiction to collect on the Company's obligations to the Holder or to enforce a judgment or other court ruling in favor of the Holder or (ii) shall limit, or shall be deemed or construed to limit, any provision of Section 16. **THE COMPANY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS NOTE OR ANY TRANSACTION CONTEMPLATED HEREBY.**

19. CERTAIN DEFINITIONS. For purposes of this Promissory Note, the following terms shall have the following meanings:

(a) **"ATM Offering"** means that certain Company Common Stock Purchase Agreement dated as of January 6, 2023, between the Company and YA II PN, Ltd., as may be amended, supplemented or modified from time to time, including the modifications contemplated on or about the date hereof to add the provision of up to \$15,000,000 of Permitted Subordinated Debt evidenced by the issuance of convertible promissory notes (the **"YA II Notes"**), and any capital stock of the Company issued in connection with any conversion, exchange, or offset of amounts owed under the YA II Notes, and related Registration Statement to register such shares sold pursuant to the Company Common Stock Purchase Agreement with the Securities and Exchange Commission, or any substantially similar arrangement between the Company and YA II PN, Ltd. or any of its affiliates entered into on or after the Issuance Date modifying or replacing the ATM Offering.

(b) **"Business Day"** means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed.

(c) **"Cash Proceeds Event"** means (i) any incurrence or issuance of any indebtedness by the Company (other than Permitted Subordinated Debt), including the issuance of debt securities and any securities convertible or exchangeable for capital stock or other equity interests of the Company, in any at-the-market offering or otherwise, (ii) any sale, capital lease, sale and leaseback, assignment, conveyance, transfer or other disposition of property or assets by the Company (including, in the case of capital stock or other equity interests, any issuance thereof, including the ATM Offering), or (iii) any settlement of or payment to the Company with respect to any litigation that is not encumbered or otherwise due to any Person other than the Holder, including pursuant to a required cash sweep arrangement. Notwithstanding the foregoing in (ii)-(iii), a Cash Proceeds Event will not include any proceeds, payments, or receivables of any nature due to any Person other than the Holder pursuant to contractual arrangements existing as of April 12, 2023.

(d) **"Disqualified Persons"** means (i) each and all of the Persons listed on Schedule 1 hereto and (ii) any property and casualty insurers, pharmaceutical companies, group health insurers, and healthcare device manufacturers against which the Company or any of its material subsidiaries has filed suit, from time to time, in connection with any healthcare service provider recovery claims.

(e) **“Net Cash Proceeds”** means an amount equal to (i) cash payments received by the Company in connection with a Cash Proceeds Event minus (ii) any bona fide costs incurred by the Company in connection with such Cash Proceeds Event, including (a) the amount of all taxes payable that are attributable to such Cash Proceeds Event, (b) any reasonable costs, fees and expenses incurred by the Company in connection with such Cash Proceeds Event and (c) in connection with any Cash Proceeds Event described in clauses (i) and (ii) of the definition thereof, any reasonable underwriting discounts and commissions in connection therewith.

(f) **“Permitted Subordinated Debt”** means unsecured indebtedness of the Company, in an aggregate principal amount not to exceed \$15,000,000; provided that (i) no Default or Event of Default shall have occurred and be continuing at the time of incurrence of such indebtedness or would result therefrom; (ii) such indebtedness shall not be guaranteed by any subsidiary of the Company; (iii) until all Note Obligations have been indefeasibly repaid in full in cash, any interest on such indebtedness shall be payable solely in kind or in shares of capital stock of the Company (as permitted under Section 4(f)); (iv) such indebtedness shall not have a scheduled maturity date earlier than 90 calendar days after the Maturity Date and shall not be subject to any mandatory repayment earlier than 90 calendar days after the Maturity Date (other than payments made directly from proceeds of the ATM Offering (subject to the requirement of Sections 4(d) and 4(f)) to repay or convert \$1 of permitted Subordinated Debt for every \$1 of Note Obligations repaid from such proceeds; (v) the first \$166,667 of proceeds of each of the first three borrowings under such indebtedness shall be used solely to repay the Note Obligations (provided that if the first such borrowing is greater than \$5,000,000, then \$500,000 of such proceeds shall be used to repay the Note Obligations); and (vi) the proceeds of such indebtedness shall be used solely to (x) repay the Note Obligations and (y) fund the Company’s operating expenses, including paying trade payables and business expenses incurred in the ordinary course (other than payments (a) for any expenses owed to MSP Recovery Law Firm or any holder of the Company’s equity interests or (b) in respect of liabilities (including salary or any other employee obligations) owed to any “affiliate” of the Company (as defined in Rule 144(a)(1) of the Securities Act of 1933) in excess of \$2,000,000 in the aggregate in any calendar year).

(g) **“Person”** means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

(h) **“Resale Registration Statement”** means the registration statements filed, or to be filed, with the Securities and Exchange Commission on Forms S-1 or S-3 in order to satisfy the Company's registration obligations existing as of the Issuance Date, including the obligation to register shares issued in the future to Palantir Technologies Inc. pursuant to the Amended and Restated Order # 1, dated as of April 11, 2022, as amended by that certain Amendment No. 3 to Order #1, dated as of June 30, 2023, as so amended and restated from time to time.

20. MAXIMUM PAYMENTS. Nothing contained in this Promissory Note shall, or shall be deemed to, establish or require the payment of a rate of interest or other charges in excess of the maximum permitted by applicable law. In the event that the rate of interest required to be paid or other charges under this Promissory Note exceeds the maximum permitted by such law, any payments in excess of such maximum shall be credited against amounts owed by the Company to the Holder and thus refunded to the Company.

21. NO WAIVER BY HOLDER. The execution of this Promissory Note shall not be deemed to be a consent by the Holder to the departure from any provisions of any agreement between the Company and the Holder, nor constitute a waiver of any provision of the Existing Promissory Note or any agreement between the Company and the Holder, or any other document, instrument and/or agreement executed or delivered in connection therewith or of any breach, default or Event of Default under any of the foregoing, in each case, whether arising before or after the date hereof or as a result of performance hereunder or thereunder.

[signature page follows]

IN WITNESS WHEREOF, the Company has caused this Promissory Note to be duly executed as of the Issuance Date set out above, intending to create an instrument executed under seal.

MSP RECOVERY, INC.

By: /s/ John H. Ruiz

Name: John H. Ruiz

Title: CEO

Signature Page to MSP A&R Promissory Note

ACKNOWLEDGED AND AGREED TO BY:

NOMURA SECURITIES INTERNATIONAL, INC.

By: /s/ James Chenard

Name: James Chenard

Title: Authorized Representative

Signature Page to MSP A&R Promissory Note

Schedule 1
Disqualified Persons

1. Cotiviti, Inc.
2. Discovery Health Partners, LLC
3. HMS Holdings Corp.
4. Xerox Holdings Corporation
5. Latitude Subrogation Services, LLC
5. The Rawlings Company LLC
7. Equian, LLC
8. Connoly, Inc.
9. Optum, Inc.

MTA Amendment No. 2 and Amendment to the Amended and Restated Security Agreement

This agreement executed by the parties listed on the signature page hereto is an amendment (the “**Amendment**”) to:

- (A) the Master Transaction Agreement dated March 9, 2022 (as amended by the MTA Amendment thereto dated September 11, 2023 (the “**First MTA Amendment**”), the “**MTA**”) by and among Virage Recovery Master LP, a Delaware limited partnership (“**VRM**”), Series MRCS, a series of MDA, Series LLC, a Delaware series limited liability company (“**Series MRCS**”), John H. Ruiz, an individual (“**Ruiz**”), Frank C. Quesada, an individual (“**Quesada**” and, together with Ruiz, the “**MRCS Principals**” and each an “**MRCS Principal**”), Virage Capital Management LP, a Delaware limited partnership (“**Virage**”), MSP Recovery, LLC, a Florida limited liability company (“**MSP Recovery**”), La Ley con John H. Ruiz, d/b/a MSP Recovery Law Firm, a Florida corporation and MSP Law Firm, a Florida PLLC (together, “**MSP Recovery Law Firm**”), MSP Recovery, Inc. (formerly known as Lionheart Acquisition Corporation II, a Delaware corporation and a special purpose acquisition company, “**Parent**”), and Lionheart II Holdings, LLC, a Delaware limited liability company and wholly owned subsidiary of Parent (the “**Purchaser**”), and
- (B) the Amended and Restated Security Agreement dated as of September 11, 2023 (the “**Security Agreement**” made among (i) MSP Recovery (ii) Parent, (iii) Purchaser, and (iv) the grantors listed on the signature pages of the Security Agreement, as pledgors, assignors and debtors in favor of VRM.

The parties to the MTA and the Security Agreement are referred to herein collectively as the “**Parties**” and each, individually, as a “**Party**.” Series MRCS, the MRCS Principals, MSP Recovery, MSP Recovery Law Firm, Parent and Purchaser are referred to herein collectively as the “**MSP Parties**” and each, individually, as a “**MSP Party**.” Capitalized terms not otherwise defined in this Amendment have the meanings given such terms in the MTA. The Parties agree as follows:

1. Extension Date. For purposes of the MTA, VRM agrees to extend the Extension Date to December 31, 2024, subject to the automatic and immediate acceleration of the final payment date of the VRM Full Return upon the occurrence of any Trigger Event.
2. Operating Reserve / Reserve Threshold Amount.
 - (a) For purposes of the Security Agreement, (i) the definition of “**Budget**” is hereby amended to mean the annual operating budget of Parent most recently approved by Parent’s board of directors in accordance with the terms of the Transaction Documents and (ii) the definition of “**Reserve Threshold Amount**” is hereby amended to mean an amount equal to the Budget, plus applicable taxes payable by Parent, plus 10% (as such may be reduced by Section 4.9 of the Security Agreement).
 - (b) The MSP Parties will not adopt a Budget that represents an increase as compared to the prior Budget without the prior written consent of Virage.
 - (c) For purposes of the MTA, the “Operating Reserve” is revised to mean the Reserve Threshold Amount (as defined hereunder). Furthermore, in the event of any inconsistency between the MTA and the Security Agreement with respect thereto, the Security Agreement controls.
3. MRCS Principals’ Sale of SPAC Units. The last paragraph under the heading “VRM Full Return Guaranty Payment Methods” in the First MTA Amendment will not prohibit the Transfer of SPAC Units by an MRCS Principal if the purpose of such Transfer is to generate cash sufficient to pay taxes due by an MRCS Principal resulting from other Transfers that occurred to satisfy the MRCS Principal’s obligations pursuant to the MTA.

4. Form of Warrants. Parent and VRM will work in good faith to finalize the form of the Initial Warrant and Monthly Warrant no later than December 1, 2023.

5. General. Except as expressly amended hereby, the terms, provisions and conditions of the MTA, Security Agreement, the other Transaction Agreements and the other Transaction Documents (as defined in the Security Agreement) are hereby ratified and confirmed and will remain unchanged and in full force and effect without interruption or impairment of any kind. Each of the Parties agrees that this Amendment constitutes a “Transaction Agreement” and “Transaction Document” under and as defined in the MTA and Security Agreement, respectively. Each of the Transaction Agreements and Transaction Documents (as defined in the Security Agreement), including the existing Transaction Agreements and Transaction Documents (as defined in the Security Agreement), and any and all other agreements, documents or instruments now or hereafter executed and/or delivered pursuant to the terms hereof or pursuant to the terms of the existing Transaction Agreements or Transaction Documents (as defined in the Security Agreement), are hereby amended so that any reference in such Transaction Agreements and Transaction Documents (as defined in the Security Agreement) to the applicable existing Transaction Agreement or Transaction Document (as defined in the Security Agreement), whether direct or indirect, will mean a reference to such existing Transaction Agreement or Transaction Documents (as defined in the Security Agreement) as amended by this Amendment. This Amendment does not constitute a novation of the Security Agreement or in any way impair or otherwise affect the rights or obligations of the parties thereunder except as such rights or obligations are expressly amended or modified hereby. The Security Agreement as amended hereby will be deemed to be a continuing agreement among the parties, and all documents, instruments and agreements delivered pursuant to or in connection with the Security Agreement will remain in full force and effect, each in accordance with its terms.

[Signature Page Follows]

The Parties have caused this Amendment to be executed and effective as of November 13, 2023.

Parties to the MTA:

Virage Recovery Master LP

By: Virage Recovery LLC, its general partner

By: /s/ Edward Ondarza
Name: Edward Ondarza
Title: Manager

Virage Capital Management LP

By: Virage LLC, its general partner

By: /s/ Edward Ondarza
Name: Edward Ondarza
Title: Manager

MSP Recovery, LLC

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Authorized Person

MSP Recovery, Inc.

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Chief Executive Officer

/s/ Frank C. Quesada
FRANK C. QUESADA

Series MRCS, a series of MDA, Series LLC

By: /s/ Frank C. Quesada
Name: Frank C. Quesada
Title: Manager

La Ley con John H. Ruiz P.A., d/b/a MSP Recovery Law Firm

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: President

MSP Law Firm PLLC

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Manager

Lionheart II Holdings, LLC

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Authorized Person

/s/ John H. Ruiz
JOHN H. RUIZ

Parties to the Security Agreement:

MSP RECOVERY, LLC,

as Grantor

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Authorized Person

MDA, SERIES LLC,

as Grantor

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Authorized Person

Signature Page to MTA Amendment No. 2 and Amended and Restated Security Agreement

MSP RECOVERY, INC.,
as Grantor

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Chief Executive Officer

LIONHEART II HOLDINGS, LLC,
as Grantor

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Authorized Person

MSP RECOVERY OF PUERTO RICO, LLC,
as Grantor

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Authorized Person

MSP RECOVERY SERVICES, LLC,
as Grantor

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Authorized Person

LIFEWALLET, LLC,
as Grantor

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Authorized Person

MSP RECOVERY CLAIMS CAID, SERIES LLC,
as Grantor

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Authorized Person

MSP RECOVERY CLAIMS COM, SERIES LLC,
as Grantor

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Authorized Person

MSP RECOVERY CLAIMS HOSP, SERIES LLC,
as Grantor

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Authorized Person

MSP RECOVERY CLAIMS PROV, SERIES LLC,
as Grantor

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Authorized Person

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

dated as of November 10, 2023

among

SUBROGATION HOLDINGS, LLC,
as Borrower,

MSP RECOVERY, LLC,
as Owner Pledgor and Guarantor,

JRFQ HOLDINGS, LLC,
as Mortgagor Parent,

4601 CORAL GABLES PROPERTY, LLC,
as Mortgagor,

HAZEL PARTNERS HOLDINGS LLC,
as Lender and as Administrative Agent

and

MSP Recovery Claims, Series LLC – Series 15-09-321, a registered series of MSP Recovery Claims, Series LLC, and a Subsidiary of the
Borrower,
as Assignee

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1 DEFINITIONS AND INTERPRETATION; AMENDMENT AND RESTATEMENT; REAFFIRMATION	1
Section 1.1 Definitions	1
Section 1.2 Accounting Terms	28
Section 1.3 Rules of Interpretation	29
Section 1.4 Rates	30
Section 1.5 Conforming Changes Relating to Term SOFR	30
Section 1.6 Servicer	30
Section 1.7 Amendment and Restatement	31
Section 1.8 Reaffirmation of Credit Documents	31
Section 1.9 No Novation	31
SECTION 2 THE LOANS	31
Section 2.1 Term Loan A and Term Loan B.	31
Section 2.2 Pro Rata Shares; Availability of Funds	35
Section 2.3 Evidence of Debt; Register; Lenders' Books and Records; Notes	37
Section 2.4 Scheduled Principal Payments	37
Section 2.5 Interest on Loans	37
Section 2.6 Default Rate of Interest	38
Section 2.7 Payment of Collections into Borrower Operating Account	38
Section 2.8 Prepayments/Commitment Reductions	38
Section 2.9 Accounts and Amounts	39
Section 2.10 Application of Prepayments	40
Section 2.11 Application of Available Funds	40
Section 2.12 General Provisions Regarding Payments	42

Section 2.13	Sharing of Payments by Lenders	43
Section 2.14	Defaulting Lenders	43
Section 2.15	Removal or Replacement of Lenders	44
SECTION 3 YIELD PROTECTION		45
Section 3.1	Making or Maintaining Interest Rates	45
Section 3.2	Increased Costs	48
Section 3.3	Taxes	49
Section 3.4	Mitigation Obligations; Designation of a Different Lending Office	53
SECTION 4		53
Section 4.1	The Guaranty.	53
Section 4.2	Obligations Unconditional.	53
Section 4.3	Reinstatement.	54
Section 4.4	Certain Additional Waivers.	54
Section 4.5	Remedies.	55
Section 4.6	Rights of Contribution.	55
Section 4.7	Guarantee of Payment; Continuing Guarantee.	55
SECTION 5 CONDITIONS PRECEDENT		55
Section 5.1	Conditions Precedent to Initial Credit Extensions	55
Section 5.2	Conditions to Each Credit Installment	59
Section 5.3	Conditions to Term Loan B Advances	60
SECTION 6 REPRESENTATIONS AND WARRANTIES		61
Section 6.1	Organization; Requisite Power and Authority; Qualification	61
Section 6.2	Equity Interests and Ownership	61
Section 6.3	Due Authorization	62
Section 6.4	No Conflict	62
Section 6.5	Governmental Consents	62

Section 6.6	Binding Obligation	62
Section 6.7	Independent Evaluation	62
Section 6.8	Financial Statements	62
Section 6.9	No Material Adverse Effect; No Default	63
Section 6.10	Tax Matters	63
Section 6.11	Properties	63
Section 6.12	[Reserved]	64
Section 6.13	No Indebtedness	64
Section 6.14	No Defaults	64
Section 6.15	No Litigation or other Adverse Proceedings	64
Section 6.16	Information Regarding the Credit Parties and their Subsidiaries	65
Section 6.17	[Reserved]	65
Section 6.18	Governmental Regulation	65
Section 6.19	Employee Matters	66
Section 6.20	No Employee Benefit Plans	66
Section 6.21	Solvency and Fraudulent Conveyance	67
Section 6.22	Compliance with Laws, Statutes, Disciplinary Rules, etc	67
Section 6.23	Disclosure	67
Section 6.24	Insurance	68
Section 6.25	Use of Proceeds	68
Section 6.26	Agreements Relating to the Claims and Related Agreements	68
Section 6.27	Controlled Accounts; etc	70
Section 6.28	Case Management System	70
Section 6.29	Security Agreements	70
SECTION 7 AFFIRMATIVE COVENANTS		71
Section 7.1	Reports	71

Section 7.2	Financial Statements and Other Reports	73
Section 7.3	Existence	75
Section 7.4	Payment of Taxes and Claims	75
Section 7.5	Lenders Meetings	76
Section 7.6	Compliance with Laws and Material Contracts	76
Section 7.7	Further Assurances	76
Section 7.8	General Corporate Obligations	76
Section 7.9	Cash Management Systems	77
Section 7.10	Maintenance of Properties	79
Section 7.11	Insurance	79
Section 7.12	Due Diligence; Access to Certain Documentation	79
Section 7.13	Use of Proceeds	80
Section 7.14	Claims Data	80
Section 7.15	Equity Interests	81
Section 7.16	Books and Records	81
Section 7.17	Legal Counsels	81
Section 7.18	Anti-Terrorism; OFAC; Anti-Corruption	82
Section 7.19	Other HC Claims Transactions	82
Section 7.20	Post-Closing Covenants	82
Section 7.21	Mortgage Covenant	82
SECTION 8 NEGATIVE COVENANTS		82
Section 8.1	Indebtedness	83
Section 8.2	Liens	83
Section 8.3	No Further Negative Pledges	84
Section 8.4	Subsidiaries	84
Section 8.5	Parties under 2022 Credit Agreement	84

Section 8.6	Existing Legal Services Agreement	84
Section 8.7	Accounts	84
Section 8.8	Burdensome Agreements	84
Section 8.9	Investments	85
Section 8.10	Use of Proceeds	85
Section 8.11	Fundamental Changes; Disposition of Assets; Acquisitions	85
Section 8.12	Disposal of Subsidiary Interests	85
Section 8.13	Capital Leases, Synthetic Leases, Securitization Transactions and Sale and Leaseback Transactions	85
Section 8.14	Transactions with Affiliates and Insiders	86
Section 8.15	Prepayment of Other Funded Debt	86
Section 8.16	Conduct of Business	86
Section 8.17	Calendar Year	86
Section 8.18	Amendments to Organizational Agreements/Material Agreements	86
Section 8.19	Assignor Agreements	86
Section 8.20	Settlement of Claims	87
Section 8.21	Assignments	87
Section 8.22	Owner Pledgor	87
SECTION 9 EVENTS OF DEFAULT; REMEDIES; APPLICATION OF FUNDS.		87
Section 9.1	Events of Default	87
Section 9.2	Remedies	90
Section 9.3	Application of Funds	90
SECTION 10 AGENCY		90
Section 10.1	Appointment and Authority	90
Section 10.2	Rights as a Lender	91
Section 10.3	Exculpatory Provisions	91
Section 10.4	Reliance by Administrative Agent	92

Section 10.5	Delegation of Duties	92
Section 10.6	Resignation of Administrative Agent	92
Section 10.7	Non-Reliance on Administrative Agent and Other Lenders	93
Section 10.8	No Other Duties, etc	93
Section 10.9	Administrative Agent May File Proofs of Claim	94
Section 10.10	Collateral Matters	94
Section 10.11	Erroneous Payments	95
SECTION 11 INTERCREDITOR RELATED PROVISIONS		98
Section 11.1	Subordination of HHI Loan and HH	98
Section 11.2	Payment Subordination.	98
Section 11.3	Rights of Subrogation; Bankruptcy	99
Section 11.4	Rights of Cure	100
Section 11.5	No Actions; Restrictive Provisions	101
Section 11.6	Right to Purchase Loan	101
Section 11.7	Notices of Transfer; Consent	101
Section 11.8	Obligations Hereunder Not Affected	102
Section 11.9	Modifications, Amendments, Etc	102
Section 11.10	Conflicts	104
Section 11.11	Continuing Agreement	104
Section 11.12	Expenses	104
Section 11.13	Injunction	104
Section 11.14	Mutual Disclaimer	104
Section 11.15	Notices	105
Section 11.16	HHI Agent Collateral	105
SECTION 12 MISCELLANEOUS		105
Section 12.1	Notices; Effectiveness; Electronic Communications	105

Section 12.2	Expenses; Indemnity; Damage Waiver	107
Section 12.3	Set-Off	108
Section 12.4	Amendments and Waivers	109
Section 12.5	Successors and Assigns	110
Section 12.6	Independence of Covenants	114
Section 12.7	Survival of Representations, Warranties and Agreements	114
Section 12.8	No Waiver; Remedies Cumulative	114
Section 12.9	Marshalling; Payments Set Aside	114
Section 12.10	Severability	115
Section 12.11	Obligations Several; Independent Nature of Lenders' Rights	115
Section 12.12	Headings	115
Section 12.13	Applicable Laws	115
Section 12.14	WAIVER OF JURY TRIAL	116
Section 12.15	Confidentiality	116
Section 12.16	Usury Savings Clause	117
Section 12.17	Counterparts; Integration; Effectiveness	117
Section 12.18	No Advisory of Fiduciary Relationship	118
Section 12.19	Electronic Execution of Assignments and Other Documents	118
Section 12.20	USA PATRIOT Act	118
Section 12.21	Acknowledgement and Consent to Bail-In of Affected Financial Institutions	118
Section 12.22	[Reserved]	119
Section 12.23	Acknowledgement Regarding Any Supported QFCs	119

Appendices

- Appendix A Lenders, Commitments and Commitment Percentages
- Appendix B Notice Information

Schedules

- Schedule 1.1(a) Accounts
- Schedule 1.1(c) Disqualified Persons
- Schedule 5.1(k) Existing Litigation
- Schedule 6.1 Organization; Requisite Power and Authority; Qualification
- Schedule 6.2 Equity Interests and Ownership
- Schedule 6.13 Debt of Owner Pledgor
- Schedule 6.16 Name, Jurisdiction and Tax Identification Numbers of Borrower and its Subsidiaries
- Schedule 6.24 Insurance Coverage
- Schedule 6.26(a) HC Claims
- Schedule 6.26(b) Existing Third Party Agreements
- Schedule 7.11 Insurance
- Schedule 8.1 Existing Indebtedness

Exhibits

- Exhibit 1.1 Lender Authorization Letter
- Exhibit 1.2 QSF Instruction Letter
- Exhibit 2.1(a) Form of Term Loan Note A
- Exhibit 2.1(b) Form of Term Loan Note B
- Exhibit 2.1(d) Form of Funding Notice
- Exhibit 3.3 Forms of U.S. Tax Compliance Certificates (Forms 1 – 4)
- Exhibit 6.2(d) Form of Compliance Certificate
- Exhibit 7.1 Form of Settlement Report
- Exhibit 7.21 Form of Mortgage
- Exhibit 11.5 Form of Assignment Agreement

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

This SECOND AMENDED AND RESTATED CREDIT AGREEMENT, dated as of November 10, 2023 (the “Effective Date”) (as amended, restated, increased, extended, supplemented or otherwise modified from time to time, this “Agreement”), is entered into by and among SUBROGATION HOLDINGS, LLC, a Delaware limited liability company (the “Borrower”), MSP RECOVERY, LLC, a Florida limited liability company (the “Owner Pledgor”), JRFQ HOLDINGS, LLC, a Delaware limited liability company (“Mortgagor Parent”), 4601 CORAL GABLES PROPERTY, LLC, a Florida limited liability company (“Mortgagor”), MSP RECOVERY CLAIMS, SERIES LLC – SERIES 15-09-321, a registered series of MSP Recovery Claims, Series LLC, a Delaware limited liability company, and a Subsidiary of the Borrower (the “Assignee”) and HAZEL PARTNERS HOLDINGS LLC, a Delaware limited liability company, as Lender (the “Lender”) and as Administrative Agent (in such capacity, the “Administrative Agent”).

RECITALS:

WHEREAS, the Borrower, the Owner Pledgor, the Assignee, the Lender and the Administrative Agent have entered into that certain Amended and Restated Credit Agreement dated as of March 29, 2023 (the “Existing Credit Agreement”), pursuant to which Existing Credit Agreement, the Lenders agreed to make term loan facilities available to Borrower on the terms and conditions set forth therein;

WHEREAS, the Borrower, the Owner Pledgor, the Assignee, the Lender and the Administrative Agent have agreed to amend and restate the Existing Credit Agreement in its entirety;

NOW, THEREFORE, in consideration of these premises and the mutual covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the Existing Credit Agreement is amended and restated in its entirety as follows, effective immediately as of the Effective Date:

SECTION 1

DEFINITIONS AND INTERPRETATION; AMENDMENT AND RESTATEMENT; REAFFIRMATION

Section 1.1 Definitions. The following terms used herein, including in the introductory paragraph, recitals, exhibits and schedules hereto, shall have the following meanings:

“2022 Borrower” means La Ley con John H. Ruiz P.A., d/b/a MSP Recovery Law Firm, a Florida corporation, and MSP Law Firm, PLLC, a Florida professional limited liability company, jointly and severally.

“2022 Credit Agreement” means the Credit Agreement dated as of June 16, 2022, among La Ley Con John H. Ruiz PA., d/b/a MSP Recovery Law Firm, and MSP Law Firm, PLLC, jointly and severally, as Borrower, MSP1 Funding 2022, LLC, as Lender and as Administrative Agent and Deer Finance, LLC, as Servicer.

“Account” shall have the meaning set forth in Article 9 of the UCC.

“Account Administrator” means, the Servicer as third party administrator pursuant to the Account Administration Agreement, and any additional, successor or replacement third party administrator approved in writing by the Administrative Agent in its sole and absolute discretion.

“Account Administration Agreement” means the Account Administration Agreement, if any, among the Borrower, the Administrative Agent and the Account Administrator.

“Account Administrator Fees” means collectively, the fees, indemnification amounts and expenses due and owing to the Account Administrator, whether pursuant to the terms of the Account Administration Agreement or otherwise.

“Account Bank” means City National Bank of Florida, in its capacity as account bank under the Control Agreements, and any other Qualified Institution approved in writing by the Administrative Agent from time to time in its sole and absolute discretion.

“Account Debtor” means any Person who is or may become obligated with respect to, or on account of, an Account.

“Additional Claims” means additional rights, title to, and/or interest in any and all Claims or potential claims, which Owner Pledgor or any Affiliates is contractually entitled to (whether or not asserted), including all rights to causes of action and remedies against any Payor at law or in equity, in each case, as acquired by the Owner Pledgor or its Affiliates following the Closing Date, but solely to the extent that such claims relate to P&C Carriers as the primary responsible parties and solely with respect to recoveries from Claims up to December 31, 2022.

“Additional Control Agreement” as defined in Section 2.9(c).

“Additional Controlled Account” as defined in Section 2.9(c).

“Administrative Agent” has the meaning set forth in the introductory paragraph hereto, together with its successors and assigns.

“Administrative Questionnaire” means an administrative questionnaire provided by the Lenders in a form supplied by the Administrative Agent.

“Adverse Proceeding” means any action, suit, proceeding (whether administrative, judicial or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of any Credit Party or any of its Subsidiaries) at law or in equity, or before or by any Governmental Authority, whether pending or, to the knowledge of such Credit Party or any of its Subsidiaries, threatened in writing, against any Credit Party or any of its Subsidiaries or any material property of any Credit Party or any of its Subsidiaries.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agreed Recoverable Claims” means, the pool of medically-related claim lines (as agreed between by Owner Pledgor and Allstate Insurance Company) corresponding to identified medical claims paid by

Assignor for beneficiaries that match with an Allstate claimant, on a paid basis, as reviewed in sample and extrapolated with the statistical method to the full contended sample period; after taking into account and crediting prior collections by the Assignor or related parties as well as capping any contended reimbursement amounts at actual or expected policy limits, but independent of the following legal defenses: policy limit exhaustion and statute of limitations.

“Agreement” has the meaning set forth in the introductory paragraph hereto.

“Anti-Corruption Laws” means the Foreign Corrupt Practices Act, 15 U.S.C. §§ 78dd-1, *et seq*, the UK Bribery Act of 2010 and all other laws, rules, and regulations of any jurisdiction applicable to any Credit Party or any of its Affiliates from time to time concerning or relating to bribery or corruption.

“Applicable Laws” means all applicable laws, including all applicable provisions of constitutions, statutes, rules, ordinances, regulations and orders of all Governmental Authorities and all orders, rulings, writs and decrees of all courts, tribunals and arbitrators.

“Applicable Margin” means an amount equal to ten percent (10%).

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Asset Sale” means with respect to the Borrower and/or any of its Subsidiaries, a sale, lease, Sale and Leaseback Transaction, assignment, conveyance, license (as licensor), Securitization Transaction, transfer or other disposition to, or any exchange of property with, any Person, in one transaction or a series of transactions, of all or any part of the Borrower or any of its Subsidiaries’ businesses, assets or properties of any kind, whether real, personal, or mixed and whether tangible or intangible, whether now owned or hereafter acquired, created, leased or licensed, (including, for the avoidance of doubt (i) the issuance of Equity Interests by a Subsidiary of the Borrower or (ii) any such transaction in respect of any HC Claims or any other Claims of a Credit Party), other than (a) dispositions of surplus, obsolete or worn out property or property no longer used or useful in the business of the Credit Parties and their respective Subsidiaries, whether now owned or hereafter acquired, in the ordinary course of business; (b) dispositions of inventory sold, and Intellectual Property licensed, in the ordinary course of business; (c) dispositions of accounts or payment intangibles (each as defined in the UCC) resulting from the compromise or settlement thereof in the ordinary course of business for less than the full amount thereof; and (d) dispositions of Cash Equivalents in the ordinary course of business.

“Assignee” means the Person set forth in the introductory paragraph hereto and identified as the Assignee in the CAA.

“Assignor” means the Person identified as the Assignor in the CAA.

“Assignment Agreement” means an assignment agreement entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 12.5(b)) and accepted by the Administrative Agent, in substantially the form of Exhibit 11.5 or any other form (including electronic documentation generated by MarkitClear or other electronic platform) approved by the Administrative Agent.

“Authorized Officer” means, with respect to any Person, any individual holding the position of chairman of the board (if an officer), chief executive officer, president or one of its vice presidents (or the equivalent thereof), chief financial officer or treasurer and, solely for purposes of making the certifications required under Section 5.1(b)(ii) and (c), any secretary or assistant secretary.

“Available Funds” means, with respect to any Settlement Date, the sum (without duplication) of the following (b) all Collections on deposit in the Borrower Lockbox Account since the immediately preceding Settlement Date and (b) all other amounts deposited in the Borrower Lockbox Account since the immediately preceding Settlement Date pursuant to this Agreement or any other Credit Document.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bankruptcy Code” means Title 11 of the United States Code entitled “Bankruptcy,” as now and hereafter in effect, or any successor statute.

“Base Rate” means a rate equal to Federal Funds Rate plus eleven percent (11%).

“Base Rate Loan” means a Loan that bears interest at the Base Rate.

“Benchmark” means, initially, Term SOFR; or if any Benchmark Replacement is incorporated into this Agreement pursuant to Section 3.1, then “Benchmark” means the applicable Benchmark Replacement.

“Benchmark Conforming Changes” means, with respect to the use, administration of or any conventions associated with Term SOFR or any implementation of a Benchmark Replacement, any technical, administrative or operational changes (including the definition of “Term SOFR,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides, in its reasonable discretion, may be appropriate to reflect such use, administration or conventions or the adoption and implementation of such applicable rate and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such applicable rate exists, in such other manner of administration as the Administrative Agent decides, is reasonably necessary in connection with the administration of this Agreement and any other Credit Document).

“Benchmark Illegality/Impracticability Event” means the occurrence of any one or more of the following: (a) that the making, maintaining or continuation of the then-current Benchmark by any Lender has become unlawful as a result of compliance by such Lender in good faith with any law, treaty, governmental rule, regulation, guideline or order (or would conflict with any such treaty, governmental

rule, regulation, guideline or order not having the force of law even though the failure to comply therewith would not be unlawful), (b) with respect to any Benchmark, that any successor administrator of the published screen rate for such Benchmark or a Governmental Authority having jurisdiction over the Administrative Agent or administrator of such Benchmark has made a public statement establishing a specific date (expressly or by virtue of such public statement) after which an Available Tenor of such Benchmark or the published screen rate for such Benchmark shall or will no longer be representative or made available, or used for determining the interest rate of loans, or shall or will otherwise cease, provided, that, at the time of such statement, there is no successor administrator that is satisfactory to the Administrative Agent that will continue to provide such representative interest periods of such Benchmark after such specific date, (c) that the making, maintaining or continuation of the then-current Benchmark by any Lender has become impracticable, as a result of contingencies occurring after the Closing Date which materially and adversely affect the ability of a Lender to make, maintain or continue its Loans at the then-current Benchmark (including because the published screen rate for such Benchmark in any relevant tenor is not available or published on a current basis and such circumstances are unlikely to be temporary) or (d) with respect to any Lender, that the then-current Benchmark (including any related mathematical or other adjustments thereto) will not adequately and fairly reflect the cost to such Lender of making, funding or maintaining its Loans at the then-current Benchmark. For the avoidance of doubt, a “Benchmark Illegality/Impracticability Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Replacement” means the first available alternative set forth in the order below for any payment period for interest calculated that can be determined by the Administrative Agent, in each case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document:

(a) the sum of: (i) Daily Simple SOFR and (ii) the related Benchmark Replacement Adjustment; and

(b) the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

“Benchmark Replacement Date” has the meaning specified in Section 3.1(b)(ii).

“Beneficial Ownership Certification” has the meaning specified in Section 5.1(r).

“BHC Act Affiliate” has the meaning specified in Section 12.23(b).

“Borrower” has the meaning set forth in the introductory paragraph hereto.

“Borrower Operating Account” means the deposit account maintained by Account Bank in the name of the Borrower in accordance with the terms of this Agreement, the Borrower Security Agreement and the Borrower Operating Account Control Agreement.

“Borrower Operating Account Control Agreement” means that certain springing control Deposit Account Control Agreement in respect of the Borrower Operating Account or as an amendment to an existing Control Agreement in respect of the Borrower Operating Account, to the extent satisfactory to Administrative Agent.

“Borrower Lockbox Account” means the deposit account maintained by Account Bank in the name of the Borrower in accordance with the terms of this Agreement, the Borrower Security Agreement and the Borrower Lockbox Account Control Agreement.

“Borrower Lockbox Account Control Agreement” means that certain blocked control (or control without activation or notice) Deposit Account Control Agreement in respect of the Borrower Lockbox Account or as an amendment to an existing Control Agreement in respect of the Borrower Lockbox Account, to the extent satisfactory to Administrative Agent.

“Borrower Security Agreement” means that certain Amended and Restated Borrower Security Agreement dated on or about March 29, 2023, and given by Borrower, as pledgor, to the Administrative Agent for the benefit of the holders of the Obligations granting a security interest in favor of the Administrative Agent, as such agreement may be amended, supplemented, modified or amended and restated from time to time.

“Borrowing” means a borrowing consisting of simultaneous Loans having the same Interest Period.

“Business Day” means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in such state are authorized or required by law or other governmental action to close; provided, that, with respect to notices and determinations in connection with, and payments of principal and interest on SOFR Loans, such day is also a U.S. Government Securities Business Day.

“CAA” means that certain Claims Assignment Agreement together with the Side Agreement, each dated as of December 23, 2021, between the Assignee and the Assignor, pursuant to which the Assignor assigned its rights to HC Claims to the Assignee, as such agreements may be amended, supplemented or modified from time to time.

“Calendar Month” means, with respect to a particular Calendar Year, a calendar quarter corresponding to such Calendar Year.

“Calendar Quarter” means, with respect to a particular Calendar Year, a calendar quarter corresponding to such Calendar Year.

“Calendar Year” means any consecutive twelve-month period commencing on January 1 and ending on December 31.

“Capital Lease” means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person as lessee that, in conformity with GAAP, is or should be accounted for as a capitalized lease or financing lease on the balance sheet of that Person.

“Cash Equivalents” means, as of any date of determination, any of the following: (a) marketable securities (i) issued or directly and unconditionally guaranteed as to interest and principal by the United States government, or (ii) issued by any agency of the United States the obligations of which are backed by the full faith and credit of the United States, in each case maturing within one (1) year after such date, (b) marketable direct obligations issued by any state of the United States or any political subdivision of any such state or any public instrumentality thereof, in each case maturing within one (1) year after such date and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody’s, (c) commercial paper maturing no more than one (1) year from the date of creation thereof and having, at the time of the acquisition thereof, a rating of at least A-1 from S&P or at least P-1 from Moody’s, (d) certificates of deposit or bankers’ acceptances maturing within one (1) year after such date and issued or accepted by any Lender or by any commercial bank organized under the laws of the United States or any state thereof or the District of Columbia that (i) is at least “adequately capitalized” (as defined in the regulations of its primary federal banking regulator), and (ii) has Tier 1 capital (as defined in such regulations) of not less than \$100,000,000 and (e) shares of any money market mutual fund that (i) has substantially all of its assets invested continuously in the types of investments referred to in clauses (a) through (d) above, (ii) has net assets of not less than \$500,000,000, and (iii) has the highest rating obtainable from either S&P or Moody’s.

“Change in Law” means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided, that, notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III and (iii) all requests, rules, guidelines or directives issued by a Governmental Authority in connection with a Lender’s submission or re-submission of a capital plan under 12 C.F.R. § 225.8 or a Governmental Authority’s assessment thereof, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means an event or series of events by which:

(a) any “person” or “group” (as such terms are used or defined in Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), other than one or more Permitted Holders, becomes the beneficial owner ((as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, more than 50% of the outstanding Equity Interests in each of the Owner Pledgor and the Borrower entitled to vote (on a diluted basis); or

(b) Owner Pledgor shall cease to own and control, of record and beneficially, directly, at least one hundred percent (100.0%) of the outstanding Equity Interests in the Borrower; or

(c) Borrower shall cease to own and control, of record and beneficially, directly at least one hundred percent (100.0%) of the Equity Interests in the Assignee or Assignee shall cease to be a designated or registered series of the Borrower (provided that, on the registration of the series

after the Closing Date, the reference to "designated series" shall be substituted with "registered series"); or

(d) the death or disability of either John Ruiz or Frank Quesada, unless a replacement acceptable to the Administrative Agent, in its sole and absolute discretion, is appointed within thirty (30) days after the date of such person's death or disability; or

(e) either John Ruiz or Frank Quesada ceases to be actively involved in the management of Owner Pledgor, Borrower or Assignee (other than such person's death or disability), unless a replacement acceptable to the Administrative Agent, in its sole and absolute discretion, is appointed within thirty (30) days after the date on which such person ceases to be actively involved in the management of Owner Pledgor, Borrower or Assignee; or

(f) the disposition of all or substantially all assets of the Owner Pledgor, Borrower or of any other Credit Party (including the Assignee) to a third party; or

(g) the occurrence of any "Change in Control" as defined in the CRSA.

"Claim Filing Milestone" means the filing of HC Claims for the P&C Carriers with a detailed timeline to be agreed between the parties in the Healthcare Legal Services Agreement, which claims were to be filed no later than June 29, 2023.

"Claims" means any and all of a Person's right, title, ownership, and interest in payments owed by Payors under Medicare Advantage Plans (under Parts A, B, and C of the Social Security Act only) pursuant to the Medicare Secondary Payer Act, 42 U.S.C. §1395y(b), recovered by and through the following causes of action: (1) actions stemming from the MSPA, (2) breach of contract; (3) pure bills of discovery or equivalent; (4) depositions or discovery before action as set forth by Federal Rule of Civil Procedure 27; (5) subrogation; (6) declaratory action; and (7) unjust enrichment, whether known or unknown, or arising in the future.

"Claims Data" has the meaning ascribed to such term in the CRSA.

"Closing Date" means the date on which the conditions set forth in Section 5.1 and Section 5.2 have been met to Administrative Agent's satisfaction.

"Collateral" means (a) the "Collateral" as defined in the Security Agreements and (b) a collective reference to all real, personal and mixed property of the Borrower and its Subsidiaries with respect to which Liens in favor of the Administrative Agent, for the benefit of the holders of the Obligations, are granted or purported to be granted pursuant to and in accordance with the terms of the Collateral Documents, excluding payments, receivables and amounts that are not in respect of the HC Claims (and not part of the Collateral) but are inadvertently paid into the Borrower Lockbox Account or another Controlled Account; it being understood and agreed that for purposes of this Agreement and the other Credit Documents, the Collateral shall not include any Claims or any pledge of the Equity Interests of the Borrower or Assignee (other than those specifically described in the Security Agreements).

"Collateral Administration Agreement" means that certain Amended and Restated Collateral Administration Agreement dated on or about March 29, 2023, entered into by the Borrower, the Owner Pledgor and the certain third parties signatory thereto.

"Collateral Documents" means each Security Agreement, the IP License Agreement, and all other instruments, documents and agreements delivered by any Credit Party pursuant to this Agreement or any

of the other Credit Documents in order to grant to the Administrative Agent, for the benefit of the holders of the Obligations, a Lien on the Collateral.

“Collection System” as defined in Section 7.9(a)(i).

“Collections” means (a) all cash collections, remittances, payments, prepayments, amounts received as a result of any exercise of rights or any sale or other disposition and other cash proceeds of any Collateral (including, without limitation HC Case Proceeds and, if the 75% Trigger has occurred, 50% of (i) the recoveries from Additional Claims and (ii) proceeds of financing of Additional Claims (in each case, net of reasonable transaction costs and expenses associated therewith), any other property constituting payments for the account of the any Credit Party or the Assignee in respect of any HC Claim or, if the 75% Trigger has occurred, the assignee or owner of the Additional Claim, and all interest, fees (including referral fees), recoveries, all other amounts payable in respect thereof, (b) any amounts paid to or for the account of any of the Credit Parties pursuant to the terms of any Credit Document, in each case, for the avoidance of doubt, excluding any amount or proceeds of the Loans funded to any Credit Party, and (c) all other collections and other cash proceeds of any Collateral, in each case, whether paid to a Controlled Account or otherwise; provided, however, all collections and other cash proceeds with respect to (x) the real property mortgaged by the Mortgagor, and (y) those certain assets and securities pledged pursuant to the Mortgagor Parent Pledge, shall not be considered “Collections” hereunder.

“Commitments” means the Term Loan Commitments.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 *et seq.*).

“Compliance Certificate” means a Compliance Certificate substantially in the form of Exhibit 6.2(d).

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated Taxes” means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the aggregate of all taxes, as determined in accordance with GAAP.

“Contractual Obligation” means, as applied to any Person, any provision of any Security (as defined in the UCC) issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, power to vote twenty percent (20%) or more of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent.

“Control Agreements” means, collectively, the Borrower Operating Account Control Agreement, the Borrower Lockbox Account Control Agreement, and the Additional Control Agreements (if any).

“Controlled Accounts” means, collectively, the Borrower Operating Account, Borrower Lockbox Account and the Additional Controlled Accounts (if any).

“Cost Savings” has the meaning set forth in Section 2.1(b)(ix).

“Covered Entity” has the meaning set forth in Section 12.23(b).

“Covered Party” has the meaning set forth in Section 12.23(a).

“Credit Date” means the date of a Credit Extension.

“Credit Documents” means this Agreement, each Note, the Collateral Documents, any Account Administration Agreement, the IP License Agreement and, to the extent evidencing or securing the Obligations, all other documents, instruments or agreements executed and delivered by any Credit Party for the benefit of the Administrative Agent or any Lender in connection herewith or therewith (for the avoidance of doubt, it being understood and agreed that none of the Material Contracts constitute Credit Documents).

“Credit Extension” means the making of a Loan.

“Credit Parties” means, collectively, the Borrower, any Subsidiary of the Borrower, Assignee, Mortgagor, Mortgagor Parent, and Owner Pledgor.

“CRSA” means the Claims Recovery Services Agreement, dated as of December 23, 2021, between Owner Pledgor and the Assignor, relating to the provisions of data analysis and claims recovery services in connection with the HC Claims.

“Daily Simple SOFR” means, for any day, the Secured Overnight Financing Rate, with the conventions for such rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for such rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans; provided, that, if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“Debt Issuance” means, with respect to the Borrower or any of its Subsidiaries, any incurrence, issuance, placement, or assumption of Indebtedness, whether or not evidenced by a promissory note or other written evidence of Indebtedness, except for Indebtedness permitted to be incurred pursuant to Section 9.1.

“Debtor Relief Laws” means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

“Default Rate” means the interest rate (including any Applicable Margin) applicable to such Loan plus 2% per annum.

“Default Right” has the meaning set forth in Section 12.23(b).

“Defaulting Lender” means, subject to Section 2.13(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder, or (ii) pay to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit) within two (2) Business Days

of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect, (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided, that, such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-in Action; provided, that, a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.13(b)) upon delivery of written notice of such determination to the Borrower and each Lender.

“Defendant” means, with respect to any HC Claim, (a) if such HC Claim has commenced, the named defendant therein, or (b) if such HC Claim has not commenced, the Persons threatened with the HC Claim.

“Disciplinary Action” means, with respect to any Person, any motion or action by or before any Governmental Authority (including, without limitation, any court, arbitrator, arbitration panel, State Bar Association and any other regulatory authority relating to attorney professional conduct) which alleges that such Person committed any professional misconduct (including, without limitation, any violation of any Disciplinary Rules) and for which a penalty is sought (whether such penalty is money damages or restitution, the referral of such Person to any such Governmental Authority, or the suspension or disbarment of any such Person).

“Disciplinary Rules” means, with respect to any Person, any and all disciplinary rules and professional ethics rules applicable to such Person, or any lawyers employed by such Person, including the rules of professional conduct of any State or State Bar Association applicable to such Person.

“Disqualified Persons” means (1) each and all of the Persons listed on Schedule 1.1(c), as such schedule may be updated from time to time by the Borrower to include additional direct competitors engaged in the medical subrogation business, subject to the consent of the Administrative Agent in its reasonable discretion and (2) any defendant against which any of the Credit Parties or its Affiliates has filed suit, from time to time, with respect to HC Claims owned by any of the Credit Parties or its Subsidiaries, including but not limited to property and casualty insurers, pharmaceutical companies, group health insurers, and healthcare device manufacturers.

“Dollars” and the sign “\$” mean the lawful money of the United States.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this

definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” has the meaning set forth in the preamble to this Agreement.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 12.5(b), subject to any consents and representations, if any as may be required therein.

“Enforcement Action” means any (i) judicial or non-judicial foreclosure or enforcement proceeding, the obtaining of a receiver or the taking of any other enforcement action against any Credit Party, including, without limitation, the taking of possession or control of the Collateral, (ii) acceleration of, or demand or action taken in order to collect, all or any indebtedness secured by the Collateral (other than giving of notices of default and statements of overdue amounts) or (iii) exercise of any right or remedy available to Administrative Agent or Lender under the Credit Documents, at law, in equity or otherwise with respect to any Credit Party.

“Equity Interests” means, with respect to any Person, any and all shares, rights to purchase, options, warrants, general, limited or limited liability partnership interests, member interests, participation or other equivalents of or interest in (regardless of how designated) equity of such Person, whether voting or nonvoting, including common stock, preferred stock, convertible securities or any other “equity security” (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the SEC under the Exchange Act), including in each case all of the following rights relating to such Equity Interests, whether arising under the Organizational Documents of the Person issuing such Equity Interests (the “issuer”) or under the applicable Laws of such issuer’s jurisdiction of organization relating to the formation, existence and governance of corporations, limited liability companies or partnerships or business trusts or other legal entities, as the case may be: (i) all economic rights (including all rights to receive dividends and distributions) relating to such Equity Interests; (ii) all voting rights and rights to consent to any particular action(s) by the applicable issuer; (iii) all management rights with respect to such issuer; (iv) in the case of any Equity Interests consisting of a general partner interest in a partnership, all powers and rights as a general partner with respect to the management, operations and control of the business and affairs of the applicable issuer; (v) in the case of any Equity Interests consisting of the membership or limited liability company interests of a managing member in a limited liability company, all powers and rights as a managing member with respect to the management, operations and control of the business and affairs of the applicable issuer; (vi) all rights to designate or appoint or vote for or remove any officers, directors, manager(s), general partner(s) or managing member(s) of such issuer and/or any members of any board of members/managers/partners/directors that may at any time have any rights to manage and direct the business and affairs of the applicable issuer under its Organizational Documents as in effect from time to time or under Applicable Law; (vii) all rights to amend the Organizational Documents of such issuer; (viii) in the case of any Equity Interests in a partnership or limited liability company, the status of the holder of such Equity Interests as a “partner”, general or limited, or “member” (as applicable) under the applicable Organizational Documents and/or Applicable Law; and (ix) all certificates evidencing such Equity Interests.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means, as applied to any Person, any trade or business (whether or not incorporated) which is a member of a group of trades or businesses under common control within the meaning of Section 414(b) or (c) of the Internal Revenue Code (and Sections 414(m) and (o) of the Internal Revenue Code for purposes of provisions relating to Section 412 of the Internal Revenue Code).

“Erroneous Payment” has the meaning set forth in Section 10.11(a).

“Erroneous Payment Deficiency Assignment” has the meaning set forth in Section 10.11(d).

“Erroneous Payment Impacted Class” has the meaning set forth in Section 10.11(d).

“Erroneous Payment Return Deficiency” has the meaning set forth in Section 10.11(d).

“Erroneous Payment Subrogation Rights” has the meaning set forth in Section 10.11(e).

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” means each of the conditions or events set forth in Section 10.1.

“Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.15) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 3.3, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 3.3(f) and (d) any U.S. federal withholding Taxes imposed under FATCA.

“Existing Legal Services Agreement” means that certain Legal Services Agreement dated as of May 23, 2022, by and between Lionheart II Holdings, LLC and 2022 Borrower.

“Facility” means any real property including all buildings, fixtures or other improvements located on such real property now, hereafter or heretofore owned, leased, operated or used by the Borrower or any of its Subsidiaries or any of their respective predecessors.

“FATCA” means Sections 1471 through 1474 of the Internal Revenue Code as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more

onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code.

“Federal Funds Rate” means for any day, the rate per annum (expressed, as a decimal, rounded upwards, if necessary, to the next higher one one-hundredth of one percent (1/100 of 1%)) equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, that, (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the Federal Funds Rate for the last day on which such rate was announced.

“Financial Officer Certification” means, with respect to the financial statements for which such certification is required, the certification of the chief financial officer of the Borrower that such financial statements fairly present, in all material respects, the financial condition of the Borrower and its Subsidiaries as of the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments.

“First Milestone” shall have the meaning ascribed to such term in the Collateral Administration Agreement and shall be fulfilled by the date set forth in the Collateral Administration Agreement.

“Foreign Lender” means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

“Fund” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“Funded Debt” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations for borrowed money, whether current or long-term (including the Obligations hereunder), all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments;
- (b) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than sixty (60) days after the date on which such trade account payable was created); and
- (c) all obligations under letters of credit (including standby and commercial), bankers’ acceptances and similar instruments (including bank guaranties).

For purposes hereof, the amount of Funded Debt shall be determined (x) based on the outstanding principal amount in the case of borrowed money indebtedness under clause (a) and deferred purchase obligations under clause (b) and (y) based on the maximum amount available to be drawn in the case of letter of credit obligations and the other obligations under clause (c).

“Funding Date” means, prior to the Closing Date, the dates set forth in the table of Section 2.1(a)(i) and 2.1(b)(i), and after the Closing Date, “Funding Date” shall have the meaning set forth in Section 2.1(b)(ii).

“Funding Notice” means a notice substantially in the form of Exhibit 2.1(d).

“GAAP” means, subject to the limitations on the application thereof set forth in Section 1.2, accounting principles generally accepted in the United States in effect as of the date of determination thereof.

“Governmental Acts” means any act or omission, whether rightful or wrongful, of any present or future *de jure* or *de facto* government or Governmental Authority.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank and any group or body charged with setting financial accounting or regulatory capital rules or standards).

“Governmental Authorization” means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

“Guarantee” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“Guaranteed Obligations” has the meaning set forth in Section 4.1.

“Guarantors” means (a) each Person identified as a “Guarantor” on the signature pages hereto, (b) each other Person that joins as a Guarantor pursuant to the terms hereof, and (c) their successors and permitted assigns. For the avoidance of doubt, “Guarantors” shall not be deemed to refer to John Ruiz and Frank Quesada.

“Guaranty” means the Guarantee made by the Guarantors in favor of the Administrative Agent, the Lenders and the other holders of the Obligations pursuant to SECTION 4.

“Guaranty Agreement” means that certain Personal Guaranty Agreement dated on or about the date hereof, executed by John Ruiz and Frank Quesada in favor of the Administrative Agent for the benefit of the holders of certain Obligations.

“HC Agreements” means, collectively, the CAA, CRSA and the Side Agreement.

“HC Case Proceeds” means all proceeds, receivables, property, cash, and other consideration constituting payables to any Credit Party with respect to each HC Claim after deducting: (i) pursuant to Exhibit F to the CRSA, Assignor’s 50% of Net Proceeds as defined therein, and (ii) the legal contingency fees payable pursuant to the Existing Legal Services Agreement, which does not exceed 40% of the remaining 50% of such Net Proceeds after deducting Assignor’s 50% payable to Assignor referenced in clause (i) hereof.

“HC Claims” means those certain Claims assigned by Assignor to Assignee pursuant to the CAA including any additional Claims or additional years of Claims (up to December 31, 2022) that may be assigned by Assignor to Assignee, from time to time, pursuant to any amendment or supplement to the CAA. For the avoidance of doubt, any other Claims or rights of recoveries that may be assigned by Assignor to an assignee pursuant to agreements that are not the CAA or any of the other HC Agreements, are not HC Claims.

“Healthcare Assignor” means any Person who (a) is (i) a Medicare Advantage Organization or health maintenance organization or (ii) a management service organization, an independent physician association, a medical center, a hospital or other health care organization that is not subject to a downstream capitation agreement in respect of its Claims, (b) contracts with governmental healthcare programs to provide Medicare benefits to persons who are covered under such programs (i.e., Medicare insureds) and (c) has a statutory right to recover from a Responsible Party for conditional payments for healthcare, services or supplies provided to such beneficiary.

“Healthcare Claim” means a Healthcare Assignor’s right, title to, and/or interest in, any and all claims or potential claims, which the Healthcare Assignor now has, or may have in the future (whether or not asserted), including all rights to causes of action and remedies against any Responsible Party at law or in equity. The term “Claim” includes but is not limited to: (i) claims arising under consumer protection statutes and laws; (ii) claims arising under the Medicare Act, 42 U.S.C. § 1395 et seq., including but not limited to the Medicare and Medicare Advantage secondary payer statutes (42 U.S.C. § 1395y(b); 42 U.S.C. § 1395w-22(a)(4)), whether arising from contract, tort, statutory right, or otherwise, in connection with the conditional payment to providers of healthcare services or supplies, and (iii) all right, title, and/or interest in any recovery rights that may exist for any potential cause of action where “secondary payer” status is appropriate under 42 U.S.C. § 1395y(b), 42 C.F.R. § 411.20 et seq., 42 U.S.C. § 1395w-22(a)(4) and 42 C.F.R. § 422.108, even where “secondary payer” status has not been established because liability is not yet proven as of the date that the Claim is identified or discovered, together with all receivables, general intangibles, payment intangibles, and other rights to payment now existing or hereafter arising and all products and proceeds of the foregoing. Notwithstanding the foregoing, the term Claim does not include any payments other than those payments made by Healthcare Assignor pursuant to the Healthcare Assignor’s (1) Medicare Advantage Organization agreement with the Center for Medicare & Medicaid Services or (2) downstream risk agreement with a Medicare Advantage Organization, as a management services organization, independent practice association, or other entity.

“Healthcare Legal Services Agreement” means that certain HC Claims Servicing Agreement dated on or about March 6, 2023, among the Owner Pledgor, the Borrower and the certain third parties signatory thereto.

“HHI Agent” means Hazel Holdings I LLC, a Delaware limited liability company.

“HHI Lender” means Hazel Holdings I LLC, a Delaware limited liability company.

“HHI Loan Modification” has the meaning set forth in Section 11.9(b).

“HHI Credit Agreement” means that certain Amended and Restated Credit Agreement by and among Borrower, Owner Pledgor, Assignee, HHI Agent and HHI Lender to be dated as of the March 29, 2023 in connection the HHI Loan.

“HHI Loan” means the term loan in the original principal amount of approximately \$250,000,000 to be made by the HHI Lender or its affiliate to the Owner Pledgor pursuant to the HHI Credit Agreement.

“HHI Loan Documents” means the agreements, instruments and documents executed and delivered in connection the HHI Credit Agreement.

“Highest Lawful Rate” means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under Applicable Laws relating to any Lender which are currently in effect or, to the extent allowed under such Applicable Laws, which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than Applicable Laws now allow.

“Indebtedness” means, as to any Person at a particular time, without duplication, all of the following:

(a) all Funded Debt;

(b) all guarantees in respect of Indebtedness of another Person; and

(c) all Indebtedness of the types referred to in clauses (a) and (b) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to such Person.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Credit Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

“Indemnitee” has the meaning set forth in Section 12.2(b).

“Insurance Company” means, in relation to any Defendant, any duly licensed insurance company that shall have issued an insurance policy that will pay the gross litigation proceeds due (if any) in respect of the related HC Claim.

“Intellectual Property” means all trademarks, service marks, trade names, copyrights, patents, patent rights, franchises related to intellectual property, licenses related to intellectual property and other intellectual property rights.

“Interest Payment Date” means (i) the last Business Day of each three (3) month interval and, without duplication, the last Business Day of such Interest Period and (ii) the Maturity Date.

“Interest Period” means, in connection with a SOFR Loan, an interest period of twelve (12) months, (a) initially, commencing on the Credit Date thereof; and (b) thereafter, commencing on the day on which

the immediately preceding Interest Period expires; provided, that, (i) if an Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day unless no further Business Day occurs in such month, in which case such Interest Period shall expire on the immediately preceding Business Day, (ii) any Interest Period that begins on the last Business Day of a Calendar Month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall, subject to clause (iii) of this definition, end on the last Business Day of a Calendar Month, and (iii) no Interest Period with respect to any Term Loan shall extend beyond the Maturity Date.

“Interest Rate Determination Date” means, with respect to any Interest Period, the date that is two (2) Business Days prior to the first day of such Interest Period.

“Internal Revenue Code” means the Internal Revenue Code of 1986.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, or (b) a loan, advance or capital contribution to, guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor guarantees Indebtedness of such other Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“IP License Agreement” means, the intellectual property licensing agreement dated on or about March 6, 2023, entered into by the Owner Pledgor and the Administrative Agent.

“IRS” means the United States Internal Revenue Service.

“Key Person” means John Ruiz and Frank Quesada.

“Lender” means each party with a Term Loan Commitment, together with its successors and permitted assigns. The initial Lenders are identified on the signature pages hereto and are set forth on Appendix A.

“Lender Authorization Letter” means a letter in substantially the form attached hereto as Exhibit 1.1 which grants the Administrative Agent and the Servicer (on behalf of the Lender) the power of attorney to deal directly with any QSF, any case management entity or any other entity that is dispensing HC Case Proceeds. The Lender agrees (and shall direct the Servicer) not to deliver a Lender Authorization Letter to any Person unless an Event of Default shall have occurred and be continuing.

“Lien” means (a) any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease or license in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing, and (b) in the case of Securities, any purchase option, call or similar right of a third party with respect to such Securities.

“Loan” means any Term Loan.

“Loan Modification” has the meaning set forth in Section 11.9(a).

“Loan Purchase Price” has the meaning set forth in Section 11.6(a).

“Margin Stock” has the meaning ascribed thereto in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

“Material Adverse Effect” means any event, condition, action, omission, change or state of facts that, individually or in the aggregate, has resulted in, or could reasonably be expected to result in, a material adverse effect with respect to (a) the business operations, properties, assets, or financial condition of a Credit Party; (b) the ability of the Credit Parties, taken as a whole, to fully and timely perform the Obligations; (c) the legality, validity, binding effect, or enforceability against a Credit Party of any Credit Document to which it is a party; (d) the value of the whole or any material part of the Collateral or the priority of Liens in the whole or any material part of the Collateral in favor of the Administrative Agent for the holders of the Obligations; or (e) the rights, remedies and benefits available to, or conferred upon, the Administrative Agent and any Lender or any holder of Obligations under any Credit Document.

“Material Contract” means each of the HC Agreements, the Collateral Administration Agreement and the Healthcare Legal Services Agreement.

“Maturity Date” means March 31, 2026; provided, that, if as of such date the Obligations shall not have been satisfied in full, upon the Borrower's request, Administrative Agent, in its sole discretion, may extend such date by up to one (1) Calendar Year, provided further, that, in each case, if such date is not a Business Day, the Maturity Date shall be the first Business Day immediately preceding such date.

“Medicare Advantage Organization” means a company that has a contract with the Center for Medicare & Medicaid Services to provide Medicare Advantage plans and benefits to individuals.

“Milberg” means Milberg Coleman Bryson Phillips Grossman LLC.

“Monetary Cure Period” has the meaning set forth in Section 11.4.

“Moody's” means Moody's Investor Services, Inc., together with its successors.

“Mortgage” means that certain Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing, substantially in the form of Exhibit 7.21, to be executed by the Mortgagor in favor of the Administrative Agent for the benefit of the holders of the Obligations.

“Mortgagor” has the meaning set forth in the introductory paragraph hereto.

“Mortgagor Parent” has the meaning set forth in the introductory paragraph hereto.

“Mortgagor Parent Pledge” means that certain JRFQ Holdings, LLC Pledge and Security Agreement, dated on or about the date hereof, executed by the Mortgagor Parent in favor of the Administrative Agent for the benefit of the holders of the Obligations.

“MSPA” means the Medicare Secondary Payer Laws and various corresponding legal or equitable theories that provide for the reimbursement by persons or entities which may be liable to reimburse Assignor under applicable law, including, but not limited to, the secondary payer provisions of the Medicare statute, 42 U.S.C. § 1395y(b), 42 C.F.R. § 411.20 et seq., the Medicare Advantage statute, 42 U.S.C. § 1395w-22(a)(4), 42 C.F.R. § 422.108, or under any other theories of law or causes of action, for the provision of healthcare, services or supplies that have been conditionally paid for by the Assignor.

“MSP Instruction Letters” means instruction letters delivered to Payors to deliver or pay all recoveries under the HC Claims.

“Multiemployer Plan” means any “multiemployer plan” as defined in Section 3(37) of ERISA which is sponsored, maintained or contributed to by, or required to be contributed to by, any Credit Party or any of its ERISA Affiliates or with respect to which any Credit Party or any of its ERISA Affiliates previously sponsored, maintained or contributed to or was required to be contributed to, and still has liability.

“Non-Consenting Lender” has the meaning set forth in Section 2.15.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Note” means a Term Loan Note.

“Obligations” means all obligations, indebtedness and other liabilities of every nature (a) of each Credit Party from time to time owed to the Administrative Agent (including former Administrative Agents), the Lenders (including former Lenders in their capacity as such) or any of them under any Credit Document, and (b) with respect to the Administrative Agent, consisting of Erroneous Payment Subrogation Rights.

“OFAC” means the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“Operating Budget” means, with respect to any Calendar Year, a detailed projection of all estimated income, expenses and costs of the Borrower for each quarter of such Calendar Year based on projected operating expenses and other related overhead expenses during such Calendar Year, as prepared by the Borrower on a basis consistent with the intent and purposes of this Agreement (with the understanding that the operations and the related expenses of the Borrower are expected to grow during the term) and after consultation with and taking into account the recommendations of the Administrative Agent, and as amended or restated from time to time in accordance with, Section 7.2(e).

“Operating Committee” means the “Operating Committee” as defined in the Collateral Administration Agreement.

“Operational Collection Escrow” means an escrow account to be held in the name of the Administrative Agent up to a maximum amount of, (a) if Section 2.1(c)(i) is applicable, thirty-five million dollars (\$35,000,000.00) and (b) if Section 2.1(c)(ii) is applicable, fourteen million dollars (\$14,000,000.00), as such amount may be increased pursuant to Section 2.1(e).

“Operational Collection Payments” means payments made from the Operational Collection Escrow pursuant to Section 2.1(c).

“Organizational Documents” means (a) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, and its by-laws, as amended, (b) with respect to any limited partnership, its certificate of limited partnership, as amended, and its partnership agreement, as amended, (c) with respect to any general partnership, its partnership agreement, as amended, (d) with respect to any limited liability company, its articles of organization, certificate of formation or comparable documents, as amended, and its operating agreement, as amended. In the event any term or condition of this Agreement or any other Credit Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such “Organizational Document” shall only be to a document of a type customarily certified by such governmental official, and (e) with respect to any designated or registered series of a limited liability company, a certificate of designated or registered series, as amended, and any operating agreement that governs such series, as amended.

“Original Credit Agreement” means that Credit Agreement by and among Borrower, Owner Pledgor, Lender and Assignee dated as of March 6, 2023.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.15).

“Outstanding Amount” means on any date, the aggregate outstanding principal amount thereof after giving effect to any prepayments or repayments of such Term Loan on such date.

“Owner Pledgor” has the meaning set forth in the introductory paragraph hereto.

“Owner Security Agreement” means that certain Amended and Restated Owner Security Agreement, dated on or about March 29, 2023, executed by the Owner Pledgor in favor of the Administrative Agent for the benefit of the holders of the Obligations, as such agreement may be amended, supplemented, modified or amended and restated from time to time.

“P&C Carriers” shall mean any property and casualty insurance companies, auto insurance companies, no fault insurance companies, and/or workers’ compensation laws or plans.

“P&C Claims Paid Value” means the aggregate of potentially recoverable amounts from any Person with respect to any Claim related to the P&C Carriers, to which the Owner Pledgor or any of its Affiliates is contractually entitled, as reasonably identified by the Owner Pledgor in the “Funnel Calculations”, based on the aggregate amount such Person has indicated as the “Paid Amount” in the Claims Data and information provided by such Person in respect of such Claim. If the Claims Data provided by such Person with respect to such Claims show a “Paid Amount” value of zero or otherwise refer to “encounter data” under a capitation agreement, then the “Paid Amount” for any such Claims shall be determined by reference to the applicable Medicaid and Medicare rate tables. When these rate tables do not specifically identify a “Geo Zip”, the lowest possible rates shall be used. Any Claims listed with “encounter data” or “Paid Amount” values of zero and not otherwise related to a capitation agreement will have a Paid Amount of zero.

“Participant” has the meaning set forth in Section 12.5(d).

“Participant Register” has the meaning set forth in Section 12.5(d).

“Patriot Act” has the meaning set forth in Section 6.18(f).

“Payment Recipient” has the meaning set forth in Section 10.11(a).

“Payor” means, with respect to a HC Claim, the payor, the related Defendant, Insurance Company, third party administrator, QSF, trustee, agent, lien resolution party, or plaintiff steering committee (or

related sub-committee) handling distributions with respect to such HC Claim, or, if such Person is not handling such distributions, the court in which such HC Claim is currently filed or the court-appointed party responsible for making such distributions, including without limitation, the Person directed or obligated to make the scheduled payments under the CAA, including, any Responsible Party, and/or any guarantor of any of the same.

“Pension Plan” means any “employee pension benefit plan” as defined in Section 3(2) of ERISA other than a Multiemployer Plan, which is subject to Section 412 of the Internal Revenue Code or Section 302 of ERISA and which is sponsored, maintained or contributed to by, or required to be contributed to by, any Credit Party or any of its ERISA Affiliates or with respect to which any Credit Party or any of its ERISA Affiliates previously sponsored, maintained or contributed to, or was required to contribute to, and still has liability.

“Permitted Holders” means, collectively, direct and indirect natural person owners and any other equity holders of Owner Pledgor as of the Closing Date.

“Permitted Lender Expenses” means the reasonable costs and expenses incurred by the Lender (and its professional advisors) following the Effective Date in connection with the amendment, waivers and due diligence (following occurrence of an Event of Default) of this Agreement and the other Credit Documents, and which costs and expenses the Borrower shall reimburse to the Lender or shall pay or cause to be paid. “Permitted Lender Expenses” shall include, without limitation, the expenses set forth in Section 7.12 hereof.

“Permitted Liens” means each of the Liens permitted pursuant to Section 9.2.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Platform” has the meaning set forth in Section 12.1(d).

“Principal Office” means, for the Administrative Agent, such Person’s “Principal Office” as set forth on Appendix B, or such other office as it may from time to time designate in writing to the Borrower and each Lender.

“Proceeding” has the meaning set forth in Section 11.3(c).

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Purchase Notice” has the meaning set forth in Section 11.6(a).

“Purchase Option Event” has the meaning set forth in Section 11.6(a).

“QFC” means as defined in Section 12.23(b).

“QFC Credit Support” means as defined in Section 12.23.

“QSF” means any qualified settlement fund under Section 468B of the Internal Revenue Code into which any HC Case Proceeds may at any time be deposited.

“QSF Instruction Letter” means a letter in substantially the form of Exhibit 1.2 executed by any QSF pursuant to which the QSF manager agrees to directly deposit into a Controlled Account any HC Case Proceeds from any HC Claims being administered by said QSF.

“Qualified Institution” means any Depository Institution or trust company organized under the laws of the United States or any State (or any domestic branch of a foreign bank) that (i) either (a) has or the parent of which has no less than \$3 billion in total assets, is not subject to a cease and desist order issued by any Governmental Authority, and has a long-term senior unsecured debt rating of Baa3 or better by Moody’s and BBB- or better by S&P or (b) is otherwise acceptable to the Administrative Agent, and (ii) whose deposits are insured by the Federal Deposit Insurance Corporation.

“Recipient” means (a) the Administrative Agent and (b) any Lender, as applicable.

“Register” has the meaning set forth in Section 12.5(c).

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

“Removal Effective Date” has the meaning set forth in Section 10.6(b).

“Required Lenders” means, as of any date of determination, (a) if there is one (1) Lender, such Lender, (b) if there are two (2) or more Lenders and all such Lenders are affiliated, all of such Lenders, (c) if there are two (2) or more Lenders (other than as provided in clause (2)), at least two (2) unaffiliated Lenders having Total Credit Exposure representing more than fifty percent (50%) of the Total Credit Exposures of all Lenders; provided, that, the Total Credit Exposure of any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

“Resignation Effective Date” has the meaning set forth in Section 10.6(a).

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Party” means an insurance carrier, employer, or other person which may be liable to reimburse an Assignor and/or a Healthcare Assignor under applicable law, including but not limited to the secondary payer provisions of the Medicare statute, 42 U.S.C. §1395y(b), 42 C.F.R. §411.20 et seq., the Medicare Advantage statute, 42 U.S.C. §1395w-22(a)(4), 42 C.F.R. §422.108, or under any other theories of law or causes of action, for the provision of healthcare, services or supplies that have been conditionally paid for by the Assignor.

“S&P” means Standard & Poor’s Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc., together with its successors.

“Sale and Leaseback Transaction” means, with respect to the Borrower or any Subsidiary, any arrangement, directly or indirectly, with any Person (other than a Credit Party) whereby the Borrower or such Subsidiary shall sell or transfer any property, real or personal, used or useful in its business, whether

now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold or transferred.

“Sanctioned Country” means (a) a country, territory or a government of a country or territory, (b) an agency of the government of a country or territory, or (c) an organization directly or indirectly owned or controlled by a country, territory or its government, that is subject to Sanctions.

“Sanctioned Person” means (a) a Person named on the list of “Specially Designated Nationals” or any other Sanctions related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union or any European Union member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b).

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, (b) the United Nations Security Council, (c) the European Union, (d) any European Union member state, (e) Her Majesty’s Treasury of the United Kingdom or (f) any other relevant sanctions authority.

“SEC” means the United States Securities and Exchange Commission.

“Second Milestone” shall have the meaning ascribed to such term in the Collateral Administration Agreement and shall be fulfilled by the date set forth in the Collateral Administration Agreement.

“Secured Parties” and “Secured Party” means, collectively, the Administrative Agent, the Servicer and the Lender.

“Securities” means any stock, shares, partnership interests, limited liability company interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement (e.g., stock appreciation rights), options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as “securities” or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

“Securitization Transaction” means any financing or factoring or similar transaction (or series of such transactions) entered by the Borrower or any of its Subsidiaries pursuant to which the Borrower or such Subsidiary may sell, convey or otherwise transfer, or grant a security interest in, accounts, payments, receivables, rights to future lease payments or residuals or similar rights to payment (the “Securitization Receivables”) to a special purpose subsidiary or affiliate (a “Securitization Subsidiary”) or any other Person.

“Security Agreements” means, collectively, the Owner Security Agreement, the Borrower Security Agreement, the Series Security Agreement, the Mortgage, the Mortgagor Parent Pledge, the Simply Security Agreement, and any other pledge agreements or security agreements that may be given by any Credit Party pursuant to the terms hereof, in each case as the same may be amended and modified from time to time; and “Security Agreement” means any such agreement.

“Series Security Agreement” means that certain Series Security Agreement, dated as of March 29, 2023, executed by the Assignee in favor of the Administrative Agent for the benefit of the holders of the Obligations.

“Servicer” means the entity appointed by the Administrative Agent (at its own expense) to be the “Servicer” under this Agreement and any Account Administration Agreement, and its successors and assigns, or such other servicer as the Lender (at its own expense) may designate from time to time.

“Settlement Date” means (a) the twentieth (20th) Business Day of January, April, July and October (or such earlier Business Day in any such Calendar Month to which the Administrative Agent may agree in writing in its sole and absolute discretion), beginning with April 2023 under the Original Credit Agreement, and ending on (and including) the Maturity Date, and/or (b) as applicable, the second Business Day after the Borrower’s notice to the Administrative Agent that the balance of the Available Funds deposited in the Borrower Lockbox Account equals to or exceeds \$1,250,000.

“Settlement Report” as defined in Section 7.1(b)(i).

“Side Agreement” means that certain Side Agreement, dated December 23, 2021, between the Assignor and the Assignee.

“Simply Security Agreement” means that certain Simply Lien Security Agreement, dated on or about the date hereof, executed by the Owner Pledgor in favor of the Administrative Agent for the benefit of the holders of the Obligations.

“SOFR Loan” means a Loan that bears interest at a rate based on Term SOFR.

“Solvent” or “Solvency” means, with respect to any Person as of a particular date, that on such date (a) such Person is able to pay its debts and other liabilities, contingent obligations and other commitments as they mature, (b) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay as such debts and liabilities mature in their ordinary course, (c) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person’s property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged or is to engage, (d) the fair value of the property and assets of such Person is greater than the total amount of liabilities, including, contingent liabilities, of such Person and (e) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Subordinated Debt” means any Indebtedness of the Borrower or any of its Subsidiaries that by its terms is expressly subordinated in right of payment to the prior payment of the Obligations under this Agreement and the other Credit Documents on terms and conditions, and evidenced by documentation, reasonably satisfactory to the Administrative Agent.

“Subsidiary” means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture, other business entity, including, if such Person is a limited liability company, a designated or registered series of such Person, of which, in each case, more than fifty percent (50%) of the Equity Interests or Voting Stock is at the time owned or controlled, directly or indirectly, by that Person; provided, that, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a “qualifying share” of the former Person shall be deemed to be outstanding. Unless otherwise provided, “Subsidiary” shall refer to a Subsidiary of the Borrower.

“Supported QFC” has the meaning set forth in Section 12.23.

“Synthetic Lease” means a lease transaction under which the parties intend that (a) the lease will be treated as an “operating lease” by the lessee pursuant to Statement of Financial Accounting Standards No. 13, as amended and (b) the lessee will be entitled to various tax and other benefits ordinarily available to owners (as opposed to lessees) of like property.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Loan” means, collectively, the Term Loan A and Term Loan B.

“Term Loan A” has the meaning set forth in Section 2.1(a) and the principal amount of each Term Loan A is computed as set forth in such section.

“Term Loan A Commitment” means, for each Lender, the commitment of such Lender to make a portion of the Term Loan A hereunder. The Term Loan A Commitment of each Lender as of the Effective Date is set forth on Appendix A. Term Loan A Commitments of all of the Lenders as in effect on the Effective Date is TWENTY MILLION FIVE HUNDRED THOUSAND DOLLARS (\$20,500,000.00).

“Term Loan A Commitment Percentage” means, for each Lender, a fraction (expressed as a percentage carried to the ninth decimal place), (a) the numerator of which is the outstanding principal amount of such Lender’s portion of the Term Loan A, and (b) the denominator of which is the aggregate outstanding principal amount of the Term Loan A. The initial Term Loan A Commitment Percentage of each Lender as of the Effective Date is set forth on Appendix A.

“Term Loan B” has the meaning set forth in Section 2.1(b)(i) and the principal amount of each Term Loan B is computed as set forth in such section.

“Term Loan B Commitment” means, for each Lender, the commitment of such Lender to make a portion of the Term Loan B hereunder. The Term Loan B Commitment of each Lender as of the Effective Date is set forth on Appendix A. Term Loan B Commitments of all of the Lenders as in effect on the Effective Date is TWENTY SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$27,500,000.00).

“Term Loan B Commitment Percentage” means, for each Lender, a fraction (expressed as a percentage carried to the ninth decimal place), (a) the numerator of which is the outstanding principal amount of such Lender’s portion of the Term Loan B, and (b) the denominator of which is the aggregate outstanding principal amount of the Term Loan B. The initial Term Loan B Commitment Percentage of each Lender as of the Effective Date is set forth on Appendix A.

“Term Loan Commitment Percentage” means for each Lender providing a portion of a Term Loan, a fraction (expressed as a percentage carried to the ninth decimal place), (i) the numerator of which is the outstanding principal amount of such Lender’s portion of such Term Loan, and (ii) the denominator of which is the aggregate outstanding principal amount of such Term Loan.

“Term Loan Commitments” means, for each Lender, (a) such Lender’s Term Loan A Commitment and (b) such Lender’s Term Loan B Commitment.

“Term Loan Note A” means a promissory note in the form of Exhibit 2.1(a), as it may be amended, supplemented or otherwise modified from time to time.

“Term Loan Note B” means a promissory note in the form of Exhibit 2.1(b), as it may be amended, supplemented or otherwise modified from time to time.

“Term Loan Notes” means the Term Loan A Note, the Term Loan B Note and any other promissory notes given to evidence Term Loans hereunder.

“Term SOFR” means the forward-looking term Secured Overnight Financing Rate (SOFR) for the Interest Period provided by the Term SOFR Administrator, and displayed on the CME Market Data Platform (or, if the Administrative Agent elects, Bloomberg, Refinitiv or another other commercially available source authorized by the Term SOFR Administrator and selected by the Administrative Agent) at approximately 6:00 a.m. (New York City time) two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period (the “Observation Date”); provided, that, if Term SOFR shall be less than 0.00%, then Term SOFR shall be deemed to be 0.00% for purposes of this Agreement. Any change in Term SOFR from one month to the next shall be effective from and including the first day of each month with or without notice to the Borrower.

“Term SOFR Administrator” means CME Group Benchmark Administration Limited, or a successor administrator of Term SOFR.

“Total Credit Exposure” means, as to any Lender at any time, the sum of (a) the Outstanding Amount of the portion of the Term Loan A of such Lender at such time, plus (b) the Outstanding Amount of the portion of the Term Loan B of such Lender at such time.

“U.S. Government Securities Business Day” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

“U.S. Person” means any Person that is a “United States person” as defined in Section 7701(a)(30) of the Internal Revenue Code.

“U.S. Special Resolution Regimes” has the meaning set forth in Section 12.23.

“U.S. Tax Compliance Certificate” has the meaning set forth in Section 3.3(f).

“UCC” means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in the State of New York (or any other applicable jurisdiction, as the context may require).

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority (“FCA”), which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“United States” or “U.S.” means the United States of America.

“Unpaid Principal Balance” means, as of any date of determination, the aggregate unpaid principal balance of the Term Loan (without giving effect to any original issue discount), including without limitation, any and all interest that has been added to the principal balance of the Term Loan in accordance with Section 2.5(d).

“Voting Stock” means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors or managing members (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

“Withholding Agent” means any Credit Party and the Administrative Agent.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail- In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.2 Accounting Terms.

(a) Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP. Financial statements and other *information* required to be delivered by the Credit Parties to the Lenders pursuant to clauses (a), (b), (c) and (d) of Section 7.2 shall be prepared in accordance with GAAP as in effect at the time of such preparation (and delivered together with the reconciliation statements provided for in Section 7.2(h), if applicable). If at any time any change in GAAP or in the consistent application thereof would affect the computation of any financial covenant or requirement set forth in any Credit Document, and either the Borrower or the Required Lenders shall object in writing to determining compliance based on such change, then the Lenders and the Borrower shall negotiate in good faith to amend such financial covenant, requirement or applicable defined terms to preserve the original intent thereof in light of such change to GAAP, provided, that, until so amended such computations shall continue to be made on a basis consistent with the most recent financial statements delivered pursuant to clauses (a), (b), (c) and (d) of Section 7.2 as to which no such objection has been made.

(b) Notwithstanding anything to the contrary contained herein, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Borrower and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(c) Notwithstanding anything to the contrary contained herein, all liability amounts shall be determined *excluding* any liability relating to any operating lease, all asset amounts shall be determined *excluding* any right-of-use assets relating to any operating lease, all amortization amounts shall be determined *excluding* any amortization of a right-of-use asset relating to any operating lease and all interest amounts shall be determined *excluding* any deemed interest

comprising a portion of fixed rent payable under any operating lease, in each case of the foregoing, to the extent that such liability, asset, amortization or interest pertains to an operating lease under which the covenantor, or a member of its consolidated group, is the lessee and would *not* have been accounted for as such under GAAP as in effect on December 31, 2015.

Section 1.3 Rules of Interpretation.

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Credit Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “hereto”, “herein,” “hereof” and “hereunder,” and words of similar import when used in any Credit Document, shall be construed to refer to such Credit Document in its entirety and not to any particular provision hereof or thereof, (iv) all references in a Credit Document to Sections, Exhibits, Appendices and Schedules shall be construed to refer to Sections of, and Exhibits, Appendices and Schedules to, the Credit Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory rules, regulations, orders and provisions consolidating, amending, replacing or interpreting such law and any references to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) The terms lease and license shall include sub-lease and sub-license.

(c) All terms not specifically defined herein or by GAAP, which terms are defined in the UCC, shall have the meanings assigned to them in the UCC of the relevant jurisdiction, with the term “instrument” being that defined under Article 9 of the UCC of such jurisdiction.

(d) Unless otherwise expressly indicated, in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”, the words “to” and “until” each mean “to but excluding”, and the word “through” means “to and including”.

(e) To the extent that any of the representations and warranties contained in Section 6 under this Agreement or in any of the other Credit Documents is qualified by materiality or reference to “Material Adverse Effect”, the qualifier “in all material respects” contained in Section 5.2(c) and the qualifier “in any material respect” contained in Section 9.1(e) shall not apply.

(f) Whenever the phrase “to the knowledge of” or words of similar import relating to the knowledge of a Person are used herein or in any other Credit Document, such phrase shall mean and refer to the actual knowledge of the Authorized Officers of such Person.

(g) This Agreement and the other Credit Documents are the result of negotiation among, and have been reviewed by counsel to, among others, the Administrative Agent and the Credit

Parties, and are the product of discussions and negotiations among all parties. Accordingly, this Agreement and the other Credit Documents are not intended to be construed against the Administrative Agent or any of the Lenders merely on account of the Administrative Agent's or any Lender's involvement in the preparation of such documents.

(h) Unless otherwise indicated, all references to a specific time shall be construed to Eastern Standard Time or Eastern Daylight Savings Time, as the case may be. Unless otherwise expressly provided herein, all references to dollar amounts and "\$" shall mean Dollars.

(i) Any reference herein or in any other Credit Document to a merger, transfer, consolidation, amalgamation, assignment, sale or disposition, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale or disposition, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder and under each other Credit Document (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

Section 1.4 Rates. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement) or any related spread or other adjustment, including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Benchmark Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of the Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain Term SOFR or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

Section 1.5 Conforming Changes Relating to Term SOFR. In connection with the use or administration of Term SOFR the Administrative Agent will have the right to make Benchmark Conforming Changes from time to time and, notwithstanding anything to the contrary contained herein or in any other Credit Document, any amendments implementing such Benchmark Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Credit Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Benchmark Conforming Changes in connection with the use or administration of Term SOFR.

Section 1.6 Servicer. Each party hereto acknowledges and agrees that the Administrative Agent appoint a "Servicer" and that upon the execution by the Servicer of a joinder to this Agreement it shall automatically become a party hereto and shall be entitled to all the rights and benefits and be subject to the obligations of the "Servicer" set forth in this Agreement. Until the execution of such joinder by the Servicer,

all references to “Servicer” in this Agreement shall refer to the “Administrative Agent” and the Administrative Agent shall be entitled to all the right and benefits and be subject to the obligations of the Servicer set forth in this Agreement until a Servicer is appointed in its place.

Section 1.7 Amendment and Restatement. On the Effective Date, the Existing Credit Agreement shall be amended, restated and superseded in its entirety hereby. The parties hereto acknowledge and agree that (i) this Agreement and the other Credit Documents executed and delivered in connection herewith do not constitute a novation or termination of the obligations under the Existing Credit Agreement as in effect prior to the Effective Date and (ii) such obligations are in all respects continuing with only the terms thereof being modified as provided in this Agreement in full respects.

Section 1.8 Reaffirmation of Credit Documents.

(a) Each of the Credit Parties (other than Mortgagor Parent and Mortgagor) hereby (a) acknowledges and consents to the execution and delivery of each of the instruments, documents and agreements required in connection with this Agreement, (b) agrees that this Agreement and the transactions contemplated hereby shall not limit or diminish the obligations of such Person arising under or pursuant to the Collateral Documents and the other Credit Documents to which it is a party effective immediately prior to the date hereof except to the extent modified, amended, amended and restated, limited or diminished in any amendments or amendments and restatements thereto, and (c) reaffirms all of its obligations and Liens on any collateral which have been granted by it in favor of the Administrative Agent under the Credit Documents to which it is a party effective immediately prior to the date hereof except to the extent modified, amended, amended and restated, limited or diminished in any amendments or amendments and restatements thereto.

(b) Notwithstanding the modifications and amendment and restatement effected by this Agreement of the representations, warranties and covenants of Credit Parties (other than Mortgagor Parent and Mortgagor) contained in the Existing Credit Agreement, the Credit Parties (other than Mortgagor Parent and Mortgagor) acknowledge and agree that (i) any causes of action or created prior to the Effective Date in favor of any Secured Party and its successors arising out of the representations and warranties of the Credit Parties contained in or delivered (including representations and warranties delivered in connection with the making of the loans or other extensions of credit thereunder) in connection with the Existing Credit Agreement shall survive the execution and delivery of this Agreement and be subject to the terms of this Agreement; and (ii) indemnification obligations of the Credit Parties pursuant to the Existing Credit Agreement arising immediately prior to the Effective Date shall survive the amendment and restatement of the Existing Credit Agreement pursuant to this Agreement.

Section 1.9 No Novation. Neither this Agreement nor the effectiveness of the amendments to the Existing Credit Agreement effected hereby shall extinguish the obligations for the payment of money outstanding under the Existing Credit Agreement prior to the Effective Date. Nothing herein contained shall be construed as a substitution or novation of any of the obligations outstanding under the Existing Credit Agreement, outstanding and continue on the terms thereof as being modified and amended and restated by this Agreement.

SECTION 2
THE LOANS

Section 2.1 Term Loan A and Term Loan B.

(a) Term Loan A.

(i) The Credit Parties agree and acknowledge that as of the date of this Agreement, the Lender has made advances of its Term Loan A Commitment Percentage of a term loan (the "Term Loan A") in the aggregate amount equal to the Term Loan A Commitment. Such advances were disbursed on the following dates and in the following amounts, with the corresponding principal amounts noted below:

Funding Date	Amount Funded and Term Loan A Commitment	Aggregate Principal Outstanding Under Term Loan A
March 6, 2023	\$10,000,000	\$16,666,667.00
March 29, 2023	\$5,000,000	\$25,000,000.00
August 4, 2023	\$5,500,000	\$34,166,667.00

(ii) The Borrower and Lenders agree that each of the amounts actually funded by the Lenders (and noted in the table above) represent 60% of the principal amount of such Loan. Accordingly, the principal amount of each Term Loan A funded under this clause equals such amount actually funded by the Lenders divided by 0.6 and the aggregate principal amount of Term Loan A is the sum of the principal amount of all such Loans. For the avoidance of doubt, on each of the Funding Dates referenced in the table above, the Lender advanced to Borrower an amount equal to 60% of its ratable share of all the Loans requested by Borrower as of such date in exchange for Borrower's obligations to repay in full the principal amount of such Loans, plus interest accrued thereon in accordance with the terms hereof.

(iii) Term Loan A shall be evidenced by one or more secured promissory notes (collectively, the "Term Loan Note A") in substantially the form attached hereto as Exhibit 2.1(a). The Term Loan A shall consist of SOFR Loans. Amounts repaid on the Term Loan A may not be reborrowed. The Credit Parties further acknowledge and agree that as of the date of this Agreement, the Lender has fully funded Term Loan A up to the Term Loan A Commitment, the Lender has no further obligation to fund Term Loan A, the Borrower may not request a funding of any amount of Term Loan A and the Credit Parties have no defenses, offsets or claims against the Administrative Agent or Lenders.

(b) Term Loan B.

(i) The Credit Parties agree and acknowledge that as of the date of this Agreement, the Lender has made advances of its Term Loan B Commitment Percentage of a term loan (the "Term Loan B") on the following dates and in the following amounts, with the corresponding principal amounts noted below:

Funding Date	Amount Funded	Principal Outstanding Under Term Loan B
--------------	---------------	---

August 4, 2023	\$2,250,000.00	\$3,750,000.00
August 30, 2023	\$2,250,000.00	\$7,500,000.00
November 10, 2023	\$4,500,000.00	\$15,000,000.00

(ii) Subject to the terms and conditions set forth herein, the Lender will make additional advances of Term Loan B in an amount not to exceed the aggregate Term Loan B Commitment, which additional advances of Term Loan B will be disbursed to the Borrower in Dollars in four (4) equal consecutive monthly installments commencing on September 25, 2023 and continuing on the 25th day of each month thereafter ending on December 25, 2023 (each, a “Funding Date”), subject to the provision of Section 2.1(b)(iii). The Borrower and Lenders agree that each such installment funded by the Lenders represent 60% of the principal amount of such Loan. Accordingly, the principal amount of each Term Loan B funded under this clause equals such amount funded by the Lenders divided by 0.6 and the aggregate principal amount of Term Loan B is the sum of the principal amount of all such Loans. For the avoidance of doubt, on each such borrowing date each Lender shall advance to Borrower an amount equal to 60% of its ratable share of all the Loans requested by Borrower as of such date in exchange for Borrower’s obligations to repay in full the principal amount of such Loans, plus interest accrued thereon in accordance with the terms hereof.

(iii) The Term Loan B shall be evidenced by one or more secured promissory notes (collectively, the “Term Loan Note B”) in substantially the form attached hereto as Exhibit 2.1(b). The Term Loan B shall consist of SOFR Loans. Amounts repaid on the Term Loan B may not be reborrowed. For the avoidance of doubt, Lender shall not be under any obligation to fund all or any portion of the Term Loan B until the Borrower has satisfied the conditions in Section 4.1 and Section 4.2 hereof and subject always to the terms of Section 2.1(b)(iv).

(iv) Notwithstanding the provisions of Section 2.1(b)(ii) and Section 2.1(b)(iii), in the event that the conditions in Section 5.1, Section 5.2 and Section 5.3 have been met but any of the Claim Filing Milestone, First Milestone or Second Milestone has not been met the Lenders shall fund, on the applicable Funding Date, an amount not to exceed \$2,250,000 as a Term Loan B to the Borrower (or, if in accordance with agreed Cost Savings (as defined below), directly to recovery service providers as described in the Healthcare Legal Services Agreement), provided that if and to the extent of any amount of Cost Savings agreed as below, such funding amount shall be reduced, on a dollar for dollar basis, by such amount of Cost Savings such that an amount less than \$2,250,000 may be funded by the Lenders. The parties agree that the Claim Filing Milestone, First Milestone and Second Milestone have not been met as of the Effective Date and that continuing cost savings shall be identified and agreed by the Operating Committee prior to November 24, 2023 (such cost savings referred to herein as “Cost Savings”); it being understood and agreed that such Cost Savings shall not be reduced by any expenses required to implement such Cost Savings.

(v) All amounts funded by the Lenders under the Credit Agreement as Term Loan B shall be paid to the Borrower Operating Account.

(c) Operational Collection Payments.

(i) The Parties agree that this Section 2.1(c)(i) shall have no effect and no amounts may be funded or paid to the Borrower, recovery service providers or any other Person pursuant to this Section 2.1(c)(i) if a funding is requested under Section 2.1(c)(ii) and any and all amounts held in the Operational Collection Escrow upon the initial funding of any amount pursuant to Section 2.1(c)(ii) shall be distributed in accordance with Section 2.11. Subject to the terms and conditions set forth herein, and subject to the satisfaction of the Operating Committee, in its sole discretion, that the Credit Parties lack sufficient financial resources for funding of general corporate purposes and working capital needs, the Administrative Agent will make payments to the Borrower or recovery service providers (as described in the Healthcare Legal Services Agreement) from the Operational Collection Escrow (the “Operational Collection Payments”) in an amount necessary for servicing the HC Claims as determined by the Operating Committee, according to an agreed budget as set out in the Healthcare Legal Services Agreement, and not to exceed the aggregate amount of the funds available in the Operational Collection Escrow. Payments will be disbursed to the Borrower, pursuant to a Funding Notice, in Dollars in twelve (12) consecutive monthly installments, in amounts not to exceed \$3,000,000 (except for the last installment which will be in an amount of \$2,000,000) commencing on January 25, 2024 and continuing on the 25th day of each month thereafter until December 2024. After 2024, any amounts in the Operational Collection Escrow will be funded at the Lender’s discretion for servicing the HC Claims. Notwithstanding anything to the contrary, the Credit Parties do not have to repay any Operational Collection Payments received and none of the Operational Collection Payments shall accrue any interest, and, for the avoidance of doubt, Lender shall not be under any obligation to fund all or any portion of the Operational Collection Payments until the Borrower has satisfied the conditions in Section 5.1, Section 5.2, and Section 5.3 hereof.

(ii) Subject to the terms and conditions set forth herein, and subject to the satisfaction of the Operating Committee, in its sole discretion, that there are insufficient funds in the Operational Collection Escrow to make Operational Collection Payments in accordance with Section 2.1(c)(i), the Borrower may request a funding by delivering a Funding Notice to the Administrative Agent and the Administrative Agent will make payments to the Borrower or recovery service providers (as described in the Healthcare Legal Services Agreement) necessary for servicing the HC Claims as determined by the Operating Committee, according to an agreed budget as set out in the Healthcare Legal Services Agreement, in an amount not to exceed one million and seven hundred fifty thousand dollars (\$1,750,000) per month (and up to an aggregate maximum of \$14,000,000), and in each case reduced by the Cost Savings determined pursuant to Section 2.3(c)(ii) (the “Operational Collection Floor”) commencing on January 25, 2024 and continuing on the 25th day of each month thereafter until August 25, 2024; provided that, the Borrower shall issue a Funding Notice prior to each disbursement. Upon the first funding of any amount pursuant to this Section 2.1(c)(ii), the provisions of Section 2.1(c)(i) shall cease to have any force or effect and any and all amounts held in the Operational Collection Escrow at such date, shall be distributed in accordance with Section 2.11. For the avoidance of doubt, only funds held in the Operational Collection Escrow pursuant to Section 2.11(e) shall be distributed in accordance with Section 2.11, and not monies funded pursuant to the Operational Collection Floor, which shall be treated as Term Loan B fundings. The Administrative Agent may, at its sole discretion and subject to such amendments, the provision of additional collateral in form and substance satisfactory to it and such other terms as the Administrative Agent may request, increase the Operational

Collection Floor by an amount of up to \$6,000,000, to be funded during a period of three (3) to six (6) months, commencing on a date occurring after August 25, 2024, to be determined by the Administrative Agent.

(d) Mechanics for Term Loans; Operational Collection Payments.

(i) (a) The Parties acknowledge that Term Loan A has been fully funded and (b) Term Loan B shall be funded in integral amounts as determined pursuant to Section 2.1(b)(iv), except where funded as Operational Collection Payments pursuant to Section 2.1(c)(ii) (including the proviso thereto).

(ii) Whenever the Borrower desires that the Lenders make a Loan or an Operational Collection Payment pursuant to Section 2.1(c)(ii), the Borrower shall deliver to the Administrative Agent a fully executed Funding Notice (the "Funding Notice") in substantially the form attached hereto as Exhibit 2.1(d), no later than 1:00 p.m. at least three (3) U.S. Government Securities Business Days in advance of the proposed Credit Date. Except as otherwise provided herein, any Funding Notice shall be irrevocable on and after the related Interest Rate Determination Date, and the Borrower shall be bound to make a borrowing in accordance therewith.

(iii) Notice of receipt of each Funding Notice in respect of each Term Loan, together with the amount of each Lender's Term Loan Commitment Percentage thereof, if any, together with the applicable interest rate, shall be provided by the Administrative Agent to each applicable Lender by telefacsimile with reasonable promptness, but (provided the Administrative Agent shall have received such notice by 1:00 p.m.) not later than 4:00 p.m. on the same day as the Administrative Agent's receipt of such notice from the Borrower.

(iv) Each Lender shall make its Term Loan Commitment Percentage of the requested Term Loan available to the Administrative Agent not later than 11:00 a.m. on the applicable Credit Date by wire transfer of same day funds in Dollars, at the Administrative Agent's Principal Office. Except as provided herein, upon satisfaction or waiver of the applicable conditions precedent specified herein, the Administrative Agent shall make the proceeds of such Credit Extension available to the Borrower on the applicable Credit Date by causing an amount of same day funds in Dollars equal to the proceeds of all Loans received by the Administrative Agent in connection with the Credit Extension from the Lenders to be paid to the Borrower Operating Account.

(e) Payments Pursuant to Section 2.1(c)(ii). All amounts funded by the Lenders pursuant to Section 2.1(c)(ii) (including the proviso thereto) shall be deemed to be a funding of a Term Loan B and be subject to the terms and conditions applicable to a Term Loan B from the relevant funding date, including that the principal amount of each Term Loan B funded under this clause equals such amount funded by the Lenders divided by 0.6 and the aggregate principal amount of Term Loan B is the sum of the principal amount of all such Loans. For the avoidance of doubt, on each such borrowing date each Lender shall advance to Borrower an amount equal to 60% of its ratable share of all the Loans requested by Borrower as of such date in exchange for Borrower's obligations to repay in full the principal amount of such Loans, plus interest accrued thereon in accordance with the terms hereof.

Section 2.2 Pro Rata Shares; Availability of Funds.

(a) Pro Rata Shares. All Loans shall be made, and all participations purchased, by the Lenders simultaneously and proportionately to their respective pro rata shares of the Loans, it being understood that no Lender shall be responsible for any default by any other Lender in such other Lender's obligation to make a Loan requested hereunder or purchase a participation required hereby nor shall any Term Loan Commitment, or the portion of the aggregate outstanding principal amount of the Term Loans, of any Lender be increased or decreased as a result of a default by any other Lender in such other Lender's obligation to make a Loan requested hereunder or purchase a participation required hereby.

(b) Availability of Funds.

(i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.1(e). In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender agrees to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to SOFR Loans, plus, in either case, any administrative, processing or similar fees customarily charged by the Administrative Agent in connection therewith. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by the Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

Notices given by the Administrative Agent under this subsection (b) shall be conclusive absent manifest error.

Section 2.3 Evidence of Debt; Register; Lenders' Books and Records; Notes.

(a) Lenders' Evidence of Debt. Each Lender shall maintain on its internal records an account or accounts evidencing the Obligations of the Borrower and each other Credit Party (other than the Mortgagor and Mortagor Parent) to such Lender, including the amounts of the Loans made by it and each repayment and prepayment in respect thereof. Any such recordation shall be conclusive and binding on the Borrower, absent manifest error; provided, that the failure to make any such recordation, or any error in such recordation, shall not affect any Lender's Commitment or the Borrower's obligations in respect of any applicable Loans; provided, further, that, in the event of any inconsistency between the Register and any Lender's records, the recordations in the Register shall govern in the absence of demonstrable error therein.

(b) Notes. The Borrower shall execute and deliver to each (i) Lender on the Closing Date and (ii) Person who is a permitted assignee of such Lender pursuant to Section 12.5, in each case to the extent requested by such Person, a Note or Notes to evidence such Person's portion of the Term Loans, as applicable.

Section 2.4 Scheduled Principal Payments. Commencing with the first full month ending after each advance of a Term Loan, the Borrower shall repay the outstanding principal amount of the Term Loan from and to the extent of Available Funds, applied in accordance with Section 2.11 without penalty or premium; provided, that, the aggregate principal amount of the Term Loans (including any amount of interest that has been added to the principal balance pursuant to Section 2.5(d)), shall be repaid in full on the Maturity Date.

Section 2.5 Interest on Loans.

(a) Except as otherwise set forth herein, each Loan shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) at a rate equal to Term SOFR plus the Applicable Margin and may be paid in kind in accordance with Section 2.5(d).

(b) Interest payable pursuant to this Section 2.5 shall be computed on the basis of (i) for interest at the Base Rate, a year of three hundred sixty-five (365) or three hundred sixty-six (366) days, as the case may be, and (ii) for all other computations of fees and interest, a year of three hundred sixty (360) days, in each case for the actual number of days elapsed in the period during which it accrues. In computing interest on any Loan, the date of the making of such Loan or the first day of an Interest Period applicable to such Loan, shall be included, and the date of payment of such Loan or the expiration date of an Interest Period applicable to such Loan, shall be excluded; provided, that, if a Loan is repaid on the same day on which it is made, one (1) day's interest shall be paid on that Loan.

(c) Except as otherwise set forth herein, interest on each Loan shall accrue on a daily basis and shall be payable in arrears on: (i) each Interest Payment Date applicable to that Loan, (ii) upon any prepayment of that Loan (other than a voluntary prepayment of a Term Loan which interest shall be payable in accordance with clause (i) above), to the extent accrued on the amount being prepaid and (iii) at maturity, including final maturity.

(d) Any interest that accrues on the Loan during any Interest Period that remains unpaid on the related Interest Payment Date shall be paid-in-kind and added to the principal balance of the Loans as of such Interest Payment Date automatically and without the requirement for any notice by any party.

Section 2.6 Default Rate of Interest.

(a) If any amount of principal of any Loan is not paid when due, whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Laws.

(b) If any amount (other than principal of any Loan) payable by any Credit Party (other than the Mortgagor and Mortagor Parent) under any Credit Document is not paid when due (after the expiration of any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then at the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Laws.

(c) During the continuance of an Event of Default under Section 9.1(g) or Section 9.1(h), the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Laws.

(d) During the continuance of any Event of Default (other than an Event of Default under Section 9.1(g) or Section 9.1(h)), the Borrower shall, at the request of the Required Lenders, pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Applicable Laws.

(e) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(f) Payment or acceptance of the increased rates of interest provided for in this Section 2.6 is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the Administrative Agent or any Lender.

Section 2.7 Payment of Collections into Borrower Operating Account. On any day the Borrower or other Credit Party (other than the Mortgagor and Mortagor Parent) receives a Collection, the Borrower or such other Credit Party (other than the Mortgagor and Mortagor Parent) on behalf of itself and the Borrower, shall deposit (or cause to deposit), in cash, the amount of such Collection in the Borrower Lockbox Account for application in accordance with Section 2.11.

Section 2.8 Prepayments/Commitment Reductions.

(a) Voluntary Prepayments.

(i) The Loans may be repaid in whole without premium or penalty on any Business Day (subject to Section 3.1), and the outstanding Commitments may be reduced or terminated by the Borrower in part (in minimum Commitment amounts of no less than \$20,000,000) or in whole without premium or penalty on any Business Day upon at least 5 Business Days' prior written notice to the Lender;

(ii) All such prepayments shall be made upon not less than three (3) U.S. Government Securities Business Days' prior written or telephonic notice, given to the

Administrative Agent by 11:00 a.m. on the date required and, if given by telephone, promptly confirmed in writing to the Administrative Agent (and the Administrative Agent will promptly transmit such telephonic or original notice for a Credit Extension by telefacsimile or telephone to each Lender). Upon the giving of any such notice, the principal amount of the Loans specified in such notice shall become due and payable on the prepayment date specified therein. Any such voluntary prepayment shall be applied as specified in Section 2.10(a).

(b) Mandatory Prepayments.

(i) If the P&C Claims Paid Value in respect of the HC Claims become less than 75% of the consolidated P&C Claims Paid Value in respect of all Claims in which the Owner Pledgor or its Affiliates has ownership or interest (including Medicare or any other lines of recovery, such as Medicaid or Commercial) (such occurrence being referred to as the "75% Trigger"), then 50% of (1) any recoveries from Additional Claims and (2) financing raised from Additional Claims or rights thereto (in each case net of reasonable transaction costs and expenses associated therewith) (collectively, the "Lender Portion of Additional Claims") shall be used by the Owner Pledgor to prepay the Loans (on behalf of the Borrower), and Owner Pledgor or its Affiliates, as applicable, shall cause the Lender Portion of Additional Claims to be deposited in the Borrower Lockbox Account, to be applied in accordance with Section 2.11.

Section 2.9 Accounts and Amounts.

(a) Borrower Lockbox Account. The Credit Parties (other than the Mortgagor and Mortgagor Parent) shall cause to be established and maintained a deposit account at the Account Bank in the name of the Borrower designated as the Borrower Lockbox Account and the Borrower shall provide the account number of the Borrower Lockbox Account to the Administrative Agent as to which the Administrative Agent shall have control within the meaning of Section 9-104(a)(2) of the UCC pursuant to the Borrower Lockbox Account Control Agreement. The taxpayer identification number associated with the Borrower Lockbox Account shall be that of the Borrower and the Borrower will report for federal, state and local income taxes, the income, if any, represented by the Borrower Lockbox Account. No checks shall be issued, printed or honored with respect to the Borrower Lockbox Account. In the event that any initial or any successor Account Bank ceases to be a Qualified Institution, the Borrower shall, within thirty (30) days thereof, establish new Accounts at a Qualified Institution, and if the related Account is a Controlled Account, prior to establishing any such new Account, the Borrower shall cause each Qualified Institution with which it seeks to establish such Account to enter into a control agreement similar to the Borrower Lockbox Account Control Agreement with respect thereto in form and substance reasonably satisfactory to the Administrative Agent.

(b) Borrower Operating Account. The Credit Parties (other than the Mortgagor and Mortgagor Parent) shall cause to be established and maintained a deposit account at the Account Bank in the name of the Borrower designated as the Borrower Operating Account and the Borrower shall provide the account number of the Borrower Operating Account to the Administrative Agent as to which the Administrative Agent shall have control within the meaning of Section 9-104(a)(2) of the UCC pursuant to the Borrower Operating Account Control Agreement. The taxpayer identification number associated with the Borrower Operating Account shall be that of the Borrower and the Borrower will report for federal, state and local income taxes, the income, if any, represented by the Borrower Operating Account. No checks shall be issued, printed or honored with respect to the Borrower Operating Account. In the event that any initial or any successor

Account Bank ceases to be a Qualified Institution, the Borrower shall, within thirty (30) days thereof, establish new Accounts at a Qualified Institution, and if the related Account is a Controlled Account, prior to establishing any such new Account, the Borrower shall cause each Qualified Institution with which it seeks to establish such Account to enter into a control agreement similar to the Borrower Operating Account Control Agreement with respect thereto in form and substance reasonably satisfactory to the Administrative Agent.

(c) Additional Controlled Accounts. The Borrower may from time to time open a new deposit account with the Account Bank, or designate an existing Borrower Account, in each case for the purpose of receiving HC Case Proceeds (any such account, an “Additional Controlled Account”); provided, that, prior to opening any such deposit account or so designating any Borrower Account as an Additional Controlled Account, (a) the Administrative Agent shall have, in its sole and absolute discretion, consented thereto in writing, and (b) the Borrower shall have caused the Account Bank to enter into a control agreement similar to the Borrower Lockbox Account Control Agreement with respect thereto in form and substance satisfactory to the Administrative Agent in its sole and absolute discretion (an “Additional Control Agreement”), (c) the parties to the MSP Instruction Letters shall have amended or supplemented the terms thereof to apply to such accounts in form and substance satisfactory to the Administrative Agent in its sole and absolute discretion (where the Administrative Agent determines in its sole and absolute discretion that any such amendment or supplement is necessary), and (d) the Borrower provided the Administrative Agent an updated Schedule 1.1(a) including all information relating to such Additional Controlled Account. Each Additional Control Agreement shall provide that all funds deposited into the Additional Controlled Account will be swept daily into the Borrower Lockbox Account.

Section 2.10 Application of Prepayments. Within each Loan, prepayments will be applied to Loans in direct order of Interest Period maturities. In addition:

(a) Voluntary Prepayments. Voluntary prepayments pursuant to Section 2.8(a) will be applied as specified by the Borrower; provided, that, in the case of prepayments on the Term Loans, (i) the prepayment will be applied ratably to the Term Loans then outstanding and (ii) with respect to each Term Loan then outstanding, the prepayments will be applied to the remaining principal installments thereunder on a pro rata basis.

(b) Mandatory Prepayments. Mandatory prepayments pursuant to Section 2.8(b) will be applied as follows:

(i) Mandatory prepayments with respect to each of the Term Loans will be applied to remaining principal installments thereunder on a pro rata basis.

(c) Prepayments on the Obligations will be paid by the Administrative Agent to the Lenders ratably in accordance with their respective interests therein (except for Defaulting Lenders where their share will be applied as provided in Section 2.14(a)(ii) hereof).

Section 2.11 Application of Available Funds. Prior to the Maturity Date, and upon satisfactory receipt by the Administrative Agent of the applicable Settlement Report and other supporting documents from the Borrower which the Administrative Agent may reasonably request to appropriately identify pertinent information of all Collections on deposit in the Borrower Lockbox Account as of such date, the Administrative Agent (or, pursuant to an Account Administration Agreement, the Account Administrator on the Lender’s behalf) shall instruct the Account Bank, on each Settlement Date in accordance with the Settlement Report delivered by the Borrower to the Administrative Agent in connection with such

Settlement Date (as such report may be adjusted by the Administrative Agent in its good faith discretion), to apply all Available Funds in the following priority (unless otherwise agreed by the Administrative Agent and the Borrower in writing):

(a) *First*, to the parties entitled thereto upon presentation of written invoice(s) (through the Credit Parties (other than the Mortgagor and Mortagor Parent)) for the same, such amount of such invoices constituting “Expenses” as defined in Appendix F of the CRSA and “Client Costs” under the Healthcare Legal Services Agreement;

(b) *Second*, such amount of Available Funds that are Collections from HC Claims (after giving effect to clause *First*), to the following parties, pro-rata in accordance with their percentage share of the Available Funds as set forth below:

(i) 50% of such Available Funds that are Collections from HC Claims to Assignor;

(ii) 20% of such Available Funds that are Collections from HC Claims to MSP Law Firm;

(iii) 30% of such Available Funds that are Collections from HC Claims (after giving effect to subclauses (i) and (ii) of clause *Second*) plus Available Funds that are Collections from Additional Claims shall be applied by the Administrative Agent for the benefit of the Lender(s) in accordance with clauses *Third* through to *Ninth* below;

(c) *Third*, to the Lenders and the Administrative Agent, pari passu, to pay all due and unpaid Permitted Lender Expenses;

(d) *[reserved]*;

(e) *Fifth*, of the next one hundred million dollars (\$100,000,000.00) of the Available Funds (after giving effect to clauses *First* through *Third* above), 35% to be deposited and funded into the Operational Collection Escrow and the other 65% to be paid according to below priority; provided that, this clause *Fifth* shall cease to have any further force or effect upon the initial funding of any amount pursuant to Section 2.1(c)(ii) and any balance in the Operational Collection Escrow funded pursuant to this Section 2.11(e) as of such Funding Date shall be distributed in accordance with the clauses below;

(f) *Sixth*, to the Lender to pay all accrued and unpaid interest on the Loan that has not been paid or capitalized prior to the applicable Settlement Date;

(g) *Seventh*, to the Lender to repay the Unpaid Principal Balance (including, for the avoidance of doubt, any interest that has been added to principal in accordance with Section 2.5(d)) until paid in full;

(h) *Eighth*, to the Lender for the payment of all other Obligations (other than un-asserted contingent or reimbursement obligations) until paid in full;

(i) *Ninth*, to the HHI Lender, to be applied in accordance with the terms of the HHI Loan Documents until paid in full of the obligations under the HHI Loan Documents (other than any un-asserted contingent or reimbursement obligations);

(j) *Tenth*, to Owner Pledgor, all remaining amounts and proceeds.

All payments made hereunder to the Lender shall be made to the account designated by the Lender in writing from time to time.

Section 2.12 General Provisions Regarding Payments.

(a) All payments by the Credit Parties (other than the Mortgagor and Mortagor Parent) of principal, interest, fees and other Obligations hereunder or under any other Credit Document shall be made in Dollars in immediately available funds, without defense, recoupment, setoff or counterclaim, free of any restriction or condition. The Administrative Agent shall, and the Credit Parties (other than the Mortgagor and Mortagor Parent) hereby authorize the Administrative Agent to, debit a deposit account of the Borrower or any of its Subsidiaries held with the Administrative Agent or any of its Affiliates and designated for such purpose by the Borrower or such Subsidiary in order to cause timely payment to be made to the Administrative Agent of all principal, interest and fees due hereunder or under any other Credit Document (subject to sufficient funds being available in its accounts for that purpose).

(b) In the event that the Administrative Agent is unable to debit a deposit account of the Borrower or any of its Subsidiaries held with the Administrative Agent or any of its Affiliates in order to cause timely payment to be made to the Administrative Agent of all principal, interest and fees due hereunder or any other Credit Document (including because insufficient funds are available in its accounts for that purpose), payments hereunder and under any other Credit Document shall be delivered to the Administrative Agent, for the account of the Lenders, not later than 2:00 p.m. on the date due at the Principal Office of the Administrative Agent or via wire transfer of immediately available funds to an account designated by the Administrative Agent (or at such other location as may be designated in writing by the Administrative Agent from time to time); for purposes of computing interest and fees, funds received by the Administrative Agent after that time on such due date shall be deemed to have been paid by the applicable Credit Party (other than the Mortgagor and Mortagor Parent) on the next Business Day.

(c) All payments in respect of the principal amount of any Loan shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid, and all such payments (and, in any event, any payments in respect of any Loan on a date when interest is due and payable with respect to such Loan) shall be applied to the payment of interest then due and payable before application to principal.

(d) The Administrative Agent shall promptly distribute to each Lender at such address as such Lender shall indicate in writing, such Lender's applicable pro rata share of all payments and prepayments of principal and interest due to such Lender hereunder, together with all other amounts due with respect thereto, including all fees payable with respect thereto, to the extent received by the Administrative Agent.

(e) Subject to the provisions set forth in the definition of "Interest Period," whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of the payment of interest hereunder, but such payment shall be deemed to have been made on the date therefor for all other purposes hereunder.

(f) The Administrative Agent may, but shall not be obligated to, deem any payment by or on behalf of any Credit Party (other than the Mortgagor and Mortagor Parent) hereunder that is not made in same day funds prior to 2:00 p.m.] to be a non-conforming payment. Any such payment shall not be deemed to have been received by the Administrative Agent until the later of (i) the time

such funds become available funds, and (ii) the applicable next Business Day. The Administrative Agent shall give prompt telephonic notice to the Borrower and each applicable Lender (confirmed in writing) if any payment is non-conforming. Any non-conforming payment may constitute or become a Default or Event of Default in accordance with the terms of Section 10.1(a). Interest shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) at the Default Rate (unless otherwise provided by the Required Lenders) from the date such amount was due and payable until the date such amount is paid in full.

Section 2.13 Sharing of Payments by Lenders. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of such Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided, that:

(a) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this Section shall not be construed to apply to (A) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (B) any payment obtained by a Lender as consideration for the assignment of any of its Loans or other obligations hereunder to any assignee or participant, other than to the Borrower or any Subsidiary (as to which the provisions of this Section shall apply).

Each of the Credit Parties (other than the Mortgagor and Mortagor Parent) consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Credit Party (other than the Mortgagor and Mortagor Parent) rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Credit Party (other than the Mortgagor and Mortagor Parent) in the amount of such participation.

Section 2.14 Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by Applicable Law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 12.4(a)(iii).

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts (other than fees which any Defaulting Lender is not entitled to receive pursuant

to Section 2.14(a)(iii)) received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 9 or otherwise, and including any amounts made available to the Administrative Agent by that Defaulting Lender pursuant to Section 12.3), shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by that Defaulting Lender to the Administrative Agent hereunder; second, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; third, if so determined by the Administrative Agent and the Borrower, to be held in a non-interest bearing deposit account and released in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; fifth, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and sixth, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided, that, if (x) such payment is a payment of the principal amount of any Loans in respect of which that Defaulting Lender has not fully funded its appropriate share and (y) such Loans were made at a time when the conditions set forth in Section 4.1 and Section 4.2 were satisfied or waived, such payment shall be applied solely to the pay the Loans of, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of such Defaulting Lender until such time as all Loans and funded. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender shall be deemed paid to (and the underlying obligations satisfied to the extent of such payment) and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

Section 2.15 Removal or Replacement of Lenders. If (a) any Lender requests compensation under Section 3.2, (b) any Credit Party (other than the Mortgagor and Mortgagor Parent) is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.3, (c) any Lender gives notice of an inability to fund SOFR Loans under Section 3.1(b)(i), (d) any Lender is a Defaulting Lender, or (e) any Lender (a "Non-Consenting Lender") does not consent (including by way of a failure to respond in writing to a proposed amendment, consent or waiver by the date and time specified by the Administrative Agent) to a proposed amendment, consent, change, waiver, discharge or termination hereunder or with respect to any Credit Document that has been approved by the Required Lenders or implemented pursuant to Section 3.1(b)(ii), then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 12.5), all of its interests, rights (other than its rights under Section 3.2, Section 3.3 and Section 12.2) and obligations under this Agreement and the related Credit Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided, that:

- (a) the Borrower shall have paid to the Administrative Agent the assignment fee specified in Section 12.5(b)(iv);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Credit Documents (including any amounts under Section 3.1(c)) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.2 or payments required to be made pursuant to Section 3.3, such assignment is reasonably expected to result in a reduction in such compensation or payments thereafter;

(d) such assignment does not conflict with Applicable Law; and

(e) in the case of any such assignment resulting from a Non-Consenting Lender's failure to consent to a proposed amendment, consent, change, waiver, discharge or termination, the successor replacement Lender shall have consented to the proposed amendment, consent, change, waiver, discharge or termination.

Each Lender agrees that in the event it, or its interests in the Loans and obligations hereunder, shall become subject to the replacement and removal provisions of this Section, it will cooperate with the Borrower and the Administrative Agent to give effect to the provisions hereof, including execution and delivery of an Assignment Agreement in connection therewith, but the replacement and removal provisions of this Section shall be effective regardless of whether an Assignment Agreement shall have been given.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 3 **YIELD PROTECTION**

Section 3.1 Making or Maintaining Interest Rates.

(a) Inability to Determine Applicable Interest Rate. Notwithstanding anything to the contrary in this Agreement or any Credit Document, in the event that the Administrative Agent shall have determined (which determination shall be final and conclusive and binding upon all parties hereto), on any Interest Rate Determination Date with respect to any SOFR Loans, that reasonable and adequate means do not exist for ascertaining the interest rate applicable to such SOFR Loans on the basis provided for in the definition of SOFR or Term SOFR, the Administrative Agent shall give notice (by telefacsimile or by telephone confirmed in writing) to the Borrower and each Lender of such determination, whereupon (i) no Loans may be made as, or converted to, SOFR Loans until such time as the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist and (ii) with respect to any Loans bearing interest determined in relation to SOFR for any affected Interest Period, such Loans shall automatically continue as, or convert to, Base Rate Loans on the last day of the then current Interest Period applicable thereto, unless the Borrower prepays such Loans in accordance with this Agreement. If the circumstances described in this Section 3.1(a) occur but only with respect to limited, but not all, tenors of the then applicable term rate Benchmark (including Term SOFR), then (x) the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such illegal or impracticable tenor and (y) if a tenor that was removed pursuant to clause (x) of this sentence is

subsequently displayed on a screen or information service for a Benchmark, then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(b) Illegality or Impracticability of the Benchmark.

(i) Subject to Section 3.1(b)(ii), in the event that on any date any Lender shall have determined (which determination shall be final and conclusive and binding upon all parties hereto but shall be made only after notice to and consultation with the Borrower and the Administrative Agent) that a Benchmark Illegality/Impracticability Event has occurred with respect to such Lender, such Lender shall be an “Affected Lender” and it shall on that day give notice (by telefacsimile or by telephone confirmed in writing) to the Borrower and the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to each other Lender). Thereafter (1) the obligation of the Affected Lender to make Loans as SOFR Loans shall be suspended until such notice shall be withdrawn by the Affected Lender, (2) to the extent such determination by the Affected Lender relates to a SOFR Loan then being requested by the Borrower pursuant to a Funding Notice, the Affected Lender shall make such Loan as a Base Rate Loan, (3) the Affected Lender’s obligation to maintain its outstanding SOFR Loans (the “Affected Loans”) shall be terminated at the earlier to occur of the expiration of the Interest Period then in effect with respect to the Affected Loans or when required by law, and (4) the Affected Loans shall automatically convert into Base Rate Loans on the date of such termination. Notwithstanding the foregoing, to the extent a determination by an Affected Lender as described above relates to a SOFR Loan then being requested by the Borrower pursuant to a Funding Notice, the Borrower shall have the option, subject to the provisions of Section 3.1(a), to rescind such Funding Notice as to all Lenders by giving notice (by telefacsimile or by telephone confirmed in writing) to the Administrative Agent of such rescission on the date on which the Affected Lender gives notice of its determination as described above (which notice of rescission the Administrative Agent shall promptly transmit to each other Lender). Except as provided in the immediately preceding sentence, nothing in this Section 3.1(b)(i) shall affect the obligation of any Lender other than an Affected Lender to make or maintain Loans as, or to convert Loans to, SOFR Loans in accordance with the terms hereof. If a Benchmark Illegality/Impracticability Event occurs but only with respect to limited, but not all, tenors of the then applicable term rate Benchmark (including Term SOFR), then (x) the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such illegal or impracticable tenor and (y) if a tenor that was removed pursuant to clause (x) of this sentence is not, or is no longer, subject to a Benchmark Illegality/Impracticability Event, then the Administrative Agent may modify the definition of “Interest Period” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(ii) Notwithstanding anything to the contrary in this Agreement or any other Credit Document, if the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Required Lenders (individually or jointly) notify the Administrative Agent (with, in the case of the Required Lenders, a copy to the Borrower) that the Required Lenders (as applicable) have determined, that a Benchmark Illegality/Impracticability Event has occurred, then, on a date and time determined by the Administrative Agent (any such date, the “Benchmark Replacement Date”), which date shall be at the end of an Interest Period or on the relevant Interest Payment Date, as

applicable, for interest calculated, the then current Benchmark will be replaced hereunder and under any other Credit Document with the Benchmark Replacement.

Notwithstanding anything to the contrary in this Agreement or any other Credit Document, (x) if the Administrative Agent determines that the non-Term SOFR alternatives set forth in the definition of Benchmark Replacement is available on or prior to the Benchmark Replacement Date or (y) a Benchmark Illegality/Impracticability Event has occurred with respect to the non-Term SOFR Benchmark Replacement then in effect, then in each case, the Administrative Agent and the Borrower may amend this Agreement solely for the purpose of replacing Term SOFR or any then current Benchmark Replacement in accordance with this Section 3.1 at the end of any Interest Period, relevant Interest Payment Date or payment period for interest calculated, as applicable, with another alternate benchmark rate giving due consideration to any evolving or then existing convention for similar Dollar denominated syndicated credit facilities for such alternative benchmarks and, in each case, including Benchmark Replacement Adjustment giving due consideration to any evolving or then existing convention for similar Dollar denominated syndicated credit facilities for such benchmarks, which adjustment or method for calculating such Benchmark Replacement Adjustment shall be published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion and may be periodically updated. For the avoidance of doubt, any such proposed rate and Benchmark Replacement Adjustment shall constitute a Benchmark Replacement. Any such amendment shall become effective at 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrower without any amendment to, or further action or consent of any other party to, this Agreement or any other Credit Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

The Administrative Agent will notify (in one or more notices) the Borrower and each Lender of the implementation of any Benchmark Replacement.

Any Benchmark Replacement shall be applied in a manner consistent with market practice; provided, that, to the extent such market practice is not administratively feasible for the Administrative Agent, such Benchmark Replacement shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

Notwithstanding anything else to the contrary in this Agreement or any other Credit Document, if at any time any Benchmark Replacement as so determined would otherwise be less than zero percent (0%), the Benchmark Replacement will be deemed to be zero percent (0%) for the purposes of this Agreement and the other Credit Documents.

In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Credit Document, any amendments implementing such Benchmark Conforming Changes will become effective without any further action or consent of any other party to this Agreement; provided, that, with respect to any such amendment effected, the Administrative Agent shall post each such amendment implementing such Benchmark Conforming Changes to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 3.1(b)(ii), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non- occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Credit Document, except, in each case, as expressly required pursuant to this Section 3.1(b)(ii).

(c) [Reserved].

(d) Booking of SOFR Loans. Any Lender may make, carry or transfer SOFR Loans at, to, or for the account of any of its branch offices or the office of an Affiliate of such Lender.

(e) Certificates for Reimbursement. A certificate of a Lender setting forth in reasonable detail the amount or amounts necessary to compensate such Lender, as specified in Section 3.1(c) and the circumstances giving rise thereto shall be delivered to the Borrower and shall be conclusive absent manifest error. In the absence of any such manifest error, the Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof.

(f) Delay in Requests. The Borrower shall not be required to compensate a Lender pursuant to this Section for any such amounts incurred more than six (6) months prior to the date that such Lender delivers to the Borrower the certificate referenced in Section 3.1(e).

Section 3.2 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital and Liquidity Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company,

if any, regarding capital or liquidity ratios or requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the commitments of such Lender hereunder or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender, as the case may be, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth in reasonable detail the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and the circumstances giving rise thereto shall be delivered to the Borrower and shall be conclusive absent manifest error. In the absence of any such manifest error, the Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided, that, the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than six (6) months prior to the date that such Lender delivers to the Borrower the certificate referenced in Section 3.2(c) and notifies the Borrower of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 3.3 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes. Any and all payments by or on account of any obligation of any Credit Party (other than the Mortgagor and Mortagor Parent) hereunder or under any other Credit Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party (other than the Mortgagor and Mortagor Parent) shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Credit Parties. The Credit Parties (other than the Mortgagor and Mortagor Parent) shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnification. (1) The Credit Parties (other than the Mortgagor and Mortagor Parent) shall jointly and severally indemnify each Recipient and shall make payment in respect

thereof within ten (10) Business Days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of any such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(i) Each Lender shall severally indemnify the Administrative Agent within ten (10) Business Days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Credit Party (other than the Mortgagor and Mortgagor Parent) has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties (other than the Mortgagor and Mortgagor Parent) to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 12.5(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Credit Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Credit Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this clause (ii).

(d) Evidence of Payments. As soon as practicable after any payment of Taxes by any Credit Party (other than the Mortgagor and Mortgagor Parent) to a Governmental Authority pursuant to this Section, such Credit Party (other than the Mortgagor and Mortgagor Parent) shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of a return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders; Tax Documentation. (2) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in clauses (ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(i) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(ii) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Credit Document, executed originals of IRS Form W-8BEN-E (or W-8BEN as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Credit Document, IRS Form W-8BEN-E (or W-8BEN as applicable) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(iii) executed originals of IRS Form W-8ECI;

(iv) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (x) a certificate substantially in the form of Exhibit 3.3-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Internal Revenue Code (a “U.S. Tax Compliance Certificate”) and (y) executed originals of IRS Form W-8BEN-E (or W-8BEN as applicable); or

(v) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN- E (or W-8BEN as applicable), a U.S. Tax Compliance Certificate substantially in the form of Exhibit 3.3-2 or Exhibit 3.3-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided, that, if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit 3.3-4 on behalf of each such direct and indirect partner;

(A) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter

upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(B) if a payment made to a Lender under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(f) Treatment of Certain Refunds. Unless required by Applicable Law, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender, or have any obligation to pay to any Lender, any refund of Taxes withheld or deducted from funds paid for the account of such Lender. If any indemnified party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of the indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 3.3(g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 3.3(g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 3.3(g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(g) Survival. Each party's obligations under this Section 3.3 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Credit Document.

Section 3.4 Mitigation Obligations; Designation of a Different Lending Office. If any Lender requests compensation under Section 3.2, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.3, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.2 or Section 3.3, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

SECTION 4 **GUARANTY**

Section 4.1 The Guaranty.

Each of the Guarantors hereby jointly and severally guarantees to the Administrative Agent, the Lenders, and the other holders of the Obligations as hereinafter provided, as primary obligor and not as surety, the prompt payment of the Obligations (the "Guaranteed Obligations") in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) strictly in accordance with the terms thereof. The Guarantors hereby further agree that if any of the Obligations are not paid in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise), the Guarantors will, jointly and severally, promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) in accordance with the terms of such extension or renewal.

Notwithstanding any provision to the contrary contained herein, in any other of the Credit Documents, or other documents relating to the Obligations, the obligations of each Guarantor under this Agreement and the other Credit Documents shall be limited to an aggregate amount equal to the largest amount that would not render such obligations subject to avoidance under the Debtor Relief Laws or any comparable provisions of any applicable state law.

Section 4.2 Obligations Unconditional.

The obligations of the Guarantors under Section 4.1 are joint and several, absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Credit Documents, or any other agreement or instrument referred to therein, or any substitution, release, impairment or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by Applicable Law, irrespective of any law or regulation or other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 4.2 that the obligations of the Guarantors hereunder shall be absolute and unconditional under any and all circumstances. Each Guarantor agrees that such Guarantor shall have no

right of subrogation, indemnity, reimbursement or contribution against the Borrower or any other Guarantor for amounts paid under this SECTION 4 until such time as the Obligations have been paid in full (other than contingent indemnification obligations for which no claim has been asserted) and the Commitments have expired or terminated. Without limiting the generality of the foregoing, it is agreed that, to the fullest extent permitted by law, the occurrence of any one or more of the following shall not alter or impair the liability of any Guarantor hereunder, which shall remain absolute and unconditional as described above:

(a) at any time or from time to time, without notice to any Guarantor, the time for any performance of or compliance with any of the Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of any of the Credit Documents shall be done or omitted;

(c) the maturity of any of the Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right under any of the Credit Documents, or any other agreement or instrument referred to in the Credit Documents, shall be waived or any other guarantee of any of the Obligations or any security therefor shall be released, impaired or exchanged in whole or in part or otherwise dealt with;

(d) any Lien granted to, or in favor of, the Administrative Agent or any Lender or Lenders as security for any of the Obligations shall fail to attach or be perfected; or

(e) any of the Obligations shall be determined to be void or voidable (including, without limitation, for the benefit of any creditor of any Guarantor) or shall be subordinated to the claims of any Person (including, without limitation, any creditor of any Guarantor).

With respect to its obligations hereunder, each Guarantor hereby expressly waives diligence, presentment, demand of payment, protest and all notices whatsoever, and any requirement that the Administrative Agent or any Lender exhaust any right, power or remedy or proceed against any Person under any of the Credit Documents, or any other agreement or instrument referred to in the Credit Documents, or against any other Person under any other guarantee of, or security for, any of the Obligations.

Section 4.3 Reinstatement.

The obligations of the Guarantors under this SECTION 4 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and each Guarantor agrees that it will indemnify the Administrative Agent and each Lender on demand for all reasonable costs and expenses (including the fees, charges and disbursements of counsel) incurred by the Administrative Agent or such Lender in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

Section 4.4 Certain Additional Waivers.

Each Guarantor agrees that such Guarantor shall have no right of recourse to security for the Obligations, except through the exercise of rights of subrogation pursuant to Section 4.2 and through the exercise of rights of contribution pursuant to Section 4.6.

Section 4.5 Remedies.

The Guarantors agree that, to the fullest extent permitted by law, as between the Guarantors, on the one hand, and the Administrative Agent and the Lenders, on the other hand, the Obligations may be declared to be forthwith due and payable as provided in Section 10.2 (and shall be deemed to have become automatically due and payable in the circumstances provided in said Section 10.2) for purposes of Section 4.1 notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing the Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or the Obligations being deemed to have become automatically due and payable), the Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by the Guarantors for purposes of Section 4.1. The Guarantors acknowledge and agree that their obligations hereunder are secured in accordance with the terms of the Collateral Documents and that the Lenders may exercise their remedies thereunder in accordance with the terms thereof.

Section 4.6 Rights of Contribution.

The Guarantors agree among themselves that, in connection with payments made hereunder, each Guarantor shall have contribution rights against the other Guarantors as permitted under Applicable Law. Such contribution rights shall be subordinate and subject in right of payment to the obligations of such Guarantors under the Credit Documents and no Guarantor shall exercise such rights of contribution until all Obligations have been paid in full (other than contingent indemnification obligations for which no claim has been asserted) and the Commitments have terminated.

Section 4.7 Guarantee of Payment; Continuing Guarantee.

The guarantee in this SECTION 4 is a guaranty of payment and not of collection, is a continuing guarantee, and shall apply to all Obligations whenever arising.

SECTION 5

CONDITIONS PRECEDENT

Section 5.1 Conditions Precedent to Initial Credit Extensions. This Agreement shall become effective as of the date hereof upon the execution of this Agreement by each of the parties signatory hereto. The obligation of each Lender to make a Credit Extension on the Closing Date is subject to the satisfaction of the following conditions on or before the Closing Date:

(a) Executed Credit Documents. Receipt by the Administrative Agent of executed counterparts of this Agreement and the other Credit Documents (including the IP License Agreement) and the equivalent counterpart documents for the loan transaction between the HHI Lender and the Owner Pledgor, in each case, in form and substance reasonably satisfactory to the Administrative Agent and the Lenders and duly executed by the appropriate parties thereto.

(b) Organizational Documents. Receipt by the Administrative Agent of the following:

(i) Charter Documents. Copies of articles of incorporation, certificate of organization or formation, or other like document for each of the Credit Parties certified as of a recent date by the appropriate Governmental Authority.

(ii) Organizational Documents Certificate. (A) Copies of bylaws, operating agreement, partnership agreement or like document, (B) copies of resolutions approving

the transactions contemplated in connection with the financing and authorizing execution and delivery of the Credit Documents, and (C) incumbency certificates, in each case, for each of the Credit Parties, and certified by an Authorized Officer thereof, in form and substance reasonably satisfactory to the Administrative Agent.

(iii) Good Standing Certificate. Copies of certificates of good standing, existence or the like of a recent date for each of the Credit Parties from the appropriate Governmental Authority of its jurisdiction of formation or organization.

(c) Closing Certificate. Receipt by the Administrative Agent of a certificate from an Authorized Officer of the Credit Parties, in form and substance reasonably satisfactory to the Administrative Agent and the Required Lenders, confirming, among other things, (A) all consents, approvals, authorizations, registrations, or filings required to be made or obtained by the Credit Parties, if any, in connection with this Agreement and the other Credit Documents and the transactions contemplated herein and therein have been obtained and are in full force and effect, (B) no investigation or inquiry by any Governmental Authority regarding this Agreement and the other Credit Documents and the transactions contemplated herein and therein is ongoing, (C) since the date of the most-recent annual audited financial statements for the Credit Parties (other than the Mortgagor and Mortgagor Parent), there has been no event or circumstance which could be reasonably expected, either individually or in the aggregate, to have a Material Adverse Effect, (D) the most-recent annual audited financial statements were prepared in accordance with GAAP consistently applied, except as noted therein, and fairly presents in all material respects the financial condition and results from operations of the Credit Parties and their Subsidiaries (other than the Mortgagor and Mortgagor Parent), (E) each Credit Party, individually, and each Credit Party and their Subsidiaries, taken as a whole, are Solvent after giving effect to the transactions contemplated hereby and the incurrence of Indebtedness related thereto and (F) the conditions set forth in Section 4.2(c) and (d) have been met as of the Closing Date.

(d) Opinions of Counsel. Receipt by the Administrative Agent of customary opinions of counsel for each of the Credit Parties (other than the Mortgagor and Mortgagor Parent), including, among other things, opinions regarding the due authorization, execution and delivery of the Credit Documents and any other document entered into by a Credit Party (other than the Mortgagor or Mortgagor Parent) evidencing an obligation of such Credit Party (other than the Mortgagor and Mortgagor Parent), the enforceability thereof and the creation and perfection of security interests created thereby.

(e) Collateral. In order to create in favor of the Administrative Agent (for the benefit of the Lenders) a valid, perfected first priority Lien in the Collateral, the Administrative Agent shall have received:

(i) evidence satisfactory to the Administrative Agent of the compliance by each Credit Party with its obligations under each Credit Document to which it is a party (including, without limitation, their obligations to authorize or execute, as the case may be, and deliver UCC financing statements, originals of securities, instruments and chattel paper, and any agreements governing deposit accounts as provided therein);

(ii) the results of a recent search of all effective UCC financing statements (or equivalent filings), federal, state and local judgment liens, Federal, State and local tax liens and Federal and State litigation made with respect to or affecting any personal or mixed property of the Credit Parties in their respective jurisdictions of organization and

jurisdiction of their respective principal place of business, together with copies of all such filings disclosed by such search, which shall be provided by each such Credit Party;

(iii) UCC termination statements (or similar documents) duly approved by all applicable Persons for filing in all applicable jurisdictions as may be necessary to terminate any effective UCC financing statements (or equivalent filings) disclosed in such search with respect to the Collateral;

(iv) evidence that each Credit Party shall have taken or caused to be taken any other action, executed and delivered or caused to be executed and delivered any other agreement, document and instrument and made or caused to be made any other filing and recording (other than as set forth herein) reasonably required by the Administrative Agent;

(v) evidence that the Borrower has no existing indebtedness for borrowed money secured by the Collateral other than indebtedness pursuant to the HHI Loan Documents;

(vi) any other Indebtedness secured by the Collateral (other than the Obligations and the indebtedness pursuant to the HHI Loan Documents) has been indefeasibly paid in full, and any and all Collateral is delivered free and clear of any Lien other than Permitted Liens; and

(vii) such patent, trademark and copyright notices, filings and recordings as are necessary or appropriate to perfect the security interests in intellectual property and intellectual property rights constituting Collateral, as determined by the Administrative Agent.

(f) Management Team Meetings. The Administrative Agent shall have completed such meeting with the management team of the Credit Parties as deemed reasonably necessary.

(g) Financial Statements. The Administrative Agent shall have received copies of: (i) the most recent audited consolidated financial statements of the public parent of the Owner Pledgor, and (ii) the most recent unaudited consolidated financial statements of the Owner Pledgor.

(h) Bankruptcy Matters. There shall not be any order of any court of competent jurisdiction, or any action, suit, investigation or proceeding pending or, to the knowledge of the Borrower, threatened in any court or before any arbitrator or Governmental Authority that could reasonably be expected to have a Material Adverse Effect or to prevent or restrain the consummation of this Agreement or the transactions contemplated hereby.

(i) Operating Budget. The Administrative Agent shall have received, the Operating Budget from the Borrower and the other Credit Parties (other than the Mortgagor and Mortagor Parent) prepared by the Credit Parties (other than the Mortgagor and Mortagor Parent) in accordance with terms and provisions hereof.

(j) No Litigation. There shall not exist any action, suit, investigation, litigation or proceeding or other legal or regulatory developments, pending or to the knowledge of the Credit Parties, threatened, in any court or before any arbitrator or Governmental Authority with respect to any of the Credit Parties, any of the Key Persons or the transactions contemplated by the Credit Documents, except as set forth on Schedule 5.1(k) or otherwise disclosed to the Administrative Agent and acceptable to the Lender in its sole and absolute discretion.

(k) No New Information. The Administrative Agent shall not have become aware of any new information or other matters not previously disclosed to the Administrative Agent relating to the Credit Parties or their respective Affiliates, or the transactions contemplated herein that the Administrative Agent, in its reasonable judgment, deems inconsistent in a material and adverse manner with the information or other matters previously disclosed to the Administrative Agent relating the Credit Parties or their respective Affiliates, or the transactions contemplated herein.

(l) Diligence.

(i) The Administrative Agent shall have completed its diligence, including, but not limited to, legal diligence, regulatory review and due diligence on the Credit Parties and the results of such diligence, including the composition of the Client Portfolio and level of diversification thereof, are satisfactory to the Administrative Agent in its sole and absolute discretion, and the Lender shall have received final investment committee approval;

(ii) The Administrative Agent shall be satisfied, in its sole and absolute discretion, with the results of background investigations, if any, performed on any Key Person and any other principals and employees of any Credit Parties;

(iii) The Administrative Agent shall be satisfied, in its sole and absolute discretion, with the Credit Parties' cash management systems and other general operating procedures and systems (other than the Mortgagor and Mortgagor Parent);

(iv) The Administrative Agent shall have received and reviewed Lender Authorization Letters (and any QSF Instruction Letters as the Administrative Agent may request), in accordance with procedures satisfactory to the Administrative Agent, and in each case executed by the Credit Parties (other than the Mortgagor and Mortgagor Parent);

(v) The Administrative Agent shall have received and reviewed copies of the Healthcare Legal Services Agreement (and any amendments, supplements or modification thereof).

(m) Flow of Funds. The Administrative Agent shall have received (a) a duly executed Funding Notice with respect to the Credit Extensions to occur on the Closing Date, (b) duly executed disbursement instructions (with wiring instructions and account information) for all disbursements to be made on the Closing Date.

(n) Amendment to Existing Legal Services Agreement. The Administrative Agent shall have received an executed amendment to the Existing Legal Services Agreement, the terms and conditions of which shall be satisfactory to Administration Agent in its sole discretion.

(o) [Reserved].

(p) Termination of Existing Indebtedness. Receipt by the Administrative Agent of evidence that all existing Indebtedness of the Borrower and its Subsidiaries (other than Indebtedness permitted under Section 9.1), concurrently with the Closing Date, is being terminated and all Liens securing obligations thereunder concurrently with the Closing Date are being released other than Permitted Liens.

(q) [Reserved].

(r) Patriot Act; Anti-Money Laundering Laws. The Administrative Agent and the Lenders shall have received all documentation and other information that the Administrative Agent or any Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act and including without limitation the certification regarding beneficial ownership of legal entity customers (the “Beneficial Ownership Certification”).

(s) [Reserved].

(t) Completion of Corporate Reorganization. The Administrative Agent shall have received all documentation and other information satisfactory to the Administrative Agent to evidence the completion of the corporate restructuring resulting in the Owner Pledgor owning 100% of the membership interests in the Borrower and the Borrower owning 100% of the series equity interests in the Assignee.

(u) Registered Series. The Administrative Agent shall have received all documentation and other information satisfactory to the Administrative Agent in order to evidence the conversion of the Assignee to a registered series of Borrower and the transfer of 100% of its series equity interests to Borrower.

(v) Exhibits, Appendices and Schedules. The Administrative Agent shall have received all Exhibits, Appendices and Schedules to be attached to this Agreement in form and substance satisfactory to the Administrative Agent.

(w) Amended and Restated Owner Security Agreement, Borrower Security Agreement, Mortgage and Mortgagor Parent Pledge. The Administrative Agent shall have received the Security Agreements in form and substance satisfactory to the Administrative Agent.

(x) Guaranty Agreements. The Administrative Agent shall have received a Guaranty Agreement by John Ruiz and Frank Quesada in form and substance satisfactory to the Administrative Agent.

For purposes of determining compliance with the conditions specified in this Section 5.1, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

The funding of the initial Loans hereunder shall evidence the satisfaction of the foregoing conditions except to the extent the Credit Parties have agreed to fulfill conditions following the Closing Date pursuant to Section 7.20.

Section 5.2 Conditions to Each Credit Installment. The obligation of each Lender to fund its Term Loan Commitment Percentage of any Credit Extension on any Credit Date, including the Closing Date, is subject to the satisfaction, or waiver in accordance with Section 12.4, of the following conditions precedent:

(a) the Administrative Agent shall have received a fully executed and delivered Funding Notice, together with the documentation and certifications required therein with respect to each Credit Extension;

(b) after making the Credit Extension requested on such Credit Date the aggregate amount of the applicable Term Loan funded by the Lenders shall not exceed the applicable Term Loan Commitments then in effect;

(c) the representations and warranties contained herein and in the other Credit Documents shall be true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality or reference to Material Adverse Effect) on and as of the Credit Date (after giving effect to the applicable Credit Extension) except to the extent any such representation and warranty expressly relates to an earlier date, in which case it shall be true and correct in all material respects (and in all respects if any such representation or warranty is already qualified by materiality or reference to Material Adverse Effect) as of such earlier date and except that for purposes of this clause (c), the representations and warranties contained in Section 7.7 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b) of Section 8.1;

(d) as of such Credit Date, no event shall have occurred and be continuing or would result from the consummation of the applicable Credit Extension that would constitute an Event of Default or a Default;

(e) if a Claim Filing Milestone, First Milestone or Second Milestone is due to have been met by such Credit Date, the Administrative Agent shall have received evidence of satisfaction of the Claim Filing Milestone, First Milestone or Second Milestone, as applicable. If such evidence is not available or not to the satisfaction of the Administrative Agent, the Lenders obligation to fund, assuming all other conditions under Section 5.2 are satisfied as of such Credit Date, is limited to the extent set forth in Section 2.1(a)(iii), Section 2.1(b)(iii) and Section 2.1(e), as applicable; and

(f) as of such Credit Date, no Material Adverse Effect has occurred.

If any condition set forth in Section 5.1, Section 5.2 or Section 5.3 is not satisfied on any Credit Date or on any date an Operational Collection Payment is due, no Lender shall be under any obligation to fund all or any portion of the Loan and/or Operational Collection Payment until the Borrower has satisfied each condition.

The Administrative Agent or the Required Lenders shall be entitled, but not obligated to, request and receive, prior to the making of any Credit Extension, additional information reasonably satisfactory to the requesting party confirming the satisfaction of any of the foregoing if, in the reasonable good faith judgment of the Administrative Agent or Required Lenders, such request is warranted under the circumstances.

Section 5.3 Conditions to Term Loan B Advances. The obligation of each Lender to fund advances of Term Loan B on any Credit Date, including the Closing Date, is subject to the satisfaction, or waiver in accordance with Section 12.4, of the following conditions precedent:

(a) Amended and Restated Owner Security Agreement, Borrower Security Agreement, Mortgage and Mortgagor Parent Pledge. The Administrative Agent shall have received the Security Agreements in form and substance satisfactory to the Administrative Agent.

(b) Guaranty Agreements. The Administrative Agent shall have received a Guaranty Agreement by John Ruiz and Frank Quesada in form and substance satisfactory to the Administrative Agent.

(c) Opinions of Counsel. Receipt by the Administrative Agent of customary opinions of counsel for each of the Mortgagor and Mortgagor Parent, including, among other things, opinions regarding the due authorization, execution and delivery of the Credit Documents and any other document entered into by Mortgagor or Mortgagor Parent evidencing an obligation of Mortgagor or Mortgagor Parent, the enforceability thereof, the creation and perfection of security interests created thereby, and, in the case of the Mortgage, an opinion that such Mortgage is in proper form for filing in the applicable county records.

(d) Funding Notice. The Administrative Agent shall have received a fully executed and delivered Funding Notice, together with the documentation and certifications required therein with respect to each advance of Term Loan B.

SECTION 6

REPRESENTATIONS AND WARRANTIES

In order to induce the Administrative Agent and the Lenders to enter into this Agreement and to make each Credit Extension to be made thereby, the Borrower and each other Credit Party, but solely as such representations and warranties apply solely to such Credit Party, represents and warrants to the Administrative Agent and Lender as follows on the Effective Date and the date of applicable Credit Extension:

Section 6.1 Organization; Requisite Power and Authority; Qualification. Each Credit Party and its Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization as identified on Schedule 6.1, (b) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Credit Documents to which it is a party and to carry out the transactions contemplated thereby, and (c) is qualified to do business and in good standing in every jurisdiction where necessary to carry out its business and operations, except in jurisdictions where the failure to be so qualified or in good standing has not had, and could not be reasonably expected to have, a Material Adverse Effect.

Section 6.2 Equity Interests and Ownership.

(a) Schedule 6.2 correctly sets forth the ownership interest of each Credit Party and its Subsidiaries as of the Closing Date. The Equity Interests of each Credit Party and its Subsidiaries have been duly authorized and validly issued and are fully paid and non-assessable. Except as set forth on Schedule 6.2, as of the Closing Date, there is no existing option, warrant, call, right, commitment, buy-sell, voting trust or other shareholder agreement or other agreement to which any Subsidiary is a party requiring, and there is no membership interest or other Equity Interests of any Subsidiary outstanding which upon conversion or exchange would require, the issuance by any Subsidiary of any additional membership interests or other Equity Interests of any Subsidiary or other Securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, a membership interest or other Equity Interests of any Subsidiary.

(b) Borrower owns 100% of the membership interests in Assignee, free and clear of any Liens, other than the Liens in favor of the Administrative Agent and the Lenders pursuant to the Credit Documents and Liens in favor of the HHI Agent and the HHI Lender pursuant to the HHI Loan Documents, and Borrower is the sole member and manager of Assignee.

Section 6.3 Due Authorization. The execution, delivery and performance of the Credit Documents have been duly authorized by all necessary corporate or similar action on the part of each Credit Party that is a party thereto.

Section 6.4 No Conflict. The execution, delivery and performance by Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and will not (a) violate in any material respect any provision of any Applicable Laws relating to any Credit Party, any of the Organizational Documents of any Credit Party, or any order, judgment or decree of any court or other agency of government binding on any Credit Party; (b) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any other Contractual Obligations of any Credit Party; (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of any Credit Party (other than any Liens created under any of the Credit Documents in favor of the Administrative Agent for the benefit of the holders of the Obligations) whether now owned or hereafter acquired; or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any Contractual Obligation of any Credit Party that shall not have been obtained.

Section 6.5 Governmental Consents. The execution, delivery and performance by the Credit Parties of the Credit Documents to which they are parties and the consummation of the transactions contemplated by the Credit Documents do not and will not require, as a condition to the effectiveness thereof, any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority except for filings and recordings with respect to the Collateral to be made, or otherwise delivered to the Administrative Agent for filing and/or recordation, as of the Closing Date and other filings, recordings or consents which have been obtained or made, as applicable.

Section 6.6 Binding Obligation. Each Credit Document has been duly executed and delivered by each Credit Party that is a party thereto and is the legally valid and binding obligation of such Credit Party, enforceable against such Credit Party in accordance with its respective terms, except as may be limited by Debtor Relief Laws or by equitable principles relating to enforceability.

Section 6.7 Independent Evaluation. Each Credit Party is sophisticated, experienced in borrowing funds to finance litigation and other business expenses, and has sufficient resources and legal knowledge to review and interpret this Agreement and the other Credit Documents or seek qualified counsel to do so. In making its decision to enter into this financing transaction, each Credit Party has relied or shall rely solely on its own independent investigation and evaluation of applicable law and the advice of its own counsel and not on any comments, statements or other materials made or given by or on behalf of the Lender, the Agents or any of their Affiliates.

Section 6.8 Financial Statements.

(a) The audited consolidated balance sheet of the public parent of the Owner Pledgor for the most recent Calendar Year ended, and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for such Calendar Year, including the notes thereto (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, (ii) fairly present, in all material respects, the financial condition of the public parent of the Owner Pledgor as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein and (iii) show all material indebtedness and other liabilities, direct or contingent, of the public parent of the Owner Pledgor as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited financial statements of the Owner Pledgor and the Borrower for the most recent Calendar Year ended, and the related consolidated and consolidating statements of income or operations, shareholders' equity and cash flows for such Calendar Year, including the notes thereto (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, (ii) fairly present, in all material respects, the financial condition of operations the Owner Pledgor and the Borrower as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments, and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Owner Pledgor and the Borrower as of the date of such financial statements, including liabilities for taxes, material commitments and Indebtedness.

(c) The unaudited financial statements of the Owner Pledgor and the Borrower for the most recent Calendar Quarter ended, and the related consolidated and consolidating statements of income or, shareholders' equity and cash flows for such Calendar Quarter (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, (ii) fairly present, in all material respects, the financial condition of operations the Owner Pledgor and the Borrower as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments, and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Owner Pledgor and the Borrower as of the date of such financial statements, including liabilities for taxes, material commitments and Indebtedness.

Section 6.9 No Material Adverse Effect; No Default.

(a) No Material Adverse Effect. Since the date of this Agreement, no event, circumstance or change has occurred that has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) No Default. No Default has occurred and is continuing.

Section 6.10 Tax Matters. Each Credit Party and its Subsidiaries have filed all federal, state and other material tax returns and reports required to be filed, and have paid all federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their respective properties, assets, income, businesses and franchises otherwise due and payable, except those being actively contested in good faith by appropriate proceedings for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against any Credit Party or any of its Subsidiaries that would, if made, have a Material Adverse Effect.

Section 6.11 Properties.

(a) Title. Each of the Borrower and its Subsidiaries has (i) good, sufficient and legal title to (in the case of fee interests in real property), (ii) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (iii) good title to (in the case of all other personal property), all of their respective properties and assets reflected in their financial statements and other information referred to in Section 7.7 and in the most recent financial statements delivered pursuant to Section 7.2, in each case except for assets disposed of since the date of such financial statements as permitted under Section 8.11. All such properties and assets the Borrower and its Subsidiaries are free and clear of Liens other than Permitted Liens.

(b) Intellectual Property. Each Borrower and its Subsidiaries owns or is validly licensed to use all Intellectual Property that is necessary for the present conduct of its business, free and clear of Liens (other than Permitted Liens), without conflict with the rights of any other Person unless the failure to own or benefit from such valid license could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. To the knowledge of each Credit Party, the Borrower nor any of its Subsidiaries is infringing, misappropriating, diluting, or otherwise violating the Intellectual Property rights of any other Person unless such infringement, misappropriation, dilution or violation could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Without limiting the foregoing, Borrower's immediate subsidiary, Assignee, a registered series of MSP Recovery Claims, Series LLC and a wholly owned Subsidiary of the Borrower is entitled to all of the Claims assigned to it under the CAA, free and clear of all Liens (other than Liens in favor of the Administrative Agent and the Lender pursuant to the Credit Documents and Liens in favor of the HHI Agent and the HHI Lender pursuant to the HHI Loan Documents), and the Borrower has taken all actions necessary, including delivery of the MSP Instruction Letters, pursuant to the requirements under this Agreement, to cause all of the HC Case Proceeds to be deposited by the Payors directly into the Borrower Lockbox Account; provided that, on and from the Closing Date, the reference to "designated Series" shall be substituted with "registered Series".

Section 6.12 [Reserved].

Section 6.13 No Indebtedness. No Credit Party (other than the Mortgagor and Mortgagor Parent) has any Indebtedness for borrowed money, other than (a) the existing Indebtedness as permitted under Section 8.1, (b) Indebtedness incurred under the terms of this Agreement or the other Credit Documents, and (c) in the case of Owner Pledgor, as set forth on Schedule 6.13 (as may be updated or supplemented from time to time as of any date of applicable Credit Extension).

Section 6.14 No Defaults. No Credit Party nor any of its Subsidiaries is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its Contractual Obligations, except in each case where the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 6.15 No Litigation or other Adverse Proceedings. There are no Adverse Proceedings that (a) purport to affect or pertain to this Agreement or any other Credit Document, or any of the transactions contemplated hereby or (b) could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. No Credit Party nor any of its Subsidiaries is subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any Governmental Authority that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Other than as set forth on Schedule 5.1(k), as of the date hereof, there are no suits, proceedings, Disciplinary Actions or internal review or investigations, whether existing, pending or threatened, relating to allegations of employee discrimination or sexual harassment against any Credit Party or Key Person.

Section 6.16 Information Regarding the Credit Parties and their Subsidiaries. Set forth on Schedule 6.16, is the jurisdiction of organization, the exact legal name (and for the prior five (5) years or since the date of its formation has been) and the true and correct U.S. taxpayer identification number (or foreign equivalent, if any) of each Credit Party and each of its Subsidiaries as of the Closing Date.

Section 6.17 [Reserved].

Section 6.18 Governmental Regulation.

(a) No Credit Party or any of its Subsidiaries is subject to regulation under the Investment Company Act of 1940. No Credit Party or any of its Subsidiaries is an “investment company” or a company “controlled” by a “registered investment company” or a “principal underwriter” of a “registered investment company” as such terms are defined in the Investment Company Act of 1940.

(b) No Credit Party nor any of its Subsidiaries is an “enemy” or an “ally of the enemy” within the meaning of Section 2 of the Trading with the Enemy Act of the United States of America (50 U.S.C. App. §§ 1 *et seq.*), as amended. To its knowledge, no Credit Party or any of its Subsidiaries is in violation of (x) the Trading with the Enemy Act, as amended, (y) any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto or (z) the Patriot Act. No Credit Party or any of its Subsidiaries (i) is a blocked person described in Section 1 of the Anti-Terrorism Order or (ii) to the best of its knowledge, engages in any dealings or transactions, or is otherwise associated, with any such blocked person.

(c) Each Credit Party and its Subsidiaries has implemented and maintains in effect policies and procedures designed to ensure compliance by such Credit Party, its Subsidiaries and their respective directors, officers, employees and agents with applicable Sanctions, and such Credit Party, its Subsidiaries and their respective officers and employees and, to the knowledge of such Credit Party, its directors and agents, are in compliance with applicable Sanctions and are not engaged in any activity that would reasonably be expected to result in any Credit Party being designated as a Sanctioned Person. None of the Credit Parties, their Subsidiaries and their respective Affiliates is in violation of any of the country or list based economic and trade sanctions administered and enforced by OFAC that are described or referenced at or as otherwise published from time to time.

(d) None of the Credit Parties and their Subsidiaries or, to the knowledge of each Credit Party or its Subsidiaries, any of their respective directors, officers, employees or Affiliates (i) is a Sanctioned Person, (ii) has any of its assets located in a Sanctioned Country (unless approved by the Lenders), or (iii) derives any of its operating income from investments in, or transactions with Sanctioned Persons (unless approved by the Lenders). The proceeds of any Credit Extension or other transaction contemplated by this Agreement or any other Credit Document have not been used (x) in violation of any Sanctions, (y) to fund any operations in, finance any investments or activities in or make any payments to, a Sanctioned Person or a Sanctioned Country or (z) in any other manner that would result in a violation of Sanctions by any Person (including the Administrative Agent, the Administrative Agent, the Lenders or any other Person participating in the Credit Extensions, whether as an underwriter, advisor, investor or otherwise).

(e) Each of the Credit Parties and their Subsidiaries and, to the knowledge of each Credit Party and its Subsidiaries, each of their respective directors, officers, employees and Affiliates, is in compliance with Anti-Corruption Laws. Each Credit Party and its Subsidiaries has implemented and maintains in effect policies and procedures designed to ensure compliance by such Credit Party, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws. None of the Credit Parties or their respective Subsidiaries has made a payment, offering, or promise to pay, or authorized the payment of, money or anything of value (a) in order to assist in obtaining or retaining business for or with, or directing business to, any foreign official, foreign political party, party official or candidate for foreign political office, (b) to a foreign official, foreign political party or party official or any candidate for foreign political office, or (c) with the intent to

induce the recipient to misuse his or her official position to direct business wrongfully to such Credit Party or any of its Subsidiaries or to any other Person, in violation of any Anti-Corruption Law. No part of the proceeds of any Credit Extension or other transactions contemplated by this Agreement or any other Credit Document will violate Anti-Corruption Laws.

(f) To the extent applicable, each Credit Party and its Subsidiaries are in compliance with Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA Patriot Act of 2001) (as amended from time to time, the "Patriot Act").

(g) No Credit Party or any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of any Credit Extension made to such Credit Party will be used (i) to purchase or carry any such Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates, or is inconsistent with, the provisions of Regulation T, U or X of the Board of Governors of the Federal Reserve System as in effect from time to time or (ii) to finance or refinance any (A) commercial paper issued by such Credit Party or (B) any other Indebtedness, except for Indebtedness that such Credit Party incurred for general corporate or working capital purposes.

(h) No Credit Party is an Affected Financial Institution.

Section 6.19 Employee Matters. No Credit Party or any of its Subsidiaries is engaged in any unfair labor practice that could reasonably be expected to have a Material Adverse Effect. There is (a) no unfair labor practice complaint pending against any Credit Party or any of its Subsidiaries, or to the best knowledge of each Credit Party, threatened against any of them before the National Labor Relations Board and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement that is so pending against any Credit Party or any of its Subsidiaries or to the best knowledge of each Credit Party, threatened against any of them, (b) no strike or work stoppage in existence or to the knowledge of each Credit Party, threatened that involves any Credit Party or any of its Subsidiaries, and (c) to the best knowledge of each Credit Party, no union representation question existing with respect to the employees of any Credit Party or any of its Subsidiaries and, to the best knowledge of each Credit Party, no union organization activity that is taking place, except (with respect to any matter specified in clause (a), (b) or (c) above, either individually or in the aggregate) such as could not reasonably be expected to have a Material Adverse Effect.

Section 6.20 No Employee Benefit Plans. None of the Credit Parties or any of their Subsidiaries have any Pension Plans, "employee benefit plan" as defined in Section 3(2) of ERISA, or any Multiemployer Plan subject to Section 412 of the Internal Revenue Code or Section 302 of ERISA which is sponsored, maintained or contributed to by, or required to be contributed to by, any Credit Party or any of its ERISA Affiliates or with respect to which any Credit Party or any of its ERISA Affiliates previously sponsored, maintained or contributed to, or was required to contribute to, and still has liability, except for what could not reasonably be expected to result in a Material Adverse Effect.

Section 6.21 Solvency and Fraudulent Conveyance. As of the Effective Date, each Credit Party and its Subsidiaries taken as a whole on a consolidated basis are and, upon the incurrence of any Credit Extension on any date on which this representation and warranty is made, will be, Solvent. No Credit Party is transferring or pledging any Collateral with any intent to hinder, delay or defraud any of its creditors or equity holders. No Credit Party (other than Mortgagor and Mortgagor Parent) shall use the proceeds from the transactions contemplated by this Agreement to give preference to any class of creditors.

Section 6.22 Compliance with Laws, Statutes, Disciplinary Rules, etc. Each Credit Party and its Subsidiaries is in compliance with (a) the Patriot Act and OFAC rules and regulations as provided in Section 7.15 and (b) except such non-compliance with such other Applicable Laws that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, all other Applicable Laws. Each Credit Party and its Subsidiaries possesses all certificates, authorities or permits issued by appropriate Governmental Authorities necessary to conduct the business now operated by them and the failure of which to have could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority or permit the failure of which to have or retain could reasonably be expected to have a Material Adverse Effect. Each Credit Party has complied with all applicable laws, including applicable federal, state and local attorney ethics rules and regulations (including those relating to attorney financing) except for failure to do so could not reasonably be expected to have a Material Adverse Effect. No Credit Party has solicited or procured any HC Claim or advertised in any manner which constitutes a violation of any applicable law or Disciplinary Rule. Each Credit Party has independently reviewed all applicable professional ethics rules and standards that govern the practice of law. The provisions of this Agreement, and all of the Credit Documents, comply with all Disciplinary Rules. No Lender has solicited any HC Claim on behalf of the Credit Parties or recommended any client to the Credit Parties. All decisions of the clients have and will be voluntary and of each client's own free will, and no Credit Party did nor will try to force, coerce, trick, mislead, harass, deceive or intimidate any client into any settlement decision.

Section 6.23 Disclosure.

(a) No representation or warranty of any Credit Party contained in any Credit Document or in any other documents, certificates or written statements furnished to the Administrative Agent or Lender by or on behalf of any Credit Party or any of its Subsidiaries for use in connection with the transactions contemplated hereby (other than projections and pro forma financial information contained in such materials) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading in any material manner in light of the circumstances in which the same were made; provided, that, any projections and pro forma financial information contained in such materials are based upon good faith estimates and assumptions believed by the Credit Parties to be reasonable at the time made, it being recognized by the Administrative Agent and the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results and that such differences may be material. There are no facts known to any Credit Party (other than matters of a general economic nature) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect and that have not been disclosed herein or in such other documents, certificates and statements furnished to the Administrative Agent and the Lenders..

(b) The information included in the Beneficial Ownership Certification is true and correct in all respects at the time of issuance.

Section 6.24 Insurance. The properties of the Credit Parties and their Subsidiaries are insured with financially sound and licensed insurance companies not Affiliates of such Persons, in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the applicable Credit Party or the applicable Subsidiary operates. The insurance coverage of the Credit Parties and their Subsidiaries as in effect on the Closing Date is outlined as to carrier, policy number, expiration date, type, amount and deductibles on Schedule 6.24.

Section 6.25 Use of Proceeds. The Credit Parties (other than Mortgagor and Mortgagor Parent) will use the proceeds of the Loans:

(a) [Reserved];

(b) for business operations directly related to servicing the HC Claims; or

(c) in addition to clause (b) above, for general corporate purposes and working capital needs of the Borrower, past expenses of the Borrower and distributions to the Owner Pledgor of the Borrower where no other sources of funds are available to the Parent, in each case as approved by the Operating Committee;

provided, that, with respect to each of the foregoing clauses (b) and (c), in each case not in contravention of Applicable Laws or of any Credit Document.

Section 6.26 Agreements Relating to the Claims and Related Agreements.

(a) Agreements Generally.

(i) As of the date of this Agreement, none of the Credit Parties (other than Mortgagor and Mortgagor Parent) have an agreement with any third party in respect of HC Claims that could result in the obligation to pay any third party other than as set forth on Schedule 6.26(a) hereto. Schedule 6.26(b) hereto sets forth a complete and accurate list of the HC Claims to which the Borrower or another Credit Party (other than Mortgagor and Mortgagor Parent) is entitled as of the date of this Agreement.

(ii) The HC Agreements are the sole agreements relating to the assignment of the HC Claims to the Assignee and the recovery services provided to the Assignor in connection therewith. All of the HC Claims have been irrevocably assigned to the Assignee pursuant to the CAA and Assignee has made no assignment of any of its rights, titles, interests, remedies and privileges under the CAA or the CRSA, nor made any assignment of the HC Claims or the HC Case Proceeds, other than pursuant to this Agreement and the other Credit Documents, the HHI Credit Agreement and HHI Loan Documents. Owner Pledgor and its Affiliates are in full compliance with all of the terms and provision of the CRSA, and the Assignor has not alleged any breach or potential breach of the CRSA. Without limiting the foregoing, neither Owner Pledgor nor any of its Affiliates has suffered a "Security Incident" (as such term is defined in the CRSA) since the date of the CRSA.

(iii) Assignee has made, when due, full payment of any and all amounts required to have been paid to the Assignor under the applicable HC Agreement and (b) otherwise with respect to the HC Claims, in each case, as of the Effective Date and as of the Closing Date. No HC Agreement has been restricted, terminated or revoked by any party thereto or any successors or assigns. No party to any HC Agreement is in breach of any contractual obligations under such HC Agreement, including without limitation, any contractual requirement to provide Claims Data or claims information as required pursuant to the HC Agreements, or to take certain actions related to data accessibility, data privacy and security. Assignee has made any and all such requests for Claims Data and claims information necessary to file and prosecute the HC Claims. Assignee has received the requested Claims Data and claims information from Assignor, and such Claims Data and claims information resides on servers owned or controlled by MSP or Assignee and access to which is neither controlled by nor could be terminated by Assignor. Assignor has not

failed to provide Claims Data or claims information in respect of the HC Claims or requested Owner Pledgor or Assignee to return any such Claims Data or claims information that would materially impair the Owner Pledgor or Assignee from pleading and prosecuting causes of actions in respect of the HC Claims with necessary completeness or particularity in accordance with the terms of the CRSA. The Owner Pledgor and Assignee has obtained all consents, approvals and permits, and has provided all notices, required to transfer the HC Claims Proceeds and the recovery proceeds in respect of the HC Claims to repay any amounts under the Loans including any consents required under any HC Agreement, if applicable, and to perform any and all obligations under the HC Agreements, and otherwise in connection with the consummation of the transactions contemplated hereby.

(iv) Each of Owner Pledgor and Assignee is, and to its actual knowledge, for the past six (6) years preceding the date of this Agreement has been, in compliance in all material respects with applicable law with respect to the conduct of the claims analysis and claims recovery business, and neither of Owner Pledgor nor Assignee has received any notice or communication of any material non-compliance with any such applicable law that has not been cured. Neither the Owner Pledgor nor Assignee, to its actual knowledge, within the past six (6) years preceding the date of this Agreement, has entered into or been subject to any judgment, consent decree, compliance order or administrative order with respect to any aspect of such business, and the related affairs, properties or assets of such Person or received any request for information, notice, demand letter, administrative inquiry or formal or informal complaint or claim from any regulatory agency with respect to any aspect of such business, affairs, properties or assets of such Person other than ordinary course inquiries and correspondence from governmental agencies and judgments, decrees and orders entered in by the court in actions relating to the recovery of proceeds from the HC Claims.

(v) The Credit Parties (other than Mortgagor and Mortgagor Parent) possess full legal right, title, standing, and interest in the HC Case Proceeds. The Credit Parties (other than Mortgagor and Mortgagor Parent) hold and possess (a) all rights, authorizations, title, interest in, and ownership of the HC Case Proceeds, free and clear of all Encumbrances (other than as permitted under Section 8.2, and (b) licenses, authorizations and clearances necessary to access Claims Data and other claims information directly from United States' Department of Health and Human Services Centers for Medicare & Medicaid Services Medicare Data Communications Network (MDCN) portal and other similar or analogous portals and platforms. To Credit Parties' knowledge (other than Mortgagor and Mortgagor Parent) (i) Assignor has borne the cost of, either by making payment on, or assuming full risk, obligation, and responsibility for the payment of, claims for healthcare services provided, to, for, or on behalf of the members that are the subject of the HC Claims, or otherwise, (ii) Assignor has not received reimbursement, in whole or in part, for any such payment from any source, and (iii) Credit Parties (other than Mortgagor and Mortgagor Parent) have no knowledge of any attempted recovery of any such HC Claim where there was a finding of waiver or any other barrier to recovery by the Credit Parties (other than Mortgagor and Mortgagor Parent).

(vi) The Owner Pledgor provides recovery services in respect of the HC Claims to the Assignee and no other agreement exists between any of the Credit Parties and any other Person in respect of the HC Claims and none of the Credit Parties provide any services in respect of the HC Claims to any Person other than the Borrower and its Subsidiaries. All information that the Credit Parties (other than Mortgagor and Mortgagor Parent) have provided to the Lender with respect to the HC Claims, as supplemented by

the Credit Parties (other than Mortgagor and Mortgagor Parent) from time to time in writing prior to the date of this Agreement, is true and accurate in all material respects representation.

(b) CAA. The CAA has been executed by the Assignor and the Assignee, and identifies each HC Claim that has been assigned to the Assignee.

(c) Agreements. True, complete and correct copies of the HC Agreements (including all related amendments and modifications of such agreements as of the Closing Date), in each case that are related to the HC Claims, have been provided by the Borrower or its Affiliates to the Administrative Agent and are listed on Schedule 6.26(b) hereto. Other than the agreements identified in the immediately preceding sentence and the Credit Documents, there are no other agreements relating to the assignment of the HC Claims to the Assignee, the recovery services being provided to the Assignor in respect of the HC Claims, the holding and management of the HC Claims by the Assignee and its Affiliates.

Section 6.27 Controlled Accounts; etc. Within ten (10) Business Days after the Closing Date, the Borrower has instructed all Payors with respect to each HC Claim to pay all Collections directly into the Collection System. Each Controlled Account is maintained solely in the name of the Borrower. No Credit Party (other than Mortgagor and Mortgagor Parent) has granted any Person, other than the Administrative Agent as contemplated by the Credit Documents and the Account Administrator to the limited extent provided by an Account Administration Agreement, dominion and control of any Controlled Account, as applicable, or the right to take dominion and control of any Account of the Borrower or its Subsidiaries at a future time or upon the occurrence of a future event, other than in connection with the HHI Loan Documents.

Section 6.28 Case Management System. All HC Claims have been boarded on the Owner Pledgor's case management system for the benefit of the Borrower.

Section 6.29 Security Agreements. Each of the Security Agreements is effective to create in favor of the Administrative Agent, for the ratable benefit of the holders of the Obligations, a legal, valid and enforceable security interest in the Collateral identified therein, except to the extent the enforceability thereof may be limited by applicable Debtor Relief Laws affecting creditors' rights generally and by equitable principles of law (regardless of whether enforcement is sought in equity or at law), and each Security Agreement creates a fully perfected Lien on, and security interest in, all right, title and interest of the obligors thereunder in such Collateral, in each case prior and superior in right to any other Lien (other than Permitted Liens, including Liens in favor of the HHI Agent) (i) with respect to any such Collateral that is a "security" (as such term is defined in the UCC) and is evidenced by a certificate, when such Collateral is delivered to the Administrative Agent with duly executed stock powers with respect thereto, (ii) with respect to any such Collateral that is a "security" (as such term is defined in the UCC) but is not evidenced by a certificate, when UCC financing statements in appropriate form are filed in the appropriate filing offices in the jurisdiction of organization of the pledgor or when "control" (as such term is defined in the UCC) is established by the Administrative Agent over such interests in accordance with the provision of Section 8-106 of the UCC, or any successor provision, and (iii) with respect to any such Collateral that is not a "security" (as such term is defined in the UCC), when UCC financing statements in appropriate form are filed in the appropriate filing offices in the jurisdiction of organization of the pledgor (to the extent such security interest can be perfected by filing under the UCC).

Notwithstanding anything above, Mortgagor and Mortgagor Parent make no representation or warranty as such representation or warranty applies to Borrower or any other Credit Party or any of their obligations under this Agreement.

SECTION 7
AFFIRMATIVE COVENANTS

Each Credit Party covenants and agrees that until the Obligations shall have been paid in full (other than contingent indemnification obligations for which no claim has been asserted) and the Commitments hereunder shall have expired or been terminated, such Credit Party shall perform, and shall cause each of its Subsidiaries to perform, all covenants in this SECTION 7, but solely to the extent such covenant applies to such Credit Party and, without limiting the foregoing, Mortgagor and Mortgagor Parent (a) shall not be responsible for the performance of any covenant by Borrower or by any other Credit Party, and (b) shall have no obligation to provide notice to Administrative Agent (i) of Borrower or of any other Credit Party's failing to perform their covenants under this Section 7, or (ii) of any act, omission, Material Adverse Change, Default or Event of Default caused by Borrower or any other Credit Party.

Section 7.1 Reports.

(a) [Reserved].

(b) Settlement Reports; Account Statements.

(i) Settlement Reports. On or prior to each Settlement Date, the Borrower shall prepare and deliver to the Administrative Agent, the Servicer and the Account Administrator a written report substantially in the form attached as Exhibit 7.1, detailing (A) all Collections received since the immediately preceding Settlement Date and until the most recently ended quarter preceding such Settlement Date, (B) the Borrower's calculations of the amounts payable to the applicable Persons on such Settlement Date pursuant to Section 2.11 (as applicable) and (C) all information which was necessary for preparation by the Borrower of such report (each such written report, statement or document, a "Settlement Report"). Each Settlement Report shall be delivered no later than three (3) Business Days prior to the applicable Settlement Date.

(ii) Account Statements. No later than five (5) Business Days after receipt by or on behalf of the Borrower of each bank statement in respect of the Borrower Lockbox Account, any other account into which proceeds from the HC Claims are received and the Borrower Operating Account, the Borrower shall deliver to the Administrative Agent, the Servicer and the Account Administrator true, correct and complete copies of the same.

(c) Ongoing Case Reporting Requirements. The Borrower agrees to keep the Administrative Agent and the Servicer fully informed about the progress of the cases in which HC Claims are being pursued and the collection of HC Case Proceeds, as hereinafter provided, unless such information has been provided to the Operating Committee. The Borrower shall deliver to the Administrative Agent and the Servicer together with the delivery of the quarterly Compliance Certificate as required pursuant to Section 7.2(d), a reporting detailing the occurrence of any of the items specified below, in each case specifically excluding any privileged information under applicable Disciplinary Rules, provided, if the occurrence of any such specified event could result in a Material Adverse Effect then the Borrower shall promptly (and in any event within ten (10) Business Days) notify the Administrative Agent and the Servicer in writing; provided further, if any of the items specified below has been notified to the Operating Committee as required, the Borrower shall be deemed to have satisfied its corresponding obligations hereunder to report such:

(i) any equity partner, shareholder or member of the Borrower leaves the Borrower, whether voluntarily or involuntarily, by resignation, dismissal, retirement or otherwise;

(ii) any Credit Party (other than Mortgagor and Mortgagor Parent) learns of any information with respect to any HC Claim (or the participation therein of any Credit Party's or Co-Counsel Law Firm (other than Mortgagor and Mortgagor Parent) (as defined in the 2022 Credit Agreement)) that could reasonably be expected to have a Material Adverse Effect;

(iii) any Credit Party (other than Mortgagor and Mortgagor Parent) learns of any change in the status of any HC Claim or the recovery or potential recovery related thereto that could reasonably be expected to result in a Material Adverse Effect;

(iv) any Credit Party (other than Mortgagor and Mortgagor Parent) learns of any information indicating that any HC Case Proceeds that shall have become due and owing may not be timely paid in full to the extent failure to pay in full when due could reasonably be expected to result in a Material Adverse Effect;

(v) [reserved]; or

(vi) any Credit Party learns of any malpractice claim, ethics complaint or inquiries or any other Disciplinary Action pending or threatened in writing against a Credit Party.

(d) Notice of Default; Material Adverse Effect. Promptly upon any Authorized Officer of any Credit Party (other than Mortgagor and Mortgagor Parent) obtaining knowledge (i) of any condition or event that constitutes a Default or an Event of Default, (ii) of any condition or event that constitutes a default or event of default under the CRSA or any condition or event that would otherwise give the Assignor the right to terminate the CRSA or notice from any Person or action taken by any such Person with respect thereto, (iii) the occurrence of a Security Incident (as such term is defined in the CRSA), or (iv) of the occurrence of any Material Adverse Effect, including as a result of a lost HC Claim, to the extent such lost HC Claim could reasonably be expected to have a Material Adverse Effect on the business, operations, assets, condition (financial or otherwise) or liabilities of a Credit Party, the Credit Parties shall deliver, or cause to be delivered, to the Administrative Agent a certificate of one of its Authorized Officers specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, default, event or condition, and what action the applicable Credit Party has taken, is taking and proposes to take with respect thereto.

(e) Notice of Litigation. Promptly upon any Authorized Officer of any Credit Party obtaining actual knowledge of (i) the institution of, or threat of, any material Adverse Proceeding against any Credit Party, (ii) any material development in any Adverse Proceeding, or any proceeding seeking to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, or (iii) the institution, or threat of, any suit, proceedings, Disciplinary Action or internal review or investigation relating to allegations of employee discrimination or sexual harassment against any Credit Party or Key Person, then, in each case, the Borrower shall deliver, or cause to be delivered, to the Administrative Agent, written notice thereof together with such other information as may be reasonably available to such Credit Party to enable the Administrative Agent and its counsel to evaluate such matters.

(f) Breach of Representations and Warranties. Promptly upon any Credit Party becoming aware of a material breach with respect to any representation or warranty made or deemed made by such Credit Party in any Credit Document to which it is a party or in any certificate at any time given by such Credit Party in writing pursuant hereto or thereto or in connection herewith or therewith, the Borrower shall deliver, or cause to be delivered, to the Administrative Agent, a certificate of its Authorized Officers specifying the nature and period of existence of such breach and what action such Credit Party has taken, is taking and proposes to take with respect thereto.

(g) Information Regarding Collateral. The Borrower shall furnish to the Administrative Agent no less than five (5) Business Days' prior written notice of any change in such Credit Party's (i) corporate name, (ii) address, including the address of its chief executive office or principal place of business, (iii) identity, organizational structure or jurisdiction of organization, (iv) federal taxpayer identification number or (v) conducting business under any assumed, trade, fictitious or "d/b/a" names, except for the names set forth on Appendix B hereto. Each of the Credit Parties agrees not to effect or permit any change referred to in the preceding sentences unless all filings have been made under the UCC or otherwise that are required in order for the Administrative Agent to continue at all times following such change to have a valid, legal and perfected security interest in all of the Collateral and such Credit Party and its Affiliates have delivered all other documents and opinions requested by the Administrative Agent as determined in its sole and absolute discretion. Each of the Credit Parties also agrees promptly to notify the Administrative Agent if any material portion of the Collateral is damaged or destroyed.

(h) Tax Returns. As soon as practicable and in any event within 15 days following the filing thereof, the Borrower shall provide to the Administrative Agent copies of each U.S. federal income Tax return or information return or report filed by or on behalf of the Borrower and its Subsidiary.

(i) Other Information. The Credit Parties shall deliver such additional reports, documents, notices or information in its possession or held on its behalf or readily available or preparable by the Credit Parties as the Administrative Agent may reasonably request from time to time.

Section 7.2 Financial Statements and Other Reports. The Borrower will deliver, or will cause to be delivered, to the Administrative Agent:

(a) [Reserved];

(b) Quarterly Financial Statements for the Borrower and its Subsidiaries. Within sixty (60) days after the end of each Calendar Quarter of each Calendar Year (other than the fourth quarter thereof), the consolidated balance sheets of the public parent of the Owner Pledgor as of the end of such Calendar Quarter and the related consolidated and consolidating statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for such Calendar Quarter and for the period from the beginning of the then current Calendar Year to the end of such Calendar Quarter, setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Calendar Year, all in reasonable detail and consistent in all material respects with the manner of presentation as of the Closing Date and prepared in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes, together with a Financial Officer Certification with respect thereto and a summary narrative discussion and analysis (which may be by conference call confirmed in writing by the Administrative Agent) providing an update on the financial condition and results of operations of

the Borrower and its Subsidiaries for such Calendar Quarter, as compared to the portion of the budget covering such periods and to the comparable periods of the previous year;

(c) Audited Annual Financial Statements for the Borrower and its Subsidiaries. Upon the earlier of the date that is one hundred eighty (180) days after the end of each Calendar Year of the Borrower, (i) the consolidated balance sheets of the public parent of the Owner Pledgor as of the end of such Calendar Year and the related consolidated and consolidating statements of income, stockholders' equity and cash flows of the Borrower and its Subsidiaries for such Calendar Year, setting forth in each case in comparative form the corresponding figures for the previous Calendar Year, all in reasonable detail, consistent in all material respects with the manner of presentation as of the Closing Date and prepared in accordance with GAAP, together with a Financial Officer Certification with respect thereto and (ii) with respect to such consolidated financial statements a report thereon of Deloitte or independent certified public accountants selected by the Credit Parties (other than Mortgagor and Mortgagor Parent) and reasonably acceptable to the Administrative Agent, which report shall be unqualified as to going concern and scope of audit, and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of the Borrower and its Subsidiaries as of the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as otherwise disclosed in such financial statements) and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards;

(d) Compliance Certificate. Together with each delivery of the financial statements pursuant to Section 7.2(b) and Section 7.2(c) a duly completed Compliance Certificate (including affirmation that the each Credit Party is Solvent at such time);

(e) Operating Budget. Within sixty (60) days following the end of each Calendar Year of the Borrower, forecasts prepared by management of the Borrower, in form reasonably satisfactory to the Administrative Agent and the Required Lenders, of consolidated balance sheets and statements of income or operations and cash flows of the Borrower and its Subsidiaries on a quarterly basis for the then current Calendar Year (including the Calendar Year(s) in which the Maturity Date, the maturity date of any additional Term Loan established after the Closing Date);

(f) Information Regarding Collateral. Each Credit Party will furnish to the Administrative Agent (a) prior written notice of any change to (i) such Credit Party's legal name, (ii) such Credit Party's corporate structure, (iii) such Credit Party's Federal Taxpayer Identification Number or (iv) such Credit Party's jurisdiction of incorporation, formation or organization, as applicable and (b) upon request any filing of a Schedule 13D or Schedule 13G with the SEC;

(g) [Reserved];

(h) Notice of Default and Material Adverse Effect. Promptly upon any Authorized Officer of any Credit Party obtaining knowledge (i) of any condition or event that constitutes, or the occurrence of, a Default or an Event of Default by such Credit Party or that notice has been given to such Credit Party with respect thereto, (ii) that any Person has given any notice to such Credit Party or any of its Subsidiaries or taken any other action with respect to any event or condition set forth in Section 10.1(b), or (iii) of the occurrence of any Material Adverse Effect, a certificate of its Authorized Officers specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, event or condition or change, and what action such Credit Party has taken, is taking and proposes to take with respect thereto;

(i) [Reserved];

(j) Securities and Exchange Commission Investigations. Promptly (and in any event within five (5) Business Days) after receipt thereof by any Credit Party or any Subsidiary, copies of each notice or other correspondence received from the Securities and Exchange Commission (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of such Credit Party or any of its Subsidiaries;

(k) Other Information. Such other information and data with respect to the Owner Pledgor, the public parent of the Owner Pledgor, Borrower or any of its Subsidiaries as from time to time may be reasonably requested by the Administrative Agent or the Required Lenders.

Each notice, certificate or other correspondence pursuant to clauses (h) and (j) of this Section 7.2 shall be accompanied by a statement of an Authorized Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower and/or the other applicable Credit Party has taken and proposes to take with respect thereto. Each notice, certificate or other correspondence pursuant to Section 7.2(h) shall describe with particularity any and all provisions of this Agreement and any other Credit Document that have been breached.

Section 7.3 Existence. Each Credit Party will, and will cause the Borrower's Subsidiaries to, at all times preserve and keep in full force and effect its existence and all rights and franchises, licenses and permits material to its business, except to the extent (a) permitted by Section 8.11 or (b) not constituting an Asset Sale.

Section 7.4 Payment of Taxes and Claims. Each Credit Party (other than Mortgagor and Mortgagor Parent) will, and will cause the Borrower's Subsidiaries to, pay (a) all federal, state and other material taxes imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty or fine accrues thereon and (b) all claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided, no such tax or claim need be paid if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as (i) adequate reserve or other appropriate provision, as shall be required in conformity with GAAP shall have been made therefor, and (ii) in the case of a tax or claim which has or may become a Lien against any of the Collateral, such contest proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such tax or claim. The Borrower will not, nor will it permit any of its Subsidiaries to, file or consent to the filing of any consolidated income tax return with any Person (other than the Owner Pledgor, its direct or indirect parent, the Borrower or any Subsidiary).

Section 7.5 Lenders Meetings. The Borrower will, upon the request of the Administrative Agent or the Required Lenders, participate in a meeting of the Administrative Agent and the Lenders once during each Calendar Year to be held at the Borrower's corporate offices (or at such other location, which may be remotely, as may be agreed to by the Borrower and the Administrative Agent) at such time as may be agreed to by the Borrower and the Administrative Agent.

Section 7.6 Compliance with Laws and Material Contracts. Each Credit Party will comply, and will cause each of its Subsidiaries and all other Persons, if any, on or occupying any Facility to comply, with (a) the Patriot Act and OFAC rules and regulations, (b) all other Applicable Laws and (c) all Material Contracts, noncompliance with which, with respect to clauses (b) and (c), could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 7.7 Further Assurances. At any time or from time to time upon the request of the Administrative Agent, each Credit Party will, at its expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as the Administrative Agent may reasonably request in order to effect fully the purposes of the Credit Documents, including providing the Administrative Agent with any information reasonably requested pursuant to Section 7.1, and executing such new or revised QSF Instruction Letters, MSP Instruction Letters or Lender Authorization Letters.

Section 7.8 General Corporate Obligations. Each Credit Party, respectively, agrees that it has not and shall not:

(a) fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its formation, or without the prior written consent of the Administrative Agent, amend, modify, change, repeal, terminate or fail to comply with the provisions of such Credit Party's Organizational Documents, as the case may be;

(b) commingle its assets with the assets of any of its general partners, members, Affiliates, principals or any other Person or entity;

(c) [Reserved];

(d) fail to maintain its records, books of account and bank accounts, separate and apart from those of the general partners, members, principals and Affiliates of the Borrower or the Affiliates of a general partner or member of the Borrower or any other Person, which records shall reasonably identify its assets, including by specific listing, category, type, quantity, computational or allocational formula or procedure (including a percentage or share of any asset or assets) or by any other method where the identity of such assets is objectively determinable;

(e) except (i) for the Credit Documents, or permitted by the Credit Documents or (ii) the HHI Loan Documents, or permitted by the HHI Loan Documents, enter into any contract or agreement with any general partner, member, principal or Affiliate of the Borrower, or any general partner, member, principal or Affiliate of any Credit Party, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any general partner, member, principal or affiliate of the Borrower, or any general partner, member, principal or Affiliate of any Credit Party, or fail to maintain separate financial statements from those of its general partners, members, principles and Affiliates;

(f) seek the dissolution or winding up, in whole or in part, of the Borrower or take any action that would cause the Borrower to become insolvent;

(g) with respect to the Borrower and the SPV, after giving effect to any contributions and indemnifications, and on a consolidated basis, fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(h) fail to observe all requisite organizational formalities required under applicable law; and

(i) fail to use commercially reasonable efforts to cause its members, managers, directors, officers, agents and other representatives to act at all times with respect to the Borrower consistently and in furtherance of the foregoing and in the best interests of the Borrower.

In the event of any inconsistency between the covenants set forth in this Section 7.8 or the other covenants set forth in this Agreement, or in the event that any covenant set forth in this Section 7.8 poses a greater restriction or obligation than is set forth elsewhere in this Agreement, the covenants set forth in this Section 7.8 shall control.

Section 7.9 Cash Management Systems. The Credit Parties (other than Mortgagor and Mortgagor Parent) shall establish and maintain cash management systems as set forth below.

(a) Collection System.

(i) (A) The Credit Parties (other than Mortgagor and Mortgagor Parent) shall maintain the Borrower Lockbox Account in accordance with the terms hereof and the other Credit Documents, into which all Collections shall be deposited, and (B) the Credit Parties (other than Mortgagor and Mortgagor Parent) shall have established, for the benefit of the Lender, if applicable, one or more Additional Controlled Accounts pursuant to one or more Additional Control Agreements, as described in Section 2.9(c), providing for all amounts deposited in such Additional Controlled Account to be transferred daily into the Borrower Lockbox Account (collectively, the "Collection System").

(ii) No Credit Party shall modify the Collection System or establish any new Collection System without the prior written consent of the Administrative Agent in its sole and absolute discretion, and prior to establishing any such new Collection System, the Borrower shall cause each bank or financial institution (as may be consented to by the Administrative Agent in its sole and absolute discretion) with which it seeks to establish such a Collection System to enter into a control agreement in form and substance satisfactory to the Administrative Agent in its sole and absolute discretion in respect of each account receiving any Collections, and the parties to the Account Administration Agreement, if any, shall have amended or supplemented the terms thereof to apply to each account receiving any Collections.

(iii) Without the prior written consent of the Administrative Agent, no Credit Party shall, in a manner adverse to the Administrative Agent, change any instructions given to any Payor which in any manner redirects Collections to any account which is not the Borrower Lockbox Account or a Controlled Account.

(iv) The Borrower acknowledges and agrees that the funds on deposit in the Collection System shall continue to be collateral security for the Obligations secured thereby.

(v) The Borrower shall timely pay in full all Account Bank Fees and all Account Administrator Fees.

(vi) If the Servicer's on-line daily access to the Accounts is terminated or interrupted or the Servicer otherwise requests, no later than five (5) Business Days after receipt by or on behalf of the Borrower of each bank statement in respect of the Controlled Accounts, the Borrower shall deliver to the Administrative Agent, the Servicer and the Account Administrator, if any, true, correct and complete copies of the same.

(b) Receivables Payment; Collection.

(i) Instructions to Payors. The Credit Parties (other than Mortgagor and Mortgagor Parent) shall (i) instruct each Payor (with a copy to the Administrative Agent), to make all payments with respect to any amount due to the Borrower or Assignee directly to the Collection System by wire (and/or by check), and such instructions shall not be amended, terminated or revoked without the prior written consent of the Administrative Agent, and may, as directed by the Administrative Agent, be issued directly by the Administrative Agent or its representatives, pursuant to authority granted in a Lender Authorization Letter and (ii) promptly (and in no event any later than five (5) Business Day) deposit, or cause to be deposited, all Collections received by any Credit Party (other than Mortgagor and Mortgagor Parent), whether in the form of cash, checks, notes, drafts, bills of exchange, money orders or otherwise, into the Collection System in precisely the form in which they are received (but with any endorsements of such Credit Party (other than Mortgagor and Mortgagor Parent), as applicable, necessary for deposit or collection), and until they are so deposited to hold such payments in trust for and as the property of the Administrative Agent. In connection with any HC Claim in respect of which a QSF is established, the Credit Parties (other than Mortgagor and Mortgagor Parent) shall promptly, and in any event before any amounts are paid to or for the benefit of any Credit Party (other than Mortgagor and Mortgagor Parent) in respect of any such HC Claim, execute a QSF Instruction Letter.

(ii) Collections Received Outside of Collection System. In the event any Credit Party (other than Mortgagor and Mortgagor Parent) receives any Collections other than by such amounts being deposited by the applicable payor directly to the Collection System, the Borrower shall (and shall cause any other Credit Party (other than Mortgagor and Mortgagor Parent) that receives such Collections to) promptly (and in any event no later than five (5) Business Days following receipt) notify the Administrative Agent, the Servicer and the Account Administrator in writing, and deposit all such Collections, whether in the form of cash, checks, notes, drafts, bills of exchange, money orders or otherwise into the Collection System in accordance with Section 7.9(a) in precisely the form in which they are received (but with any endorsements of such Credit Party (other than Mortgagor and Mortgagor Parent), as applicable, necessary for deposit or collection), and until they are so deposited to hold such payments in trust for and as the property of the Administrative Agent.

(c) Duties of Borrower.

(i) The Credit Parties (other than Mortgagor and Mortgagor Parent) shall at all times have electronic access to data, concerning the payment status of each HC Claim and the related Payors' names and addresses. In the event any HC Case Proceeds become payable by a new Payor during the term hereof, the Borrower shall promptly (and in any event, within five (5) Business Days) notify the Administrative Agent in writing of such new Payor, which notice shall include the name, address and other contact information of such Payor and a schedule of HC Claims subject to such new Payor.

(ii) The Credit Parties (other than Mortgagor and Mortgagor Parent) shall hold (in physical or electronic form) in trust for the Administrative Agent all Records that evidence or relate to the Collateral or that are otherwise necessary or desirable to collect HC Case Proceeds, and shall, as soon as reasonably practicable upon demand of the Administrative Agent, deliver or make available to the Administrative Agent all such Records at a place selected by the Administrative Agent; provided, that, the Credit Parties have not and shall not be required to disclose to the Administrative Agent any information relating to any HC

Claim that is privileged and/or confidential under applicable Disciplinary Rules or pursuant to the CAA and/or the CRSA. Unless and until such Records are delivered to the Administrative Agent, the Credit Parties (other than Mortgagor and Mortgagor Parent) agree that it will, respectively, maintain possession of such Records as agent for the Administrative Agent for purposes of perfecting the Administrative Agent's security interest therein. All such Records shall be conspicuously marked with a notice stating that a security interest in such Records has been granted to the Administrative Agent hereunder.

(iii) The Credit Parties (other than Mortgagor and Mortgagor Parent) agree that HC Case Proceeds includes any HC Case Proceeds that are due to the Borrower or Assignee and paid to a Credit Party or any Affiliate of a Credit Party (in error) and the Owner Pledgor and Borrower shall (and shall cause any of their Affiliates that receives such HC Case Proceeds to) promptly notify the Administrative Agent, the Servicer and the Account Administrator in writing, and deposit all such HC Case Proceeds, whether in the form of cash, checks, notes, drafts, bills of exchange, money orders or otherwise into the Collection System in accordance with Section 7.9(a) in precisely the form in which they are received (but with any endorsements of such Credit Party or Affiliate, as applicable, necessary for deposit or collection), and until they are so deposited to hold such payments in trust for and as the property of the Administrative Agent.

Section 7.10 Maintenance of Properties. Each Credit Party will, and will cause each of their Subsidiaries to, maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear and casualty and condemnation excepted, all property reasonably necessary to the normal conduct of business of such Credit Party and Subsidiaries and from time to time will make or cause to be made all appropriate repairs, renewals and replacements thereof, in each case, except where the failure to maintain such properties or make such repairs or renewals could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect.

Section 7.11 Insurance. The Credit Parties will, and will cause each of their Subsidiaries and the Key Persons, as applicable, to, maintain or cause to be maintained, with financially sound and licensed insurers, property insurance, cyber insurance and a professional liability insurance policy in sufficient coverage as required by the HC Agreements (against which amount no claims are made), in each case in such amounts, with such deductibles, covering such risks and otherwise substantially consistent with the existing insurance the Credit Parties and Subsidiaries maintain as of the Closing Date and as scheduled on Schedule 7.11 (or is otherwise reasonably acceptable to the Administrative Agent).

Section 7.12 Due Diligence; Access to Certain Documentation.

(a) The Administrative Agent, and its agents or professional advisors, shall have the right under this Agreement, from time to time, at its discretion and upon reasonable prior written notice to the relevant party, to examine, audit, copy, run comparative analysis on and take extracts from, during business hours or at such other times as might be reasonable under applicable circumstances, any and all of the books, records, financial statements, credit and collection policies, legal and regulatory compliance, operating and reporting procedures and information systems, its directors, officers and employees, or other information and information systems (including without limitation customer service and/or whistleblower hotlines) of the Borrower, or held by another for any Credit Party or on its behalf, concerning or otherwise affecting the Collateral or this Agreement, as applicable, in each case, subject to applicable Disciplinary Rules relating to attorney-client privilege; provided, however, that prior to the occurrence of an Event of Default that is then continuing, the Administrative Agent shall exercise such right no more than once in any Calendar Year. The Administrative Agent, and its agents and professional advisors, shall treat as confidential

any information obtained during the aforementioned examinations which is not already publicly known or available; provided, however, that the Administrative Agent, and its agents or professional advisors, may disclose such information (i) if required to do so by law or by any regulatory authority or (ii) if otherwise permitted to do so pursuant to Section 12.15.

(b) Upon reasonable prior written notice and during regular business hours, each Credit Party agrees to promptly provide the Administrative Agent, and its respective agents or professional advisors, with access to, copies of and extracts from any and all documents, records, agreements, instruments or information (including, without limitation, any of the foregoing in computer data banks and computer software systems) which the Administrative Agent, or its respective agents or professional advisors, may reasonably require in order to conduct periodic due diligence relating to such Credit Party in connection with any Credit Document or any Collateral, in each case, subject to applicable Disciplinary Rules relating to attorney-client privilege.

(c) [Reserved].

(d) All reasonable costs and expenses incurred by the Administrative Agent and the Lender, and its respective agents or professional advisors, in connection with the due diligence and other matters outlined in this Section 7.12 shall, if an Event of Default shall have occurred and be continuing, be Permitted Lender Expenses, subject to Section 7.12(a), which the Borrower shall reimburse to the Administrative Agent and the Lender, or shall pay or cause to be paid.

(e) Without limiting the generality of the foregoing, the Borrower acknowledges that the Lender shall make the Credit Extensions to the Borrower based solely upon the information provided by the Credit Parties to the Administrative Agent and the representations, warranties and covenants contained herein, and that the Administrative Agent and the Lender shall have the right at any time and from time to time to conduct a partial or complete due diligence review, at its option and, to the extent that the expense of such review is not a Permitted Lender Expense, at its expense, on some or all of the Cases or other Collateral.

Section 7.13 Use of Proceeds. The Credit Parties (other than Mortgagor and Mortgagor Parent) will use the proceeds of the Loans in accordance with the provisions of Section 6.25.

Section 7.14 Claims Data. Owner Pledgor and the Borrower hereby agree to, and shall use commercially reasonable efforts to cause Assignee to, exercise and enforce its rights under the HC Agreements to cause the Assignor or its Affiliates to continue to make available the Claims Data to Assignee, and attorneys and law firms engaged in prosecuting or otherwise pursuing recoveries through the conclusion of all recovery efforts, in each case, pursuant to the terms of the CRSA and any formal or informal processes or pattern or practice Owner Pledgor and its Affiliates have established to maximize the information flow in respect of the HC Claims, including the accessing of the patient and other claims data in respect of the HC Claims directly from the United States' Department of Health and Human Services Centers for Medicare & Medicaid Services Medicare Data Communications Network (MDCN) portal and other similar or analogous portals and platforms and any other data collection processes that MSP has utilized or may utilize in the future to prosecute HC Claims and maximize recoveries thereunder. In furtherance and not by way of limitation of the foregoing, Owner Pledgor and its Affiliates agrees to and acknowledges Borrower's rights to exercise or enforce any of the remedies pursuant to agreements between Affiliates of Assignee and Owner Pledgor and its Affiliates in respect of the HC Claims. To help avoid or resolve any dispute or disagreement concerning the availability of Claims Data in respect of the HC Claims, Owner Pledgor hereby agrees to, and shall use commercially reasonable efforts to cause Assignee to, exercise and enforce their respective rights under the HC Agreements to pursue by formal action or informal arrangements to cause Assignor to make available to Assignee, and attorneys and law firms engaged in

prosecuting or otherwise pursuing recoveries from or under the HC Claims any underlying claims files or other data relating to such Claims Data, for any HC Claims, including in the event of the expiration or termination of the HC Agreements, and/or any agreement in furtherance of such arrangements, in order to allow such attorneys or law firms to use such Claims Data and related data to pursue recovery of the HC Claims.

Section 7.15 Equity Interests. Each Credit Party (other than Mortgagor and Mortgagor Parent) shall cause (i) one hundred percent (100%) of the issued and outstanding Equity Interests in the Borrower to be owned by the Owner Pledgor and one hundred percent (100%) of the issued and outstanding Equity Interests in the Assignee to be owned by the Borrower, and (ii) pursuant to the terms and conditions of the Collateral Documents, together with opinions of counsel and any filings and deliveries or other items reasonably requested by the Administrative Agent necessary in connection therewith (to the extent not delivered on the Closing Date) perfection of the security interests granted in such Collateral Documents, all in form and substance reasonably satisfactory to the Administrative Agent.

Section 7.16 Books and Records. Each Credit Party will keep, and each Credit Party (other than the Mortgagor and Mortgagor Parent) will cause each of the Borrower's Subsidiaries to keep, proper books of record and account in which full, true and correct entries sufficient to enable the preparation of financial statements in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of such Credit Party or such Subsidiary, as the case may be.

Section 7.17 Legal Counsels. Pursuant to the terms of the Healthcare Legal Services Agreement and the Collateral Administration Agreement,

(a) The Credit Parties (other than Mortgagor and Mortgagor Parent) shall ensure that at all times, one or more legal counsel(s) are engaged to provide high quality legal work and service in connection with, and use best efforts to prevail on behalf of, the Credit Parties (other than Mortgagor and Mortgagor Parent) in the related HC Claim(a) and the collection of HC Case Proceeds, including by pursuing any and all available enforcement strategies necessary to confirm and collect upon any award in favor of the Credit Parties (other than Mortgagor and Mortgagor Parent) in connection with each HC Claim; provided, however, that any such legal counsel may cease such representation (with respect to any single HC Claim) and withdraw as counsel, if the Credit Parties (other than Mortgagor and Mortgagor Parent) reasonably and in good faith determine that (x) the applicable HC Claim no longer has merit and (y) such withdrawal would not have a Material Adverse Effect; provided further, however, such withdrawal may only be made with the consent of the Administrative Agent or the Servicer (on behalf of the Lender). The fact that such HC Claim is no longer being handled by the Borrower will then be expressly noted on the next applicable monthly report delivered by the Credit Parties (other than Mortgagor and Mortgagor Parent) to the Administrative Agent and the Servicer pursuant to the Credit Documents.

(b) The Credit Parties (other than Mortgagor and Mortgagor Parent) hereby irrevocably authorize the Administrative Agent and the Servicer, upon the occurrence of an Event of Default, to the extent not prohibited by the Disciplinary Rules or any other applicable law, to communicate directly with the legal counsel(s) retained to pursue an HC Claim or any other third party regarding the status of the Collateral, to enforce the rights and remedies of the Credit Parties under any retainer agreements with such legal counsel(s), and to deliver to the applicable payor a QSF Instruction Letter and, if applicable, direct instructions to a court. To that end, the Credit Parties shall comply with all directions made by the Administrative Agent and/or the Servicer regarding the preparation, execution and delivery of such QSF Instruction Letters and direct instructions to a court and/or Responsible Party.

Section 7.18 Anti-Terrorism; OFAC; Anti-Corruption. Each of the representations and warranties set out in Section 6.18 shall be deemed here restated and, *mutatis mutandis*, construed as covenants made and given under this Section 8.16.

Section 7.19 Other HC Claims Transactions. Any Credit Party may only finance or otherwise transact in the HC Claims with the prior written consent of the Administrative Agent, such consent not to be unreasonably withheld, provided, that, all Obligations have been paid in full (or will be repaid in full as a result of such transaction).

Section 7.20 Post-Closing Covenants.

(a) MSP Instruction Letters. Within ten (10) Business Days after the Closing Date, the Credit Parties (other than Mortgagor and Mortgagor Parent) shall execute, (or the Credit Parties (other than Mortgagor and Mortgagor Parent) shall cause to be executed), MSP Instruction Letters (in a form acceptable to the Administrative Agent (in its sole and absolute discretion)).

(b) Account Control Agreement(s). Within three (3) Business Days after the Closing Date, the Credit Parties (other than Mortgagor and Mortgagor Parent) shall execute, (or the Credit Parties (other than Mortgagor and Mortgagor Parent) shall cause to be executed), Control Agreement(s) (in a form reasonably acceptable to the Administrative Agent), including an executed deposit account control agreement in form and substance satisfactory to Administrative Agent which shall give the Administrative Agent “control” (for purposes of Articles 8 and 9 of the Uniform Commercial Code) over the Borrower Lockbox Account which account is to receive all recovery proceeds from the HC Claims and appoint a depository agent to distribute funds in the Borrower Lockbox Account in accordance with Section 2.11 hereto.

Section 7.21 Mortgage Covenant. No later than December 15, 2023, Mortgagor shall deliver to the Administrative Agent a mortgage for the property described therein (the “Property”), substantially in the form attached hereto as Exhibit 7.21, (the “Mortgage”), together with a loan title insurance policy with all premiums fully paid and with no exceptions in respect of such Property, except to the extent acceptable to Administrative Agent as determined by Administrative Agent in its sole and absolute discretion (the “Policy”). Concurrently with the delivery of the Mortgage and the Policy, Mortgagor shall deliver in escrow to counsel for the Administrative Agent a deed in lieu of foreclosure for the Property executed by the Mortgagor, with all necessary actions and instruments that would allow the Administrative Agent to record such deed in the State of Florida (the “Deed”). If there is any funding pursuant to Section 2.1(c)(ii) on or prior to March 1, 2024 then, upon Administrative Agent’s request, Borrower shall cause the Mortgagor to, and the Mortgagor shall, initiate the sales process to sell the Property secured by the Mortgage in an arm’s length transaction to a third party bona fide purchaser at the then prevailing fair market value, including listing the Property for sale with a reputable and recognized third party commercial real estate broker and taking such other prudent steps as a reasonable seller of similar commercial real estate would take to maximize the net sale proceeds for such property (the “Sale Process”); provided that if a bona fide sale at the prevailing market price has not been consummated by the Mortgagor pursuant to the Sale Process by July 1, 2024, the Administrative Agent shall record the Deed in the applicable County and sell the Property and the net proceeds thereof shall be delivered to the Administrative Agent to repay Term Loan B. If the Sale Process results in such sale of the Property, the net proceeds thereof shall be delivered to the Administrative Agent to repay Term Loan B.

SECTION 8
NEGATIVE COVENANTS

Each Credit Party covenants and agrees that until the Obligations shall have been paid in full or (other than contingent indemnification obligations for which no claims has been asserted), and the Commitments hereunder shall have expired or been terminated, such Credit Party shall perform for itself, and shall cause each of its Subsidiaries to perform, all covenants in this SECTION 8, but solely to the extent such covenant applies to such Credit Party and, without limiting the foregoing, Mortgagor and Mortgagor Parent (a) shall not be responsible for the breach of any negative covenant by Borrower or by any other Credit Party, and (b) shall have no obligation to provide notice to Administrative Agent (i) of Borrower or of any other Credit Party's failing to comply with obligations under this Section 8, or (ii) of any act, omission, Material Adverse Change, Default or Event of Default caused by Borrower or any other Credit Party.

Section 8.1 Indebtedness. No Credit Party shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or guaranty, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, other than:

- (a) the Obligations;
- (b) Guarantees with respect to Indebtedness permitted under this Section 8.1;
- (c) Indebtedness existing on the Closing Date and described in Schedule 8.1; and
- (d) The Indebtedness in connection with the HHI Loan Documents.

Provided, that, the Mortgagor, Mortgagor Parent, and Owner Pledgor may incur any Indebtedness so long as such Indebtedness is not secured by the Collateral (including any rights, proceeds, security interests, remedies or privileges thereof).

Section 8.2 Liens. No Credit Party (other than the Mortgagor, Mortgagor Parent, and Owner Pledgor) shall, nor shall it permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of any Credit Party (other than the Mortgagor, Mortgagor Parent, and Owner Pledgor) or any of its Subsidiaries, including any Lien on or pledge of the equity interests of Borrower and the Series, whether now owned or hereafter acquired, created or licensed or any income, profits or royalties therefrom, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income, profits or royalties under the UCC of any State or under any similar recording or notice statute or under any Applicable Laws related to intellectual property, except:

- (a) Liens granted pursuant to any Credit Document, the 2022 Credit Agreement (and related collateral documents) and the HHI Loan Documents;
- (b) Liens for Taxes not yet due or for Taxes if obligations with respect to such Taxes are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted;

(c) statutory Liens of landlords, banks, carriers, warehousemen, mechanics, repairmen, workmen and materialmen, and other Liens imposed by law that would constitute an Event of Default;

(d) any interest or title of a lessor or sublessor under any lease of real estate permitted hereunder;

(e) purported Liens evidenced by the filing of precautionary UCC financing statements relating solely to operating leases of personal property entered into in the ordinary course of business;

(f) licenses of patents, trademarks and other intellectual property rights granted by any Credit Party or any of its Subsidiaries in the ordinary course of business and not interfering in any respect with the ordinary conduct of the business of such Credit Party or such Subsidiary;

(g) Liens existing as of the Closing Date and described in Section 8.2;

(h) Liens in favor of collecting banks under Section 4-210 of the UCC;

(i) Liens (including the right of set-off) in favor of a bank or other depository institution arising as a matter of law encumbering deposits.

Section 8.3 No Further Negative Pledges. No Credit Party shall, nor shall it permit any of its Subsidiaries to, enter into any Contractual Obligation (other than this Agreement and the other Credit Documents and the HHI Loan Documents) that limits the ability of any Credit Party or any such Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person that constitutes Collateral.

Section 8.4 Subsidiaries. No Credit Party (other than the Owner Pledgor) shall form any Subsidiary, unless such Subsidiary (i) at Administrative Agent's sole discretion, expressly joins this Agreement as a borrower and becomes jointly and severally liable for the obligations of Borrower hereunder, under the Notes, and under any other agreement between Borrower and Lender, and (ii) Administrative Agent shall have received all documents, including without limitation, legal opinions and appraisals it may reasonably require to establish compliance with each of the foregoing conditions in connection therewith.

Section 8.5 Parties under 2022 Credit Agreement. Borrower may not discharge Milberg under the 2022 Credit Agreement if, and to the extent, Milberg is required to be retained to pursue the Cases in respect of the HC Claims.

Section 8.6 Existing Legal Services Agreement. Borrower may not terminate the Existing Legal Services Agreement without the Administrative Agent's prior written consent.

Section 8.7 Accounts. The Borrower shall not establish or maintain a deposit account or a securities account other than the Accounts identified on Schedule 1.1(a), as such Schedule 1.1(a) may be updated from time to time with the prior written consent of the Administrative Agent or as otherwise updated pursuant to Section 2.9. The Credit Parties shall not, and shall not direct or permit any Person to, deposit Collections in any account that is not a Controlled Account (except in accordance with Section 7.9(b)(ii)).

Section 8.8 Burdensome Agreements. The Borrower shall not, nor shall it permit any of its Subsidiaries to, enter into, or permit to exist, any Contractual Obligation that encumbers or restricts the

ability of any such Person to (a) pay dividends or make any other distributions to the Borrower on its Equity Interests or with respect to any other interest or participation in, or measured by, its profits, (b) pay any Indebtedness or other obligation owed to any Credit Party (other than the Owner Pledgor), (c) make loans or advances to any Credit Party (other than the Owner Pledgor), (d) sell, lease or transfer any of its property to any Credit Party (other than the Owner Pledgor), (e) pledge its property pursuant to the Credit Documents or any renewals, refinancings, exchanges, refundings or extensions thereof or (f) act as a Credit Party pursuant to the Credit Documents or any renewals, refinancings, exchanges, refundings or extensions thereof, except (in respect of any of the matters referred to in clauses (a)-(e) above) for (i) this Agreement and the other Credit Documents, (ii) any document or instrument governing Indebtedness incurred pursuant to Section 9.1(f); provided, that, any such restriction contained therein relates only to the asset or assets constructed or acquired in connection therewith, (iii) any Permitted Lien or any document or instrument governing any Permitted Lien, provided, that, any such restriction contained therein relates only to the asset or assets subject to such Permitted Lien or (iv) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 8.11 pending the consummation of such sale.

Section 8.9 Investments. The Borrower shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly, make or own any Investment in any Person (including any joint venture), except:

- (a) Investments in cash and Cash Equivalents and deposit accounts or securities accounts in connection therewith;
- (b) equity Investments owned as of the Closing Date in any Subsidiary as disclosed on Schedule 6.2;
- (c) guarantees to the extent permitted under Section 8.1(c).

Section 8.10 Use of Proceeds. No Credit Party shall use the proceeds of any Credit Extension except in a manner and to the extent permitted by Section 8.9. No Credit Party shall use, and each Credit Party shall not permit its Subsidiaries and its or their respective directors, officers, employees and agents to use, the proceeds of any Credit Extension (a) to refinance any commercial paper, (b) in any manner that causes or might cause such Credit Extension or the application of such proceeds to violate any applicable Sanctions, Regulation T, Regulation U or Regulation X of the Board of Governors of the Federal Reserve System as in effect from time to time or any other regulation thereof or to violate the Exchange Act, (c) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, or (d) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country.

Section 8.11 Fundamental Changes; Disposition of Assets; Acquisitions. The Borrower shall not, nor shall it permit any of its Subsidiaries to, enter into any acquisition or transaction of merger or consolidation, or liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or make any Asset Sale, or acquire by purchase or otherwise the business, property or fixed assets of, or Equity Interests or other evidence of beneficial ownership of, any Person or any division or line of business or other business unit of any Person, except any Subsidiary of the Borrower may be merged with or into the Borrower or any Subsidiary, or be liquidated, wound up or dissolved, or all or any part of its business, property or assets may be conveyed, sold, leased, transferred or otherwise disposed of, in one transaction or a series of transactions, to the Borrower; provided, in the case of such a merger if the Borrower is party to the merger, the Borrower shall be the continuing or surviving Person.

Section 8.12 Disposal of Subsidiary Interests. Except for any sale of all of its interests in the Equity Interests of any of its Subsidiaries in compliance with the provisions of Section 8.11 and except for Liens securing the Obligations, the Borrower shall not, nor shall it permit any of its Subsidiaries to, (a) directly or indirectly sell, assign, pledge or otherwise encumber or dispose of any Equity Interests of any of its Subsidiaries; or (b) permit any of its Subsidiaries directly or indirectly to sell, assign, pledge or otherwise encumber or dispose of any Equity Interests of any of its Subsidiaries, except to another Credit Party (subject to the restrictions on such disposition otherwise imposed hereunder), or to qualify directors if required by Applicable Laws.

Section 8.13 Capital Leases, Synthetic Leases, Securitization Transactions and Sale and Leaseback Transactions. The Borrower shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any Capital Lease, Synthetic Lease, Securitization Transaction or Sale and Leaseback Transaction.

Section 8.14 Transactions with Affiliates and Insiders. The Borrower shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any officer, director or Affiliate of the Borrower or any its Subsidiaries without the consent of the Administrative Agent, provided, that, the activities and transactions among the Credit Parties that are not otherwise prohibited hereunder or under any Material Contract shall be permitted.

Section 8.15 Prepayment of Other Funded Debt. The Borrower shall not, nor shall it permit any of its Subsidiaries to:

(a) after the issuance thereof, amend or modify (or permit the termination, amendment or modification of) the terms of any Funded Debt (other than the Obligations and the obligations under the HHI Loan Documents);

(b) amend or modify, or permit or acquiesce to the amendment or modification (including waivers) of, any provisions of any Subordinated Debt, including any notes or instruments evidencing any Subordinated Debt and any indenture or other governing instrument relating thereto, other than pursuant to the applicable subordination terms agreed to by the Administrative Agent;

(c) make any payment in contravention of the terms of any Subordinated Debt; or

(d) make any voluntary prepayment, redemption, defeasance or acquisition for value of (including by way of depositing money or securities with the trustee with respect thereto before due for the purpose of paying when due), or refund, refinance or exchange of, any Funded Debt (other than the Indebtedness under the Credit Documents, the Indebtedness under the HHI Loan Documents intercompany Indebtedness permitted hereunder and Indebtedness permitted under Section 9.1(c)).

Section 8.16 Conduct of Business. No Credit Party (other than Mortgagor or Mortgagor Parent) shall, nor shall it permit any of the Borrower's Subsidiaries to, engage in any business other than the businesses engaged in by such Credit Party or such Subsidiary on the Closing Date and businesses reasonably related, ancillary, or complimentary thereto or reasonable extensions or expansions thereof.

Section 8.17 Calendar Year. No Credit Party shall, nor shall it permit any of the Borrower's Subsidiaries to change its Calendar Year-end from December 31.

Section 8.18 Amendments to Organizational Agreements/Material Agreements. No Credit Party shall, nor shall it permit any of its Subsidiaries to, amend or permit any amendments to its Organizational Documents if such amendment could reasonably be expected to be materially adverse to the Lenders or the Administrative Agent. No Credit Party shall, nor shall it permit any of its Subsidiaries to, amend or permit any amendment to, or terminate or waive any provision of, any Material Contract unless such amendment, termination, or waiver would not have a Material Adverse Effect on the Administrative Agent or the Lenders.

Section 8.19 Assignor Agreements. No Credit Party shall, nor shall it permit any of the its Subsidiaries to, take or permit any action that could reasonably result in a default under, or the termination of, any of the HC Agreements.

Section 8.20 Settlement of Claims. No Credit Party shall, nor shall it permit any of the its Subsidiaries to, settle or compromise any HC Claim or litigation or apply the HC Case Proceeds without the prior written consent of the Operating Committee and, in connection with any such settlement, the Credit Parties (other than the Mortgagor and Mortgagor Parent) shall notify the relevant Payor that all proceeds of such settlement shall be paid to the Borrower Lockbox Account.

Section 8.21 Assignments. No Credit Party shall, nor shall it permit its Subsidiaries to, sell, convey or otherwise transfer, or grant a security interest in any of its rights, titles, interests, remedies and privileges under the CAA or the CRSA, nor make any assignment of the HC Claims or the HC Case Proceeds, other than pursuant to this Agreement, the other Credit Documents and/or the HHI Loan Documents.

Section 8.22 Owner Pledgor. Notwithstanding the foregoing, Owner Pledgor shall not take any action that the Borrower or its Subsidiary is not permitted to take under this SECTION 8 if and solely to the extent that such action could reasonably be expected to have a Material Adverse Effect on the Administrative Agent's or any Lender's rights and security interests under this Agreement.

SECTION 9

EVENTS OF DEFAULT; REMEDIES; APPLICATION OF FUNDS.

Section 9.1 Events of Default. An Event of Default shall occur if any one or more of the following conditions or events shall occur:

(a) Material Contracts. (i) Any termination or breach of any of the Collateral Administration Agreement (other than by approval of the Operating Committee), Healthcare Legal Services Agreement (other than by approval of the Operating Committee), IP License Agreement, or (ii) the HC Agreements are cancelled or otherwise terminated and such cancellation or termination would have a material adverse effect on the scope, timing or recoverability of the HC Claims or (iii) failure of any Credit Party (other than Mortgagor and Mortgagor Parent) to pay the Threshold Amount (as defined in Exhibit F to the CRSA) pursuant to the terms thereof (unless such failure is a direct result of the Administrative Agent's failure to comply with the provisions of Section 2.11 following receipt of an agreed Settlement Report); or

(b) Failure to Make Payments When Due. Failure by any Credit Party (other than Mortgagor or Mortgagor Parent) or any Owner Pledgor to pay (i) the principal of any Loan when due, whether at stated maturity, by acceleration or otherwise; or (ii) within three (3) Business Days of when due any interest on any Loan or any fee or any other amount due hereunder; or

(c) Default in Other Agreements. (i) Failure of any Credit Party, any Subsidiary or any Owner Pledgor to pay when due any principal of or interest on or any other amount payable in respect of one or more items of Indebtedness for borrowed money (other than Indebtedness referred to in Section 8.1(a)) in an aggregate principal amount of \$5,000,000 or more, in each case beyond the grace or cure period, if any, provided therefor; or (ii) breach or default by any Credit Party, any Subsidiary or any Owner Pledgor with respect to any other term of (1) one or more items of such Indebtedness in the aggregate principal amount referred to in clause (i) above, or (2) any loan agreement, mortgage, indenture or other agreement relating to such Indebtedness, in each case beyond the grace or cure period, if any, provided therefor, if the effect of such breach or default is to cause, or to permit the holder or holders of such Indebtedness (or a trustee on behalf of such holder or holders), to cause, such Indebtedness to become or be declared due and payable (or subject to a compulsory repurchase or redeemable) prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be; or

(d) Breach of Certain Covenants. (A) Failure of any Credit Party (other than Mortgagor or Mortgagor Parent) to perform or comply with any term or condition contained in Section 7.1(d)(i), Section 7.3, Section 7.8, Section 7.9, Section 7.13, or SECTION 8; or (B) failure of any Credit Party (other than Mortgagor or Mortgagor Parent) to perform or comply with any term or condition contained in Section 7.1(b), Section 7.1(c), Section 7.1(d)(ii)-(iv), Section 7.1(f), or Section 7.2 and such failure shall not have been remedied or waived within 20 Business Days (60 days, in the case of failure to deliver unqualified audit report from accountant pursuant to Section 7.2(c)(ii)) after the earlier of (i) an Authorized Officer of any Credit Party or any Owner Pledgor becoming aware of such default, and (ii) receipt by the Borrower of notice from the Administrative Agent or any Lender of such default; or (C) failure of any Credit Party (including the Mortgagor or Mortgagor Parent) to deliver the instruments, deed or other documents as required by Section 7.21 by December 15, 2023.

(e) Breach of Representations, etc. Any representation, warranty, certification or other statement made or deemed made by any Credit Party or any Owner Pledgor in any Credit Document or in any statement or certificate at any time given by any Credit Party, any of its Subsidiaries or any Owner Pledgor in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect as of the date made or deemed made; or

(f) Other Defaults Under Credit Documents. Any Credit Party or any Owner Pledgor shall default in the performance of or compliance with any term contained herein or any of the other Credit Documents, other than any such term referred to in any other Section of this Section 10.1, and such default shall not have been remedied or waived within thirty (30) days after the earlier of (i) an Authorized Officer of any Credit Party or any Owner Pledgor becoming aware of such default, and (ii) receipt by the Borrower of notice from the Administrative Agent or any Lender of such default; or

(g) Involuntary Bankruptcy; Appointment of Receiver, etc. (i) A court of competent jurisdiction shall enter a decree or order for relief in respect of any Credit Party, any Subsidiary or any Owner Pledgor in an involuntary case under the Bankruptcy Code or Debtor Relief Laws now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law; or (ii) an involuntary case shall be commenced against any Credit Party, any Subsidiary or any Owner Pledgor under the Bankruptcy Code or other Debtor Relief Laws now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over any Credit Party, any Subsidiary or any Owner Pledgor, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the

involuntary appointment of an interim receiver, trustee or other custodian of any Credit Party, any Subsidiary or any Owner Pledgor for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of any Credit Party, any Subsidiary or any Owner Pledgor, and any such event described in this clause (ii) shall continue for sixty (60) days without having been dismissed, stayed, bonded or discharged; or

(h) Voluntary Bankruptcy; Appointment of Receiver, etc. (i) Any Credit Party, any Subsidiary or any Owner Pledgor shall have an order for relief entered with respect to it or shall commence a voluntary case under the Bankruptcy Code or other Debtor Relief Laws now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; or any Credit Party, any Subsidiary or any Owner Pledgor shall make any general assignment for the benefit of creditors or (ii) any Credit Party, any Subsidiary or any Owner Pledgor shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the board of directors (or similar governing body) of any Credit Party or any Subsidiary or any committee thereof shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in Section 9.1(f); or

(i) Judgments and Attachments. (i) Any one or more money judgments, writs or warrants of attachment or similar process involving an aggregate amount at any time in excess of \$500,000 (to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has acknowledged coverage) shall be entered or filed against any Credit Party, any Subsidiary or any Owner Pledgor or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days; or (ii) any non- monetary judgment or order shall be rendered against any Credit Party, any Subsidiary or any Owner Pledgor that could reasonably be expected to have a Material Adverse Effect, and shall remain undischarged, unvacated, unbonded or unstayed for a period of sixty (60) days; or

(j) Dissolution. Any order, judgment or decree shall be entered against any Credit Party, any Subsidiary or any Owner Pledgor decreeing the dissolution or split up of such Credit Party, such Subsidiary or such Owner Pledgor (other than into another Credit Party) and such order shall remain undischarged or unstayed for a period in excess of thirty (30) days; or

(k) Termination of Series. MSP Recovery Claims, Series LLC liquidates, winds-up or dissolves itself (or suffers any liquidation or dissolution); or

(l) Change of Control. A Change of Control shall occur; or

(m) Invalidity of Credit Documents and Other Documents. At any time after the execution and delivery thereof, (i) this Agreement or any other Credit Document ceases to be in full force and effect or the Collateral under any Credit Document ceases to exist (other than by reason of a release of Collateral in accordance with the terms hereof or thereof or the satisfaction in full of the Obligations (other than contingent indemnification obligations for which no claim has been asserted) in accordance with the terms hereof) or shall be declared null and void, or the Administrative Agent shall not have or shall cease to have a valid and perfected (to the extent perfection is required by this Agreement or the Collateral Documents) Lien in any material portion of the Collateral purported to be covered by the Collateral Documents with the priority required by the relevant Collateral Document (except as a result of the Administrative Agent's failure to (x) maintain possession of any stock certificates, promissory notes or other instruments delivered to it

under the Collateral Documents, or (y) make any filing of UCC continuation statements), (ii) any Credit Party or any Owner Pledgor shall contest the validity or enforceability of any Credit Document in writing or deny in writing that it has any further liability, including with respect to future advances by the Lenders, under any Credit Document to which it is a party, or (iii) any litigation challenging, enjoining or otherwise having a material adverse impact on the rights and obligations of the Parties hereunder or under the Credit Documents is commenced or threatened in writing; or

(n) Subordination Agreement. Any subordination agreement for the benefit of the Lenders in respect of the Indebtedness of the Credit Parties shall cease to be in full force and effect, or the Credit Parties, any holder of any Subordinated Debt, or any other party shall contest in any manner the validity, binding nature or enforceability of any such subordination agreement.

Section 9.2 Remedies. (1) Upon the occurrence of any Event of Default described in Section 9.1(g), Section 9.1(h), Section 9.1(k) or Section 9.1(l), automatically, and (2) upon the occurrence and during the continuance of any other Event of Default, at the request of (or with the consent of) the Required Lenders, upon notice to the Borrower by the Administrative Agent, (A) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by each of the Credit Parties: (I) the unpaid principal amount of and accrued interest on the Loans, and (II) all other Obligations, and (B) the Administrative Agent may cause the Administrative Agent to enforce any and all Liens and security interests created pursuant to Collateral Documents. Notwithstanding anything herein or otherwise to the contrary, any Event of Default occurring hereunder shall continue to exist (and shall be deemed to be continuing) until such time as such Event of Default has been cured to the satisfaction of the Required Lenders or waived in writing in accordance with the terms of Section 12.4.

Section 9.3 Application of Funds. After the exercise of remedies provided for in Section 10.2 (or after the Loans have automatically become immediately due and payable), any amounts received on account of the Obligations shall be applied by the Administrative Agent pursuant to the waterfall specified in Section 2.11.

SECTION 10 **AGENCY**

Section 10.1 Appointment and Authority.

(a) Each of the Lenders hereby irrevocably appoints Hazel Partners Holdings LLC to act on its behalf as the Administrative Agent hereunder and under the other Credit Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Section are solely for the benefit of the Administrative Agent and the Lenders, and no Credit Party nor any of its Subsidiaries shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Credit Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(b) Each of the Lenders hereby irrevocably appoints, designates and authorizes the Administrative Agent to take such action on its behalf under the provisions of this Agreement and each Collateral Document and to exercise such powers and perform such duties as are expressly delegated to it by the terms of this Agreement or any Collateral Document, together with such powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary contained elsewhere herein or in any Collateral Document, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein or therein, nor shall the Administrative Agent have or be deemed to have any fiduciary relationship with any Lender or participant, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any Collateral Document or otherwise exist against the Administrative Agent. Without limiting the generality of the foregoing sentence, the use of the term “agent” herein and in the Collateral Documents with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. The Administrative Agent shall act on behalf of the Lenders with respect to any Collateral and the Collateral Documents, and the Administrative Agent shall have all of the benefits and immunities (i) provided to the Administrative Agent under the Credit Documents with respect to any acts taken or omissions suffered by the Administrative Agent in connection with any Collateral or the Collateral Documents as fully as if the term “Administrative Agent” as used in such Credit Documents included the Administrative Agent with respect to such acts or omissions, and (ii) as additionally provided herein or in the Collateral Documents with respect to the Administrative Agent.

Section 10.2 Rights as a Lender. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower or any Subsidiary of the Borrower or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 10.3 Exculpatory Provisions.

(a) The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Credit Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent:

(i) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Credit Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Credit Documents); provided, that, the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or

that is contrary to any Credit Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(iii) shall not, except as expressly set forth herein and in the other Credit Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity.

(b) The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 12.4 and 10.2) or (ii) in the absence of its own gross negligence or willful misconduct, as determined by a court of competent jurisdiction by final and nonappealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent in writing by the Borrower or a Lender.

(c) The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Credit Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Credit Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth Section 5 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Section 10.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (who may be counsel for the Credit Parties and their Subsidiaries), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Section 10.5 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Credit Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective

activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that the Administrative Agent acted with gross negligence, bad faith or willful misconduct in the selection of such sub-agents.

Section 10.6 Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Administrative Agent may (but shall not be obligated to) on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as the Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by Applicable Law by notice in writing to such Person remove such Person as the Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the Required Lenders (the "Removal Effective Date")), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Credit Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Credit Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Credit Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Credit Documents, the provisions of this SECTION 10 and Section 12.2 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in

respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

Section 10.7 Non-Reliance on Administrative Agent and Other Lenders. Each of the Lenders acknowledge that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each of the Lenders also acknowledge that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Credit Document or any related agreement or any document furnished hereunder or thereunder.

Section 10.8 No Other Duties, etc. Anything herein to the contrary notwithstanding, none of the Joint Bookrunners, Joint Lead Arrangers, Co-Documentation Agents or Co-Syndication Agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Credit Documents, except in its capacity, as applicable, as the Administrative Agent or a Lender hereunder.

Section 10.9 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Section 2.7 and Section 12.2) allowed in such judicial proceeding; and

(b) to collect and receive any monies 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 hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 2.7 and Section 12.2).

Section 10.10 Collateral Matters.

(a) The Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion,

(i) to release any Lien on any property granted to or held under any Credit Document securing the Obligations
(x) upon termination of the commitments under this

Agreement and payment in full of all Obligations, (y) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted under the Credit Documents or consented to in accordance with the terms of this Agreement, or (z) subject to Section 12.4, if approved, authorized or ratified in writing by the Required Lenders; and

(ii) to subordinate any Lien on any property granted to or held under any Credit Document securing the Obligations to the holder of such Lien.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property.

(b) The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Credit Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

(c) Anything contained in any of the Credit Documents to the contrary notwithstanding, each of the Credit Parties, the Administrative Agent and each holder of the Obligations hereby agree that (i) no holder of the Obligations shall have any right individually to realize upon any of the Collateral or to enforce this Agreement, the Notes or any other Credit Document, it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the holders of the Obligations in accordance with the terms hereof and all powers, rights and remedies under the Collateral Documents may be exercised solely by the Administrative Agent, and (ii) in the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Administrative Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale or other disposition and the Administrative Agent, as agent for and representative of the holders of the Obligations (but not any Lender or Lenders in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Administrative Agent at such sale or other disposition.

Section 10.11 Erroneous Payments.

(a) If the Administrative Agent notifies a Lender, other holder of the Obligations or any Person who has received funds on behalf of a Lender or other holder of the Obligations (any such Lender, other holder of the Obligations or other recipient, (and each of their respective successors and assigns), a "Payment Recipient") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under the immediately succeeding clause (b)) that any funds (as set forth in such notice from the Administrative Agent) received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, other holder of the Obligations or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and (y) demands in writing the return of such Erroneous Payment (or a

portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent pending its return or repayment as contemplated below in this Section 12.11 and held in trust for the benefit of the Administrative Agent and such Lender or other holder of the Obligations shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two (2) Business Days thereafter, (or such later date as the Administrative Agent may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender, other holder of the Obligations or any Person who has received funds on behalf of a Lender or other holder of the Obligations (and each of their respective successors and assigns) hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender, other holder of the Obligations or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(i) it acknowledges and agrees that (A) in the case of immediately preceding clauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) in the case of immediately preceding clause (z), an error and mistake has been made, in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender or other holder of the Obligations shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one (1) Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 10.11(b).

For the avoidance of doubt, the failure to deliver a notice to the Administrative Agent pursuant to this Section 10.11(b) shall not have any effect on a Payment Recipient's obligations pursuant to Section 10.11(a) or on whether or not an Erroneous Payment has been made.

(c) Each Lender or other holder of the Obligations hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender or other holder of the Obligations under any Credit Document, or otherwise payable or distributable by the

Administrative Agent to such Lender or other holder of the Obligations under any Credit Document with respect to any payment of principal, interest, fees or other amounts, against any amount that the Administrative Agent has demanded to be returned under immediately preceding clause (a).

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor in accordance with immediately preceding clause (a), from any Lender or other holder of the Obligations that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an “Erroneous Payment Return Deficiency”), upon the Administrative Agent’s notice to such Lender or other holder of the Obligations at any time, then effective immediately (with the consideration therefor being acknowledged by the parties hereto), (A) such Lender or other holder of the Obligations shall be deemed to have assigned its Loans (but not its Commitments) of the relevant class with respect to which such Erroneous Payment was made (the “Erroneous Payment Impacted Class”) in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the “Erroneous Payment Deficiency Assignment”) (on a cashless basis and such amount calculated at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance)), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment Agreement (or, to the extent applicable, an agreement incorporating an Assignment Agreement by reference pursuant to a Platform as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender or other holder of the Obligations shall deliver any Notes evidencing such Loans to the Borrower or the Administrative Agent (but the failure of such Person to deliver any such Notes shall not affect the effectiveness of the foregoing assignment), (B) the Administrative Agent as the assignee Lender shall be deemed to have acquired the Erroneous Payment Deficiency Assignment, (C) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender or other holder of the Obligations, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender or other holder of the Obligations shall cease to be a Lender or other holder of the Obligations, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender or other holder of the Obligations, (D) the Administrative Agent and the Borrower shall each be deemed to have waived any consents required under this Agreement to any such Erroneous Payment Deficiency Assignment, and (E) the Administrative Agent shall reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement.

(i) Subject to Section 12.5 (but excluding, in all events, any assignment consent or approval requirements (whether from the Borrower or otherwise)), the Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender or other holder of the Obligations shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender or other holder of the Obligations (and/or against any recipient that receives funds on its respective behalf). In addition, an Erroneous Payment Return Deficiency owing by the applicable Lender (x) shall be reduced by the proceeds of

prepayments or repayments of principal and interest, or other distribution in respect of principal and interest, received by the Administrative Agent on or with respect to any such Loans acquired from such Lender pursuant to an Erroneous Payment Deficiency Assignment (to the extent that any such Loans are then owned by the Administrative Agent), and (y) may in the sole discretion of the Administrative Agent be reduced by an amount specified by the Administrative Agent in writing to the applicable Lender from time to time.

(e) The parties hereto agree that (x) irrespective of whether the Administrative Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Lender or Secured Party, to the rights and interests of such Lender or Secured Party, as the case may be) under the Credit Documents with respect to such amount (the “Erroneous Payment Subrogation Rights”) (provided, that, the Obligations under the Credit Documents in respect of the Erroneous Payment Subrogation Rights shall not be duplicative of such Obligations in respect of Loans that have been assigned to the Administrative Agent under an Erroneous Payment Deficiency Assignment) and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by any Credit Party; provided, that, this Section 10.11(e) shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Obligations relative to the amount (and/or timing for payment) of the Obligations that would have been payable had such Erroneous Payment not been made by the Administrative Agent; provided, further, that, for the avoidance of doubt, the immediately preceding clauses (x) and (y) shall not apply except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower for the purpose of making such Erroneous Payment.

(f) To the extent permitted by Applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation, any defense based on “discharge for value” or any similar doctrine.

(g) Each party’s obligations, agreements and waivers under this Section 12.11 shall survive the resignation or replacement of the Administrative Agent any transfer of rights or obligations by, or the replacement of, a Lender or other holder of the Obligations, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Credit Document.

SECTION 11

INTERCREDITOR RELATED PROVISIONS

Section 11.1 Subordination of HHI Loan and HHI Loan Documents.

(a) HHI Agent and Administrative Agent each agree and acknowledge that both parties have liens and security interests on the Collateral. HHI Agent hereby subordinates and makes junior the HHI Loan, the HHI Loan Documents and the liens and security interests created thereby, and all rights, remedies, terms and covenants contained therein to (i) the Loan (ii) the liens and security

interests created by the Credit Documents and (iii) all of the terms, covenants, conditions, rights and remedies contained in the Credit Documents, and no amendments or modifications to the Credit Documents or waivers of any provisions thereof shall affect the subordination thereof as set forth in this Section 11.1(a).

(b) Every document and instrument included within the HHI Loan Documents shall be subject and subordinate to each and every document and instrument included within the Credit Documents and all extensions, modifications, consolidations, supplements, amendments, replacements and restatements of and/or to the Credit Documents.

Section 11.2 Payment Subordination.

(a) Except as otherwise expressly provided in this Agreement, all of HHI Agent's rights to payment of the HHI Loan and the obligations evidenced by the HHI Loan Documents are hereby subordinated to all of Administrative Agent's rights to payment by Borrower of the Loan and the obligations secured by the Credit Documents, and during an Event of Default, any payments (including, without limitation, whether in cash or other property and whether received directly, indirectly or by set-off, counterclaim or otherwise) received by HHI Agent from any Credit Party and/or from the Collateral prior to the date that all Obligations are paid, shall be received and held in trust by the HHI Agent for the benefit of Administrative Agent and shall be paid over to the Administrative Agent in the same form as so received (with any necessary endorsement) to be applied (in the case of cash) to, or held as collateral (in the case of non-cash property or securities) for, the payment or performance of the Obligations in accordance with the terms of the Credit Documents. If a Proceeding shall have occurred or an Event of Default shall have occurred and be continuing, Administrative Agent shall be entitled to receive payment and performance in full of all amounts due or to become due to Administrative Agent before HHI Agent is entitled to receive any payment on account of the HHI Loan.

(b) Notwithstanding anything to the contrary contained in this Agreement, including, without limitation, Section 11.2(a), provided that no Event of Default shall then exist under the Credit Documents, HHI Agent may accept payments of any amounts due and payable from time to time in accordance with Section 2.11 and the terms and conditions of the HHI Loan Documents and HHI Agent shall have no obligation to pay over to Administrative Agent any such amounts.

Section 11.3 Rights of Subrogation; Bankruptcy.

(a) Each of HHI Agent and Administrative Agent hereby waives any requirement for marshaling of assets thereby in connection with any foreclosure of any security interest or any other realization upon collateral in respect of the Credit Documents or the HHI Loan Documents, as applicable, or any exercise of any rights of set-off or otherwise. Each of HHI Agent and Administrative Agent assumes all responsibility for keeping itself informed as to the condition (financial or otherwise) of the Credit Parties and the condition of the collateral and other circumstances and, except for notices expressly required by this Agreement, neither Administrative Agent nor HHI Agent shall have any duty whatsoever to obtain, advise or deliver information or documents to the other relative to such condition, business, assets and/or operations. HHI Agent agrees that Administrative Agent owes no fiduciary duty to HHI Agent in connection with the administration of the Loan and the Credit Documents and HHI Agent agrees not to assert any such claim. Administrative Agent agrees that HHI Agent owes no fiduciary duty to Administrative Agent in connection with the administration of the HHI Loan and the HHI Loan Documents and Administrative Agent agrees not to assert any such claim.

(b) No payment or distribution to Administrative Agent pursuant to the provisions of this Agreement shall entitle HHI Agent to exercise any right of subrogation in respect thereof prior to the payment in full of the Obligations, and HHI Agent agrees that, except with respect to the enforcement of its remedies under the HHI Loan Documents permitted hereunder, prior to the satisfaction of all Obligations it shall not acquire, by subrogation or otherwise, any lien, estate, right or other interest in the Collateral or the proceeds therefrom that is or may be prior to, or of equal priority to, any of the Credit Documents or the liens, rights, estates and interests created thereby.

(c) Subject to Section 12.10 of this Agreement, the provisions of this Agreement shall be applicable both before and after the commencement, whether voluntary or involuntary, of any case, proceeding or other action against any Credit Party under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors (a “Proceeding”). For as long as the Loan shall remain outstanding, HHI Agent shall not, and shall not solicit any person or entity to, and shall not direct or cause any Credit Party to: (i) commence any Proceeding; (ii) institute proceedings to have any Credit Party adjudicated as bankrupt or insolvent; (iii) consent to, or acquiesce in, the institution of bankruptcy or insolvency proceedings against any Credit Party; (iv) file a petition or consent to the filing of a petition seeking reorganization, arrangement, adjustment, winding-up, dissolution, composition, liquidation or other relief by or on behalf of any Credit Party; (v) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for any Credit Party, or any Collateral (or any portion thereof); (vi) make an assignment for the benefit of any creditor of any Credit Party; (vii) seek to consolidate any assets of any Credit Party with the assets of any Credit Party or any of their Affiliates in any proceeding relating to bankruptcy, insolvency, reorganization or relief of debtors; or (viii) take any action in furtherance of any of the foregoing.

(d) In any Proceeding (i) HHI Agent hereby agrees that it shall not make any election, give any consent, commence any action or file any motion, claim, obligation, notice or application or take any other action in any Proceeding by or against any Credit Party without the prior consent of Administrative Agent, except to the extent necessary to preserve or realize upon HHI Agent’s interest in the Collateral, (ii) Administrative Agent may vote in any such Proceeding any and all claims of HHI Agent, and HHI Agent hereby appoints the Administrative Agent as its agent, and grants to the Administrative Agent an irrevocable power of attorney coupled with an interest, and its proxy, for the purpose of exercising any and all rights and taking any and all actions available to the HHI Agent in connection with any case by or against the Borrower or any other Credit Party in any Proceeding, including without limitation, the right to file and/or prosecute any claims, to vote to accept or reject a plan, to make any election under Section 1111(b) of the Bankruptcy Code; *provided, however*, that with respect to any proposed plan of reorganization in respect of which creditors are voting, Administrative Agent may vote on behalf of HHI Agent only if the proposed plan would result in Administrative Agent being “impaired” (as such term is defined in the United States Bankruptcy Code) and (iii) HHI Agent shall not challenge the validity or amount of any claim submitted in such Proceeding by Administrative Agent in good faith or any valuations of the Collateral submitted by Administrative Agent in good faith, in such Proceeding or take any other action in such Proceeding, which is adverse to Administrative Agent’s enforcement of its claim or receipt of adequate protection (as that term is defined in the Bankruptcy Code).

Section 11.4 Rights of Cure. Prior to Administrative Agent commencing any Enforcement Action under the Credit Documents, Administrative Agent shall provide written notice of the default which would permit the Administrative Agent to commence such Enforcement Action to HHI Agent, whether or not Administrative Agent is obligated to give notice thereof to Borrower (each, a “Loan Default Notice”) and shall permit HHI Agent an opportunity to cure such default in accordance with the provisions of this Section 11.4. If the default is a monetary default relating to a liquidated sum of money, HHI Agent shall have until

five (5) Business Days after the later of (i) the giving by Administrative Agent of the Loan Default Notice and (ii) the expiration of Borrower's cure provision, if any, (a "Monetary Cure Period") to cure such monetary default; *provided, however*, in the event it elects to cure any such Monetary default, HHI Agent shall defend and hold harmless Administrative Agent for all cost, expenses, losses, liabilities, obligations, damages, penalties, costs, and disbursements imposed on, incurred by or asserted against Administrative Agent due to or arising from such Monetary Cure Period. If the default is of a non-monetary nature, HHI Agent shall have the same period of time as the Borrower under the Credit Documents to cure such non-monetary default; *provided, however*, if such non-monetary default is susceptible of cure but cannot reasonably be cured within such period and if curative action was promptly commenced and is being continuously and diligently pursued by HHI Agent, HHI Agent shall be given an additional period of time as is reasonably necessary for HHI Agent in the exercise of due diligence to cure such nonmonetary default for so long as (i) HHI Agent makes or causes to be made timely payment of Borrower's regularly scheduled monthly principal and/or interest payments under the Loan and any other amounts due under the Credit Documents, (ii) such additional period of time does not exceed thirty (30) days, unless such non-monetary default is of a nature that can not be cured within such thirty (30) days, in which case, HHI Agent shall have such additional time as is reasonably necessary to cure such non-monetary default, (iii) such default is not caused by a bankruptcy, insolvency or assignment for the benefit of creditors of Borrower and (iv) during such non-monetary cure period, there is no material impairment to the value, use or operation of the Collateral. Any additional cure period granted to the HHI Agent hereunder shall automatically terminate upon the bankruptcy (or similar insolvency) of the Borrower.

Section 11.5 No Actions; Restrictive Provisions. Subject to Section 11.1(a) hereof, in the event both HHI Agent under the HHI Loan Documents and Administrative Agent under the Credit Documents shall have rights to enforce its Lien and exercise remedies against the Collateral at any time, and Administrative Agent shall fail to exercise such rights, HHI Agent may exercise such rights, provided such exercise may be superseded by any subsequent exercise of such rights by Administrative Agent pursuant to the Credit Documents.

Section 11.6 Right to Purchase Loan.

(a) If (i) the Loan has been accelerated or (ii) any Enforcement Action has been commenced and is continuing under the Credit Documents (each of the foregoing, a "Purchase Option Event"), upon ten (10) Business Days prior written notice to Administrative Agent (the "Purchase Notice"), HHI Agent shall have the right to purchase, in whole but not in part, the Loan for a price equal to the outstanding principal balance thereof, together with all accrued interest and other amounts due thereon (including, without limitation, any late charges, default interest, exit fees, advances and post-petition interest) and any interest charged by Administrative Agent on any advances for monthly payments of principal and/or interest on the Loan), including all costs and expenses (including legal fees and expenses) actually incurred by Administrative Agent in enforcing the terms of the Credit Documents (the "Loan Purchase Price"). Concurrently with payment to the Administrative Agent of the Loan Purchase Price, Administrative Agent shall deliver or cause to be delivered HHI Agent all Credit Documents held by or on behalf of Administrative Agent and will execute in favor of HHI Agent or its designee assignment documentation, in form and substance reasonably acceptable to HHI Agent, at the sole cost and expense of HHI Agent to assign the Loan and its rights under the Credit Documents (without recourse, representations or warranties, except for representations as to the outstanding balance of the Loan and as to Administrative Agent's not having assigned or encumbered its rights in the Loan). The right of HHI Agent to purchase the Loan shall automatically terminate if a Purchase Option Event ceases to exist.

(b) HHI Agent covenants not to enter any agreement with the Borrower or any Affiliate thereof to purchase the Loan pursuant to subsection (a) above or in connection with any refinancing of the Loan in any manner designed to avoid or circumvent the provisions of the Credit Documents which require the payment of a prepayment fee or yield maintenance charge in connection with a prepayment of the Loan by the Borrower.

Section 11.7 Notices of Transfer; Consent. For as long as the HHI Loan remains outstanding, Administrative Agent promptly shall notify HHI Agent if Borrower seeks or requests a release of the Lien of the Loan or seeks or requests Administrative Agent's consent to, or take any action in connection with or in furtherance of, a sale or transfer of all or any material portion of the Collateral, the granting of a further Lien against the Collateral or a prepayment or refinancing of the Loan. In the event of a request by the Borrower for Administrative Agent's consent to either (i) the sale or transfer of all or any material portion of the Collateral or (ii) the granting of a further Lien against the Collateral, Administrative Agent shall, if Administrative Agent has the right to consent, obtain the prior written consent of HHI Agent prior to Administrative Agent's granting of its consent or agreement thereto.

Section 11.8 Obligations Hereunder Not Affected.

(a) All rights, interests, agreements and obligations of Administrative Agent and HHI Agent under this Agreement shall remain in full force and effect irrespective of:

(i) any lack of validity or enforceability of the Credit Documents or the HHI Loan Documents or any other agreement or instrument relating thereto;

(ii) any taking, exchange, release or non-perfection of any other collateral, or any taking, release or amendment or waiver of or consent to or departure from any guaranty, for all or any portion of the Loan or the HHI Loan;

(iii) any manner of application of collateral, or proceeds thereof, to all or any portion of the Loan or the HHI Loan, or any manner of sale or other disposition of any collateral for all or any portion of the Loan or the HHI Loan or any other assets of Borrower or any other Affiliates of Borrower;

(iv) any change, restructuring or termination of the corporate structure or existence of Borrower or any other Affiliates of Borrower; or

(v) any other circumstance which might otherwise constitute a defense available to, or a discharge of, Borrower, or a subordinated creditor or a Administrative Agent subject to the terms hereof.

(b) This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment of all or any portion of the Loan is rescinded or must otherwise be returned by Administrative Agent or HHI Agent upon the insolvency, bankruptcy or reorganization of Borrower or otherwise, all as though such payment had not been made.

(c) Notwithstanding anything to the contrary contained in this Agreement, including, without limitation, Section 11.8(a), provided that no Event of Default shall then exist under the Credit Documents, HHI Agent may accept payments of any amounts due and payable from time to time which Borrower is obligated to pay HHI Agent in accordance with the terms and conditions of the HHI Loan Documents and HHI Agent shall have no obligation to pay over to Administrative Agent any such amounts.

Section 11.9 Modifications, Amendments, Etc.

(a) Administrative Agent shall have the right without the consent of HHI Agent in each instance to enter into any amendment, deferral, extension, modification, increase, renewal, replacement, consolidation, supplement or waiver (collectively, a “Loan Modification”) of the Loan or the Credit Documents provided that no such Loan Modification shall (i) increase the interest rate or principal amount of the Loan, (ii) increase in any other material respect any monetary obligations of Borrower under the Credit Documents, (iii) extend or shorten the scheduled maturity date of the Loan (except that Administrative Agent may permit Borrower to exercise any extension options in accordance with the terms and provisions of the Credit Documents), (iv) convert or exchange the Loan into or for any other indebtedness or subordinate any of the Loan to any indebtedness of Borrower, (v) amend or modify the provisions limiting transfers of interests in the Credit Parties, (vi) modify or amend the terms and provisions of Section 2.11 with respect to the manner, timing and method of the application of payments under the Credit Documents, (vii) extend the period during which voluntary prepayments are prohibited or during which prepayments require the payment of a prepayment fee or premium or yield maintenance charge or increase the amount of any such prepayment fee, make-whole, premium or yield maintenance charge; provided, however, in no event shall Administrative Agent be obligated to obtain HHI Agent’s consent to a Loan Modification in the case of a work-out or other surrender, compromise, release, renewal, or indulgence relating to the Loan during the existence of a an Event of Default, except that under no conditions shall clause (i) (with respect to increase principal amount only), or clause (vii) be modified without the written consent of HHI Agent. In addition and notwithstanding the foregoing provisions of this Section 11.9, any amounts funded by the Administrative Agent under the Credit Documents as a result of (A) Administrative Agent making advances or incurring expenses in accordance with the Senior Credit Agreement, or (B) interest accruals or accretions and any compounding thereof (including default interest), shall not be deemed to contravene this Section 11.9(a).

(b) HHI Agent shall have the right without the consent of Administrative Agent in each instance to enter into any amendment, deferral, extension, modification, increase, renewal, replacement, consolidation, supplement or waiver (collectively, a “HHI Loan Modification”) of the HHI Loan or the HHI Loan Documents provided that no such HHI Loan Modification shall (i) increase the interest rate or principal amount of the HHI Loan, (ii) increase in any other material respect any monetary obligations of Borrower under the HHI Loan Documents, (iii) extend or shorten the scheduled maturity date of the HHI Loan (except that HHI Agent may permit Borrower to exercise any extension options in accordance with the terms and provisions of the HHI Loan Documents), (iv) convert or exchange the HHI Loan into or for any other indebtedness or subordinate any of the HHI Loan to any indebtedness of Borrower, or (v) cross default the HHI Loan with any other indebtedness other than the Loan. Notwithstanding anything to the contrary contained herein, if an Event of Default exists under the HHI Loan Documents, HHI Agent shall be permitted to modify or amend the HHI Loan Documents in connection with a work-out or other surrender, compromise, release, renewal or modification of the HHI Loan except that under no conditions shall clause (i), with respect to increases in principal amounts only, clause (ii), clause (iii) (with respect to shortening the maturity only), clause (iv) be modified without the written consent of the Administrative Agent. In addition and notwithstanding the foregoing provisions of this Section 11.9(b), any amounts funded by the HHI Agent under the HHI Loan Documents as a result of (A) HHI Agent making advances or incurring expenses in accordance with the HHI Credit Agreement, or (B) interest accruals or accretions and any compounding thereof (including default interest), shall not be deemed to contravene this Section 11.9(b).

(c) Administrative Agent shall deliver to HHI Agent copies of any and all modifications, amendments, extensions, consolidations, spreaders, restatements, alterations, changes or revisions to any one or more of the Credit Documents (including, without limitation, any side letters, waivers or consents entered into, executed or delivered by Administrative Agent) within a reasonable time after any of such applicable instruments have been executed by Administrative Agent.

(d) HHI Agent shall deliver to Administrative Agent copies of any and all modifications, amendments, extensions, consolidations, spreaders, restatements, alterations, changes or revisions to any one or more of the HHI Loan Documents (including, without limitation, any side letters, waivers or consents entered into, executed or delivered by HHI Agent) within a reasonable time after any of such applicable instruments have been executed by HHI Agent.

Section 11.10 Conflicts. In the event of any conflict, ambiguity or inconsistency between the terms and conditions of this Section 11 and the terms and conditions of any of the Credit Documents or the HHI Loan Documents, the terms and conditions of this Section 11 shall control.

Section 11.11 Continuing Agreement. The agreement set forth in this Section 11 is a continuing agreement and shall remain in full force and effect until the earliest of (a) payment in full of the Loan and Obligations, (b) [reserved], or (c) payment in full of the HHI Loan and the “Obligations” as defined in the HHI Credit Agreement; *provided, however*, that any rights or remedies of either party hereto arising out of any breach of any provision hereof occurring prior to such date of termination shall survive such termination.

Section 11.12 Expenses.

(a) To the extent not paid by the Credit Parties or out of or from any collateral securing the Loan which is realized by Administrative Agent, HHI Agent agrees upon demand to pay to Administrative Agent the amount of any and all reasonable expenses, including, without limitation, the reasonable fees and expenses of its counsel and of any experts or agents, which Administrative Agent may incur in connection with the (i) exercise or enforcement of any of the rights of Administrative Agent against HHI Agent hereunder to the extent that Administrative Agent is the prevailing party in any dispute with respect thereto or (ii) failure by HHI Agent to perform or observe any of the provisions hereof.

(b) To the extent not paid by the Credit Parties or out of or from any collateral securing the HHI Loan which is realized by HHI Agent, Administrative Agent agrees upon demand to pay to HHI Agent the amount of any and all reasonable expenses, including, without limitation, the reasonable fees and expenses of its counsel and of any experts or agents, which HHI Agent may incur in connection with the (i) exercise or enforcement of any of the rights of HHI Agent against Administrative Agent hereunder to the extent that HHI Agent is the prevailing party in any dispute with respect thereto or (ii) failure by Administrative Agent to perform or observe any of the provisions hereof.

Section 11.13 Injunction. Administrative Agent and HHI Agent each acknowledge (and waive any defense based on a claim) that monetary damages are not an adequate remedy to redress a breach by the other hereunder and that a breach by either Administrative Agent or HHI Agent hereunder would cause irreparable harm to the other. Accordingly, Administrative Agent and HHI Agent agree that upon a breach of this Agreement by the other, the remedies of injunction, declaratory judgment and specific performance shall be available to such nonbreaching party.

Section 11.14 Mutual Disclaimer.

(a) Each of Administrative Agent and HHI Agent are sophisticated lenders and their respective decision to enter into the Loan and the HHI Loan is based upon their own independent expert evaluation of the terms, covenants, conditions and provisions of, respectively, the Credit Documents and the HHI Loan Documents and such other matters, materials and market conditions and criteria which each of Administrative Agent and HHI Agent deem relevant. Each of Administrative Agent and HHI Agent has not relied in entering into this Agreement, and respectively, the Loan, the Credit Documents, the HHI Loan or the HHI Loan Documents, upon any oral or written information, representation, warranty or covenant from the other, or any of the other's representatives, employees, Affiliates or agents other than the representations and warranties of the other contained herein. Each of Administrative Agent and HHI Agent further acknowledges that no employee, agent or representative of the other has been authorized to make, and that each of Administrative Agent and HHI Agent have not relied upon, any statements, representations, warranties or covenants other than those specifically contained in this Agreement. Without limiting the foregoing, each of Administrative Agent and HHI Agent acknowledges that the other has made no representations or warranties as to the Loan or the HHI Loan or the Collateral (including, without limitation, the sufficiency of the cash flow of the HC Proceeds or the HC Claims, the value, marketability, condition or future performance thereof, or the existence, status, adequacy or sufficiency of the Collateral, to pay all amounts which may become due from time to time pursuant to the Loan or the HHI Loan).

(b) Each of Administrative Agent and HHI Agent acknowledges that the Loan and the HHI Loan are distinct, separate transactions and loans, separate and apart from each other.

Section 11.15 Notices. Notices under this Section 11 shall be provided pursuant to the terms of Section 12.1. Notices to HHI Agent shall be made to the address, telecopier number, electronic mail address or telephone number specified below:

Hazel Holdings I LLC
251 Little Falls Drive
Wilmington, DE 19808
Attn: Ops

Tel: +44 20 7074 9610
Fax/Telecopier: +44 20 7074 9611
Email: msprecovery@hazelholdingsllc.com

Section 11.16 HHI Agent Collateral. Administrative Agent agrees to provide HHI Agent with prior notice of termination of the commitments under this Agreement and payment in full of all Obligations to the extent reasonably practical. Upon termination of the commitments and payment of the Obligations in full, Administrative Agent agrees to assist HHI Agent by taking such action or delivering such documents as may be reasonably requested by HHI Agent to obtain control over the Collateral (as defined in the HHI Credit Agreement).

SECTION 12 **MISCELLANEOUS**

Section 12.1 Notices; Effectiveness; Electronic Communications.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier or electronic mail as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Administrative Agent or any Credit Party, to the address, telecopier number, electronic mail address or telephone number specified in Appendix B:

(ii) if to any Lender, to the address, telecopier number, electronic mail address or telephone number in its Administrative Questionnaire on file with the Administrative Agent.

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided, that, the foregoing shall not apply to notices to any Lender pursuant to SECTION 2 if such Lender has notified the Administrative Agent and the Borrower that it is incapable of receiving notices under such Section by electronic communication. The Administrative Agent or any Credit Party may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided, that, approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor, provided, that, with respect to clauses (i) and (ii) above, if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient

(c) Change of Address, Etc. Any party hereto may change its address or telecopier number for notices and other communications hereunder by notice to the other parties hereto.

(d) Platform.

(i) Each Credit Party agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the other Lenders

by posting the Communications on Debtdomain, Intralinks, Syndtrak or a substantially similar electronic transmission system (the “Platform”).

(ii) The Platform is provided “as is” and “as available.” The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the “Agent Parties”) have any liability to any Credit Party, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Credit Party’s or the Administrative Agent’s transmission of communications through the Platform. “Communications” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Credit Party pursuant to any Credit Document or the transactions contemplated therein which is distributed to the Administrative Agent or any Lender by means of electronic communications pursuant to this Section, including through the Platform.

Section 12.2 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Credit Parties (other than Mortgagor and Mortgagor Parent) shall pay all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent or any Lender (including the reasonable and documented out-of-pocket fees, charges and disbursements of counsel for the Administrative Agent or any Lender) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Credit Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans and all other Permitted Lender Expenses. Notwithstanding the foregoing, Administrative Agent agrees to pay certain expenses in respect of the Collateral Administration Agreement, as determined by the Administrative Agent in its sole discretion, which shall not be subject to reimbursement per this Section 12.2(a).

(b) Indemnification by the Credit Parties (other than Mortgagor and Mortgagor Parent). The Credit Parties (other than Mortgagor and Mortgagor Parent) shall indemnify the Administrative Agent (and any sub-agent thereof) and each Lender (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable and documented out-of-pocket fees, charges and disbursements of counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including any Credit Party) other than such Indemnitee or its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Credit Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any of its Subsidiaries, and regardless of whether any Indemnitee is a party thereto; provided, that, that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses,

claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by any Credit Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Credit Document, if such Credit Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This Section 12.2(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Credit Parties for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), such Lender's pro rata share (in each case, determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided, that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent). The obligations of the Lenders under this subsection (c) are subject to the provisions of this Agreement that provide that their obligations are several in nature, and not joint and several.

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, none of the parties hereto shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable promptly, but in any event within ten (10) Business Days after written demand therefor (including delivery of copies of applicable invoices, if any).

(f) Survival. The provisions of this Section shall survive resignation or replacement of the Administrative Agent or any Lender, termination of the commitments hereunder and repayment, satisfaction and discharge of the loans and obligations hereunder.

Section 12.3 Set-Off. If an Event of Default shall have occurred and be continuing, each Lender, and each of their respective Affiliates, with the prior written consent of the Administrative Agent, is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of any Credit Party against any and all of the obligations of such Credit Party now or hereafter existing under this Agreement or any other Credit Document to such Lender or their respective Affiliates, irrespective of whether or not such Lender or such Affiliate shall have made any demand under this Agreement or any other Credit Document and although such obligations of such Credit Party may be contingent or unmaturing or are owed to a branch, office or Affiliate of such Lender different from the branch or office holding such deposit or obligated on such

indebtedness; provided, that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.14 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or their respective Affiliates may have. Each of the Lenders agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided, that, the failure to give such notice shall not affect the validity of such setoff and application.

Section 12.4 Amendments and Waivers.

(a) Required Lenders' Consent. Subject to Section 12.4(b) and Section 12.4(c), no amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party therefrom, shall in any event be effective without the written concurrence of the Administrative Agent and the Required Lenders; provided, that, (i) the Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement to cure any ambiguity, omission, defect or inconsistency, so long as such amendment, modification or supplement does not adversely affect the rights of any Lender, (ii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except that the Commitments and/or Loans of such Lender may not be increased or extended without the consent of such Lender, (iii) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code of the United States supersedes the unanimous consent provisions set forth herein, and (iv) the Required Lenders shall determine whether or not to allow any Credit Party to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Lenders.

(b) Affected Lenders' Consent. Without the written consent of each Lender (other than a Defaulting Lender except as provided in clause (a)(iii) above) that would be affected thereby, no amendment, modification, termination, or consent shall be effective if the effect thereof would:

(i) extend the Maturity Date;

(ii) waive, reduce or postpone any scheduled repayment (but not prepayment) of principal, interest, fees or other amounts or any scheduled or mandatory commitment reduction or alter the required application of any prepayment pursuant to Section 2.10 or the application of funds pursuant to Section 10.3;

(iii) reduce the principal amount of or the rate of interest on any Loan (other than any waiver of the imposition of the Default Rate pursuant to Section 2.6) or any fee or premium payable hereunder; provided, that, only the consent of the Required Lenders shall be necessary (A) to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest at the Default Rate or (B) to amend any financial covenant hereunder (or any defined term used therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or to reduce any fee payable hereunder;

(iv) extend the time for payment of any such interest or fees;

(v) reduce the principal amount of any Loan;

(vi) amend, modify, terminate or waive any provision of this Section 12.4(b) or Section 12.4(c) or any other provision of this Agreement that expressly provides that the consent of all Lenders is required;

(vii) change the percentage of the outstanding principal amount of Loans that is required for the Lenders or any of them to take any action hereunder or amend the definition of “Required Lenders”;

(viii) release all or substantially all of the Collateral, except as expressly provided in the Credit Documents;
or

(ix) consent to the assignment or transfer by the Borrower of any of its rights and obligations under any Credit Document (except pursuant to a transaction permitted hereunder).

(c) Other Consents. No amendment, modification, termination or waiver of any provision of the Credit Documents, or consent to any departure by any Credit Party therefrom, shall amend, modify, terminate or waive any provision of this SECTION 12 as the same applies to the Administrative Agent, or any other provision hereof as the same applies to the rights or obligations of the Administrative Agent, in each case without the consent of the Administrative Agent.

Notwithstanding any of the foregoing to the contrary, (A) the consent of the Credit Parties shall not be required for any amendment, modification or waiver of the provisions of Q (other than the provisions of Sections 12.6, 12.10 or 12.11) so long as such amendment is not adverse to the interests of the Borrower and the other Credit Parties, (B) the Credit Parties and/or the Administrative Agent, without the consent of any Lender, may enter into any amendment, modification or waiver of any Credit Document, or enter into any new agreement or instrument, to effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the holders of the Obligations, or as required by local law to give effect to, or protect any security interest for the benefit of the holders of the Obligations, in any property or so that the security interests therein comply with applicable law; (C) the Administrative Agent and the Borrower may amend, modify or supplement this Agreement or any other Credit Document to cure or correct administrative or technical errors or omissions or any ambiguity, mistake, defect, inconsistency, obvious error or to make any necessary or desirable administrative or technical change, and such amendment shall become effective without any further consent of any other party to such Credit Document so long as such amendment, modification or supplement does not adversely affect the rights of any Lender or any other holder of the Obligations in any material respect; and (D) this Agreement may be amended and restated without the consent of any Lender (but with the consent of the Borrower and the Administrative Agent) if, upon giving effect to such amendment and restatement, such Lender shall no longer be a party to this Agreement (as so amended and restated), the Commitments of such Lender shall have been terminated, such Lender shall have no other commitment or other obligation hereunder and shall have been paid in full all principal, interest and other amounts owing to it or accrued for its account under this Agreement.

(d) Execution of Amendments, etc. The Administrative Agent may, but shall have no obligation to, with the concurrence of any Lender, execute amendments, modifications, waivers or consents on behalf of such Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on any Credit

Party in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 12.4 shall be binding upon the Administrative Agent, each Lender at the time outstanding, each future Lender and, if signed by the Borrower, on the Borrower.

Section 12.5 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Credit Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments, Loans and obligations hereunder at the time owing to it); provided, that, any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's commitments and the loans at the time owing to it (in each case with respect to any credit facility) or contemporaneous assignments to Approved Funds that equal at least to the amounts specified in subsection (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the commitment (which for this purpose includes loans and obligations in respect thereof outstanding thereunder) or, if the commitment is not then in effect, the principal outstanding balance of the loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment Agreement with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment Agreement, as of the Trade Date) shall not be less than \$1,000,000, in the case of any assignment in respect of any Term Loan Commitments and/or Term Loans, unless each of the Administrative Agent and, so long as no Event of Default shall have occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Commitments and Loans assigned.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default shall have occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided, that, the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (i) unfunded commitments under term loan facilities if such assignment is to a Person that is not a Lender with a commitment in respect of such facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender or (ii) a funded Term Loan to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund.

(iv) Assignment Agreement. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment Agreement. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) to any Disqualified Person.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person.

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of this paragraph, then the

assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment Agreement, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment Agreement, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment Agreement, be released from its obligations under this Agreement (and, in the case of an Assignment Agreement covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 2.14, Section 2.15 and Section 12.2 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that, except to the extent expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. The Borrower will execute and deliver on request, at its own expense, Notes to the assignee evidencing the interests taken by way of assignment hereunder. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in the United States, a copy of each Assignment Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided, that, (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent, and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 12.2(c) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided, that, such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (b) or (c) of

Section 12.4 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Section 3.1, Section 3.2 and Section 3.3 (subject to the requirements and limitations therein, including the requirements under Section 3.3(f) (it being understood that the documentation required under Section 3.3(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided, that, such Participant (A) agrees to be subject to the provisions of Sections 2.15 and 3.4 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 3.2 or 3.3, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.15 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.3 as though it were a Lender; provided, that, such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Credit Documents (the "Participant Register"); provided, that, no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Credit Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement, or any promissory notes evidencing its interests hereunder, to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section 12.5 shall not apply to any such pledge or assignment of a security interest; provided, that, no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

Section 12.6 Independence of Covenants. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

Section 12.7 Survival of Representations, Warranties and Agreements. All representations, warranties and agreements made herein shall survive the execution and delivery hereof and the making of any Credit Extension. Notwithstanding anything herein or implied by law to the contrary, the agreements of each Credit Party set forth in Section 3.1(c), Section 3.2, Section 3.3, Section 12.2, Section 12.3, and Section 12.10 and the agreements of the Lenders and the Administrative Agent set forth in Section 2.13, Section 12.3 and Section 12.2(c) shall survive the payment of the Loans and the termination hereof.

Section 12.8 No Waiver; Remedies Cumulative. No failure or delay on the part of the Administrative Agent or any Lender in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to the Administrative Agent and each Lender hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Credit Documents. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

Section 12.9 Marshalling; Payments Set Aside. Neither the Administrative Agent nor any Lender shall be under any obligation to marshal any assets in favor of any Credit Party or any other Person or against or in payment of any or all of the Obligations. To the extent that any Credit Party makes a payment or payments to the Administrative Agent or the Lenders (or to the Administrative Agent, on behalf of Lenders), or the Administrative Agent or the Lenders enforce any security interests or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any Debtor Relief Law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

Section 12.10 Severability. In case any provision in or obligation hereunder or any Note or other Credit Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 12.11 Obligations Several; Independent Nature of Lenders' Rights. The obligations of the Lenders hereunder are several and no Lender shall be responsible for the obligations of any other Lender hereunder. Nothing contained herein or in any other Credit Document, and no action taken by the Lenders pursuant hereto or thereto, shall be deemed to constitute the Lenders as a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt, and, subject to Section 10.10(c), each Lender shall be entitled to protect and enforce its rights arising under this Agreement and the other Credit Documents and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose.

Section 12.12 Headings. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

Section 12.13 Applicable Laws.

(a) Governing Law. This Agreement and the other Credit Documents (except, as to any other Credit Document, as expressly set forth therein) shall be governed by, and construed in accordance with, the law of the State of New York.

(b) Submission to Jurisdiction. Each party hereto irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the State of New York sitting in the Borough of Manhattan and of the United States District Court of the Southern District, and any appellate court from any thereof, in any action or proceeding arising out of or

relating to this Agreement or any other Credit Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Credit Document shall affect any right that any party may otherwise have to bring any action or proceeding relating to this Agreement or any other Credit Document against any Credit Party or its properties in the courts of any jurisdiction.

(c) Waiver of Venue. Each party hereto irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Credit Document in any court referred to in subsection (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 12.1. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

Section 12.14 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 12.15 Confidentiality. Each of the Administrative Agent, the Servicer and the Lenders agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by Applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Credit Document or any action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in (including, for purposes hereof, any new lenders invited to join hereunder on an increase in the Loans and Commitments hereunder, whether by exercise of an accordion, by way of amendment or otherwise), any of its rights or obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower or its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) any

rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided for herein, or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided for herein, (h) with the consent of the Borrower, (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, the Servicer any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than any Credit Party or (j) for purposes of establishing a “due diligence” defense.

For purposes of this Section, “Information” means all information received from the Owner Pledgor, Borrower or any of its Subsidiaries (or on behalf thereof) relating to the Credit Parties or any of their affiliates or Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Credit Parties or any of its Subsidiaries; provided, that, in the case of information received from the Borrower or any of its Subsidiaries after the Closing Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Administrative Agent, the Servicer and the Lenders acknowledges that (i) the Information may include material non-public information concerning the Credit Parties or their affiliates, as the case may be, (ii) it has developed compliance procedures regarding the use of material non-public information and (iii) it will handle such material non-public information in accordance with Applicable Law, including United States federal and state securities laws.

The Credit Parties consent to the use of information related to the arrangement of the Loans by each of the Lenders and their Affiliates in connection with marketing, press releases or other transactional announcements or updates provided to investor or trade publications, including the placement of “tombstone” advertisements in publications of its choice at its own expense; provided, that, to the extent that such marketing, press releases or other transactional announcements include material information about the Credit Parties, their Subsidiaries and/or their businesses other than the names and logos of the Credit Parties and their Subsidiaries and the amount, type and closing date of the Loans established hereby, each such Lender or Affiliate of a Lender shall obtain prior written consent of the Borrower (which approval shall not be unreasonably withheld).

Section 12.16 Usury Savings Clause. Notwithstanding any other provision herein, the aggregate interest rate charged or agreed to be paid with respect to any of the Obligations under this Agreement, including all charges or fees in connection therewith deemed in the nature of interest under Applicable Laws shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the aggregate outstanding amount of the Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, the Borrower shall pay to the Administrative Agent an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of the Lenders and each of the Credit Parties to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate,

then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the aggregate outstanding amount of the Loans made hereunder or be refunded to each of the applicable Credit Parties. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Highest Lawful Rate, such Person may, to the extent permitted by Applicable Laws, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest, throughout the contemplated term of the Obligations hereunder.

Section 12.17 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Credit Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in SECTION 6, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means (e.g. "pdf" or "tif" format) shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 12.18 No Advisory of Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Credit Document), each of the Credit Parties acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a)(i) the arranging and other services regarding this Agreement provided by the Administrative Agent, are arm's-length commercial transactions between the Credit Parties, on the one hand, and the Administrative Agent, on the other hand, (ii) the Credit Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) each of the Credit Parties is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Credit Documents, (b)(i) the Administrative Agent is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not and will not be acting as an advisor, agent or fiduciary, for any Credit Party or any of their Affiliates or any other Person and (ii) the Administrative Agent does not have any obligation to any Credit Party or any of their Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Credit Documents; and (c) the Administrative Agent and its respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Credit Parties and their Affiliates, and the Administrative Agent does not have any obligation to disclose any of such interests to any Credit Party or its Affiliates. To the fullest extent permitted by law, each of the Credit Parties hereby waives and releases, any claims that it may have against the Administrative Agent with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 12.19 Electronic Execution of Assignments and Other Documents. The words "execution," "signed," "signature," and words of like import in any Assignment Agreement or in any amendment, waiver, modification or consent relating hereto shall be deemed to include electronic signatures 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 or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Laws, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 12.20 USA PATRIOT Act. Each Lender subject to the Patriot Act hereby notifies each of the Credit Parties that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies each of the Credit Parties, which information includes the name and address of each of the Credit Parties and other information that will allow such Lender to identify each of the Credit Parties in accordance with the Patriot Act.

Section 12.21 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an Affected Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an Affected Financial Institution; and (b) the effects of any Bail-in Action on any such liability, including, if applicable: (i) a reduction in full or in part or cancellation of any such liability, (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Credit Document or (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

Section 12.22 [Reserved].

Section 12.23 Acknowledgement Regarding Any Supported QFCs. To the extent that the Credit Documents provide support, through a guarantee or otherwise, for any agreement or instrument that is a QFC (such support, “QFC Credit Support”, and each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Credit Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Credit Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Credit Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with

respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 12.23, the following terms have the following meanings:

“BHC Act Affiliate” means, with respect to any Person, an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. § 1841(k)) of such Person.

“Covered Entity” means any of (i) a “covered entity” (as such term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b)), (ii) a “covered bank” (as such term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b)); or (iii) a “covered FSI” (as such term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b)).

“Default Right” shall have the meaning assigned to such term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” means a “qualified financial contract” (as defined in, and interpreted in accordance with, 12 U.S.C. § 5390(c)(8)(D)).

[Signatures on Following Page(s)]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

BORROWER: SUBROGATION HOLDINGS, LLC,
a Delaware limited liability company

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Authorized Representative

OWNER PLEDGOR: MSP RECOVERY, LLC,
a Florida limited liability company

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Authorized Representative

MORTGAGOR PARENT: JRFQ HOLDINGS, LLC,
a Delaware limited liability company

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Manager

MORTGAGOR: 4601 CORAL GABLES PROPERTY, LLC,
a Florida limited liability company

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Manager

CLAIMS VEHICLE: CLAIMS RR, LLC,
a Florida limited liability company

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Authorized Representative

GUARANTOR: MSP RECOVERY, LLC,
a Florida limited liability company

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Authorized Representative

ASSIGNEE: SERIES 15-09-321,
a registered series of MSP Recovery Claims, Series LLC and a
Subsidiary of the Borrower

By: /s/ John H. Ruiz
Name: John H. Ruiz
Title: Authorized Representative

Signature Page

ADMINISTRATIVE AGENT:

HAZEL PARTNERS HOLDINGS LLC

By: /s/ Christopher Guth
Name: Christopher Guth
Title: Authorised Attorney

LENDERS:

HAZEL PARTNERS HOLDINGS LLC,
as a Lender

By: /s/ Christopher Guth
Name: Christopher Guth
Title: Authorised Attorney

Signature Page

For purposes of Section 11 hereof:

Agreed to and acknowledged by:

HHI AGENT:

HAZEL HOLDINGS I LLC

By: /s/ Christopher Guth
Name: Christopher Guth
Title: Authorised Attorney

HHI LENDER

HAZEL HOLDINGS I LLC, as a Lender

By: /s/ Christopher Guth
Name: Christopher Guth
Title: Authorised Attorney

Signature Page

STANDBY EQUITY PURCHASE AGREEMENT

THIS STANDBY EQUITY PURCHASE AGREEMENT (this “Agreement”) dated as of November 14, 2023 is made by and between **YA II PN, LTD.**, a Cayman Islands exempt limited partnership (the “Investor”), and **MSP RECOVERY, INC.**, a company incorporated under the laws of the state of Delaware (the “Company”). The Investor and the Company may be referred to herein individually as a “Party” and collectively as the “Parties.”

WHEREAS, on January 6, 2023, the Parties entered into a Common Stock Purchase Agreement (the “Yorkville Purchase Agreement”) pursuant to which the Company has the right to sell to the Investor from time to time at its option up to \$1 billion of shares of the Company’s Class A common stock, par value \$0.0001 per share (the “Common Shares”);

WHEREAS, the parties desire that this Agreement shall amend, restate and supersede the Yorkville Purchase Agreement in its entirety;

WHEREAS, the Parties desire that, upon the terms and subject to the conditions contained herein, the Company shall have the right to issue and sell to the Investor, from time to time as provided herein, and the Investor shall purchase from the Company, up to \$250 million in aggregate gross purchase price of newly issued fully paid Common Shares;

WHEREAS, the Common Shares are listed for trading on the Nasdaq Stock Market under the symbol “LIFW;”

WHEREAS, the offer and sale of the Common Shares issuable hereunder will be made in reliance upon Section 4(a)(2) under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the “Securities Act”), or upon such other exemption from the registration requirements of the Securities Act as may be available with respect to any or all of the transactions to be made hereunder; and

WHEREAS, the Parties are concurrently entering into a Registration Rights Agreement in the form attached as Exhibit A hereto (the “Registration Rights Agreement”), pursuant to which the Company shall register the resale of the Registrable Securities (as defined in the Registration Rights Agreement), upon the terms and subject to the conditions set forth therein.

NOW, THEREFORE, the Parties hereto agree as follows:

Article I. Certain Definitions

Capitalized terms used in this Agreement shall have the meanings ascribed to such terms in Annex I hereto, and hereby made a part hereof, or as otherwise set forth in this Agreement.

Article II. Pre-Paid Advances

Section 2.01 Pre-Paid Advances. Subject to the satisfaction of the conditions set forth in Annex II attached hereto, the Investor shall advance to Holdings the principal amount of \$15,000,000 (the “Pre-Paid Advance”), which shall be evidenced by convertible promissory notes in the form

attached hereto as Exhibit B (the “Promissory Note”). The first Pre-Paid Advance shall be in an amount of \$5,000,000 and advanced upon the Effective Date of this Agreement (the “First Pre-Advance Closing”), the second Pre-Paid Advance shall be in an amount of \$5,000,000 and advanced on the second Trading Day after the filing of Amendment No. 1 to the initial Registration Statement (the “Second Pre-Advance Closing”), and the third Pre-Paid Advance shall be in an amount of \$5,000,000 and advanced on the second Trading Day after the effectiveness of the initial Registration Statement (the “Third Pre-Advance Closing”) (individually referred to as a “Pre-Advance Closing” and collectively referred to as the “Pre-Advance Closings”).

Section 2.02Pre-Advance Closing. Each Pre-Advance Closing shall occur remotely by conference call and electronic delivery of documentation. The First Pre-Advance Closing shall take place at 10:00 a.m., New York time, on the Effective Date, provided that the conditions set forth on Annex II have been satisfied (or such other date as is mutually agreed to by the Company and the Investor). The Second Pre-Advance Closing shall take place at 10:00 a.m., New York time, on the second Trading Day after the filing of the initial Registration Statement, provided that the conditions set forth on Annex II have been satisfied (or such other date as is mutually agreed to by the Company and the Investor). The Third Pre-Advance Closing shall take place at 10:00 a.m., New York time, on the second Trading Day after the effectiveness of the initial Registration Statement, provided that the conditions set forth on Annex II have been satisfied (or such other date as is mutually agreed to by the Company and the Investor). At each Pre-Advance Closing, the Investor shall advance to the Company the principal amount of the Pre-Paid Advance, less a discount in the amount equal to 95% of the principal amount of the Pre-Paid Advance, in immediately available funds to an account designated by the Company in writing, and the Company shall deliver the Promissory Note with a principal amount equal to the full amount of the Pre-Paid Advance, duly executed on behalf of the Company.

Article III. Advances

Section 3.01Advances; Mechanics. Upon the terms and subject to the conditions of this Agreement, during the Commitment Period, (i) the Company, at its sole discretion, shall have the right, but not the obligation, to issue and sell to the Investor, and the Investor shall subscribe for and purchase from the Company, Advance Shares by the delivery to the Investor of Advance Notices, provided no balance is outstanding under a Promissory Note and (ii) the Investor, at its sole discretion shall have the right, but not the obligation, provided that there is a balance outstanding under the Promissory Note, by the delivery to the Company of Investor Notices, cause an Advance Notice to be deemed delivered to the Investor and the issuance and sale of Shares to the Investor pursuant to an Advance, on the terms set forth herein. If a balance remains outstanding under a Promissory Note, then the Company’s ability to deliver Advance Notices shall be subject to the satisfaction of Section 3.01(a)(iii) below.

- (a) Advance Notice. At any time during the Commitment Period the Company may require the Investor to purchase Shares by delivering an Advance Notice to the Investor, subject to the satisfaction or waiver by the Investor of the conditions set forth in Annex III, and in accordance with the following provisions:

- (i) The Company shall, in its sole discretion, select the number of Advance Shares, not to exceed the Maximum Advance Amount, it desires to issue and sell to the Investor in each Advance Notice and the time it desires to deliver each Advance Notice.
 - (ii) There shall be no mandatory minimum Advances and there shall be no non-usages fee for not utilizing the Commitment Amount or any part thereof.
 - (iii) For so long as any amount remains outstanding under a Promissory Note, without the prior written consent of the Investor, the Company may only submit an Advance Notice (other than with respect to a deemed Advance Notice pursuant to an Investor Notice) in accordance with the following provisions.
 - (A) The Investor may, at any time beginning upon the receipt of an Advance Notice and ending upon the corresponding Closing, at its option, elect to apply a portion of the aggregate purchase price of the Shares owed to the Company from such Advance in an amount not to exceed 50% of such proceeds as an Optional Redemption (as defined in the Promissory Note) by offsetting such portion of the Advance Proceeds against the applicable Redemption Amount (as defined in the Promissory Note) in respect of such Optional Redemption (if such election is made by the Investor, the conditions to an Optional Advance shall be deemed to have been waived). In connection with each such Advance Notice, the Investor, in its sole discretion, may decline to receive an Optional Redemption, in whole or in part, with respect to the Advance Proceeds. For the avoidance of doubt, the Company may use 50% of the Advance proceeds, or such greater amount to the extent the Investor declines an Optional Redemption, for general corporate purposes, including to repay other creditors of the Company.
 - (B) The Company shall not deliver an Advance Notice which would result in more than 12 Trading Days constituting part of a Pricing Period in a single calendar month, unless otherwise agreed by the Investor.
- (b) Investor Notice. At any time during the Commitment Period, provided that there is a balance remaining outstanding under a Promissory Note, the Investor may, by delivering an Investor Notice to the Company, cause an Advance Notice to be deemed delivered to the Investor and the issuance and sale of Shares to the Investor pursuant to an Advance, in accordance with the following provisions:
- (i) The Investor shall, in its sole discretion, select the amount of the Advance up to the Maximum Advance Amount, and the time it desires to deliver each Investor Notice; provided that the amount of the Advance selected shall not exceed the balance owed under all Promissory Notes (or in the case of

Section 3.01(b)(iii), two times the balance owed under all Promissory Notes) outstanding on the date of delivery of the Investor Notice.

- (ii) The Purchase Price of the Shares in respect of any Advance Notice deemed delivered pursuant to an Investor Notice shall be equal to the Exchange Price in effect on the date of delivery of the Investor Notice. The Investor shall pay the aggregate purchase price for the Shares to be issued pursuant to the Investor Notice by offsetting the amount of the aggregate purchase price to be paid by the Investor against an equal amount outstanding under a Promissory Note (first towards accrued and unpaid interest, if any, then towards principal).
 - (iii) If required pursuant to the amended and restated promissory note issued by the Company to Nomura, the Investor shall pay the aggregate purchase price for the Shares to be issued pursuant to the Investor Notice by (x) offsetting the amount of the aggregate purchase price to be paid by the Investor against an amount outstanding under a Promissory Note (first towards accrued and unpaid interest, if any, then towards principal equal to 50% of such aggregate purchase price for the Shares and (y) payment of the remaining 50% of such aggregate purchase price for the Shares to the Company.
 - (iv) Each Investor Notice shall set forth the amount of the Advance requested, the Purchase Price (which shall be equal to the Exchange Price) along with a report by Bloomberg, L.P. indicating the relevant VWAP used in calculating the Exchange Price, the number of Shares to be issued by the Company and purchased by the Investor, the aggregate amount of accrued and unpaid interest of the Promissory Note (if any) that shall be offset by the issuance of Shares, the aggregate amount of principal of the Promissory Note that shall be offset by the issuance of Shares, and the total amount of the Promissory Note that shall be outstanding following the closing of the Advance, and each Investor Notice shall serve as the Settlement Document in respect of such Advance.
 - (v) Upon the delivery of an Investor Notice, a corresponding Advance Notice shall simultaneously and automatically be deemed to have been delivered by the Company to the Investor requesting the amount of the Advance set forth in the Investor Notice, and any conditions precedent to such Advance Notice under the terms of this Agreement that have not been satisfied shall be deemed to have been waived by the Investor.
 - (vi) The Investor shall not deliver an Investor Notice during any day that constitutes part of a Pricing Period.
- (c) Date of Delivery of Advance Notice. An Advance Notice selecting an Option 1 Pricing Period shall only be delivered on a Trading Day and shall be deemed delivered on the day such notice is received by e-mail by the Investor. An Advance Notice selecting an Option

2 Pricing Period shall be deemed delivered on (i) the day it is received by e-mail by the Investor if such notice is received by e-mail at or before 9:00 a.m. New York City time (or at such later time if agreed to by the Investor in its sole discretion), or (ii) the immediately succeeding day if it is received by e-mail by the Investor after 9:00 a.m. New York City time. An Advance Notice deemed delivered pursuant to an Investor Notice shall be deemed delivered on the same date upon which the Investor Notice is received by the Company. Upon receipt of an Advance Notice, the Investor shall promptly (and, with respect to an Advance Notice selecting an Option 1 Pricing Period, in no event more than one-half hour after receipt) provide written confirmation (which may be by e-mail) of receipt of such Advance Notice, and which confirmation, in the case of an Advance Notice selecting an Option 1 Pricing Period, shall specify the commencement time of the Option 1 Pricing Period.

Section 3.02 Advance Limitations, Regulatory. Regardless of the Advance requested in an Advance Notice, including an Advance Notice deemed delivered pursuant to an Investor Notice, the final number of Shares to be issued and sold pursuant to such Advance Notice shall be reduced (if at all) in accordance with each of the following limitations:

- (a) Ownership Limitation; Commitment Amount. At the request of the Investor, the Company shall promptly confirm in writing to the Investor the number of Common Shares then outstanding. Notwithstanding anything to the contrary contained in this Agreement, the Investor shall not be obligated to purchase or acquire, and shall not purchase or acquire, any Common Shares under this Agreement which, when aggregated with all other Common Shares beneficially owned by the Investor and its affiliates (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder), would result in the beneficial ownership by the Investor and its affiliates (on an aggregated basis) to exceed 9.99% of the then outstanding voting power or number of Common Shares (the "Ownership Limitation"). In connection with each Advance Notice, any portion of an Advance that would (i) cause the Investor to exceed the Ownership Limitation or (ii) cause the aggregate number of Shares issued and sold to the Investor hereunder to exceed the Commitment Amount shall automatically be withdrawn with no further action required by the Company, and such Advance Notice shall be deemed automatically modified to reduce the Advance by an amount equal to such withdrawn portion; provided that in the event of any such automatic withdrawal and automatic modification, the Investor will promptly notify the Company of such event.
- (b) Registration Limitation. In no event shall an Advance exceed the amount registered in respect of the transactions contemplated hereby under the Registration Statement then in effect (the "Registration Limitation"). In connection with each Advance Notice, any portion of an Advance that would exceed the Registration Limitation shall automatically be withdrawn with no further action required by the Company and such Advance Notice shall be deemed automatically modified to reduce the aggregate amount of the requested Advance by an amount equal to such withdrawn portion; provided that in the event of any such automatic withdrawal and automatic modification, the Investor will promptly notify the Company of such event.

- (c) Compliance with Rules of Principal Market. Notwithstanding anything to the contrary herein, the Company shall not effect any sales under this Agreement and the Investor shall not have the obligation to purchase Common Shares under this Agreement to the extent (but only to the extent) that after giving effect to such purchase and sale the aggregate number of Common Shares issued under this Agreement would exceed 19.99% of the aggregate number of shares of common stock of the Company issued and outstanding as of the Effective Date of this Agreement, which number shall be reduced, on a share-for-share basis, by the number of Common Shares issued or issuable pursuant to any transaction or series of transactions that may be aggregated with the transactions contemplated by this Agreement under the applicable rules of the Principal Market (such maximum number of shares, the “Exchange Cap”) unless the Company’s stockholders have approved the issuance of Common Shares pursuant to this Agreement in excess of the Exchange Cap in accordance with the applicable rules of the Principal Market. In connection with each Advance Notice, any portion of an Advance that would exceed the Exchange Cap shall automatically be withdrawn with no further action required by the Company and such Advance Notice shall be deemed automatically modified to reduce the aggregate amount of the requested Advance by an amount equal to such withdrawn portion in respect of each Advance Notice.

Section 3.03 Advance Limitations.

- (a) Volume Threshold. In connection with an Advance Notice with an Option 1 Pricing Period, if the total number of Common Shares traded on the Principal Market during the applicable Pricing Period is less than the Volume Threshold, then the number of Advance Shares issued and sold pursuant to such Advance Notice shall be reduced to the greater of (i) 30% of the trading volume of Common Shares on the Principal Market during the Option 1 Pricing Period as reported by Bloomberg L.P., or (ii) the number of Common Shares sold by the Investor during such Option 1 Pricing Period, but not to exceed the amount requested in the Advance Notice.

- (b) Minimum Acceptable Price.

- (i) With respect to each Advance Notice with an Option 2 Pricing Period, the Company may notify the Investor of the Minimum Acceptable Price with respect to such Advance by indicating a Minimum Acceptable Price on such Advance Notice. If no Minimum Acceptable Price is specified in an Advance Notice, then no Minimum Acceptable Price shall be in effect in connection with such Advance. Each Trading Day during a Pricing Period for which (A) with respect to each Advance Notice with a Minimum Acceptable Price, the VWAP of the Common Shares is below the Minimum Acceptable Price in effect with respect to such Advance Notice, or (B) there is no VWAP (each such day, an “Excluded Day”), shall result in an automatic reduction to the number of Advance Shares set forth in such Advance Notice by one-third (the resulting amount of each Advance being the “Adjusted Advance Amount”), and each Excluded Day shall be excluded from the Pricing Period for purposes of determining the Market Price.

(ii) The total Advance Shares in respect of each Advance (after reductions have been made to arrive at the Adjusted Advance Amount, if any) shall be automatically increased by such number of Common Shares (the “Additional Shares”) equal to greater of (a) the number of Common Shares sold by the Investor on such Excluded Day(s), if any, or (b) such number of Common Shares elected to be subscribed for by the Investor, and the subscription price per share for each Additional Share shall be equal to the MAP in effect with respect to such Advance Notice multiplied by 97%, provided that this increase shall not cause the total Advance Shares to exceed the amount set forth in the original Advance Notice or any limitations set forth in Section 3.02.

Section 3.04 Unconditional Contract. Notwithstanding any other provision in this Agreement, the Company and the Investor acknowledge and agree that upon the Investor’s receipt of a valid Advance Notice from the Company the Parties shall be deemed to have entered into an unconditional contract binding on both Parties for the purchase and sale of Advance Shares pursuant to such Advance Notice in accordance with the terms of this Agreement and (i) subject to Applicable Laws and (ii) subject to Section 7.19, the Investor may sell Common Shares after receipt of an Advance Notice, including during a Pricing Period.

Section 3.05 Closings. The closing of each Advance and each sale and purchase of Advance Shares (whether pursuant to an Advance Notice delivered by the Company or in connection with an Advance Notice deemed delivered by the Company in connection with an Investor Notice) (each, a “Closing”) shall take place as soon as practicable on each applicable Advance Date in accordance with the procedures set forth below. The Company acknowledges that, other than in connection with an Investor Notice, the Purchase Price is not known at the time an Advance Notice is delivered but shall be determined on each Closing based on the daily prices of the Common Shares that are the inputs to the determination of the Purchase Price. In connection with each Closing, the Company and the Investor shall fulfill each of its obligations as set forth below:

- (a) On or prior to each Advance Date, the Investor shall deliver to the Company a Settlement Document along with a report by Bloomberg, L.P. (or, if not reported on Bloomberg, L.P., another reporting service reasonably agreed to by the parties) indicating the VWAP for each of the Trading Days during the Pricing Period or period for determining the Exchange Price, in each case in accordance with the terms and conditions of this Agreement. In connection with an Investor Notice, the Investor Notice shall serve as the Settlement Document.
- (b) Promptly after receipt of the Settlement Document with respect to each Advance (and, in any event, not later than one Trading Day after such receipt), the Company will, or will cause its transfer agent to, electronically transfer such number of Advance Shares to be purchased by the Investor (as set forth in the Settlement Document) by crediting the Investor’s account or its designee’s account at the Depository Trust Company through its Deposit Withdrawal at Custodian System or by such other means of delivery as may be mutually agreed upon by the parties hereto, and transmit notification to the Investor that such share transfer has been requested. Promptly upon receipt of such notification, the Investor shall pay to the Company the aggregate purchase price of the Shares (as set forth in the Settlement Document) either (i) in the case of an Advance Notice submitted other

than after the occurrence of a Trigger Event, in cash in immediately available funds to an account designated by the Company in writing and transmit notification to the Company that such funds transfer has been requested, or (ii) in the case of an Investor Notice or an Advance Notice submitted after the occurrence of a Trigger Event, as an offset of amounts owed under the Promissory Note as described in Section 3.01(b)(iii). No fractional shares shall be issued, and any fractional amounts shall be rounded to the next higher whole number of shares. To facilitate the transfer of the Common Shares by the Investor, the Common Shares will not bear any restrictive legends so long as there is an effective Registration Statement covering the resale of such Common Shares (it being understood and agreed by the Investor that notwithstanding the lack of restrictive legends, the Investor may only sell such Common Shares pursuant to the Plan of Distribution set forth in the Prospectus included in the Registration Statement and otherwise in compliance with the requirements of the Securities Act (including any applicable prospectus delivery requirements) or pursuant to an available exemption).

- (c) On or prior to the Advance Date, each of the Company and the Investor shall deliver to the other all documents, instruments and writings expressly required to be delivered by either of them pursuant to this Agreement in order to implement and effect the transactions contemplated herein.
- (d) Notwithstanding anything to the contrary in this Agreement, other than in respect of Advance Notices deemed to be given pursuant to Investor Notices, if on any day during the Pricing Period (i) the Company notifies Investor that a Material Outside Event has occurred, or (ii) the Company notifies the Investor of a Black Out Period, the parties agree that any pending Advance shall end and the final number of Advance Shares to be purchased by the Investor at the Closing for such Advance shall be equal to the number of Common Shares sold by the Investor during the applicable Pricing Period prior to the notification from the Company of a Material Outside Event or Black Out Period.

Section 3.06 Hardship.

- (a) In the event the Investor sells Common Shares after receipt, or deemed receipt of an Advance Notice and the Company fails to perform its obligations as mandated in this Agreement, the Company agrees that in addition to and in no way limiting the rights and obligations set forth in Article VI hereto and in addition to any other remedy to which the Investor is entitled at law or in equity, including, without limitation, specific performance, it will hold the Investor harmless against any loss, claim, damage, or expense (including reasonable legal fees and expenses), as incurred, arising out of or in connection with such default by the Company and acknowledges that irreparable damage may occur in the event of any such default. It is accordingly agreed that the Investor shall be entitled to an injunction or injunctions to prevent such breaches of this Agreement and to specifically enforce (subject to Applicable Laws and the rules of the Principal Market), without the posting of a bond or other security, the terms and provisions of this Agreement.

Article IV. Representations and Warranties of the Investor

The Investor represents and warrants to the Company, as of the date hereof, as of each Advance Notice Date and as of the date of each Pre-Advance Closing that:

Section 4.01 Organization and Authorization. The Investor is duly organized, validly existing and in good standing under the laws of the Cayman Islands and has the requisite corporate power and authority to enter into and perform its obligations under the Transaction Documents to which it is a party and to purchase or acquire Shares in accordance with the terms hereof. The decision to invest and the execution and delivery of the Transaction Documents to which it is a party by the Investor, the performance by the Investor of its obligations hereunder and the consummation by the Investor of the transactions contemplated hereby have been duly authorized and require no other proceedings on the part of the Investor. The undersigned has the right, power and authority to execute and deliver the Transaction Documents to which it is a party and all other instruments on behalf of the Investor or its shareholders. This Agreement and the Transaction Documents to which it is a party have been duly executed and delivered by the Investor and, assuming the execution and delivery hereof and acceptance thereof by the Company, will constitute the legal, valid and binding obligations of the Investor, enforceable against the Investor in accordance with its terms.

Section 4.02 Evaluation of Risks. The Investor has such knowledge and experience in financial, tax and business matters as to be capable of evaluating the merits and risks of, and bearing the economic risks entailed by, an investment in the Common Shares of the Company and of protecting its interests in connection with the transactions contemplated hereby. The Investor acknowledges and agrees that its investment in the Company involves a high degree of risk, and that the Investor may lose all or a part of its investment.

Section 4.03 No Legal, Investment or Tax Advice from the Company. The Investor acknowledges that it had the opportunity to review the Transaction Documents and the transactions contemplated by the Transaction Documents with its own legal counsel and investment and tax advisors. The Investor is relying solely on such counsel and advisors and not on any statements or representations of the Company or any of the Company's representatives or agents for legal, tax, investment or other advice with respect to the Investor's acquisition of Common Shares hereunder, the transactions contemplated by this Agreement or the laws of any jurisdiction, and the Investor acknowledges that the Investor may lose all or a part of its investment.

Section 4.04 Investment Purpose. The Investor is acquiring the Common Shares and any Promissory Note for its own account, for investment purposes and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered under or exempt from the registration requirements of the Securities Act; provided, however, that by making the representations herein, the Investor does not agree, or make any representation or warranty, to hold any of the Shares for any minimum or other specific term and reserves the right to dispose of the Shares at any time in accordance with, or pursuant to, a Registration Statement filed pursuant to this Agreement or an applicable exemption under the Securities Act. The Investor does not presently have any agreement or understanding, directly or indirectly, with any Person to sell or distribute any of the Shares. The Investor acknowledges that it will be disclosed as an

“underwriter” and a “selling stockholder” in each Registration Statement and in any Prospectus contained therein to the extent required by applicable law and to the extent the Prospectus is related to the resale of Registrable Securities.

Section 4.05 Accredited Investor. The Investor is an “Accredited Investor” as that term is defined in Rule 501(a)(3) of Regulation D.

Section 4.06 Information. The Investor and its advisors (and its counsel), if any, have been furnished with all materials relating to the business, finances and operations of the Company and information the Investor deemed material to making an informed investment decision. The Investor and its advisors (and its counsel), if any, have been afforded the opportunity to ask questions of the Company and its management and have received answers to such questions. Neither such inquiries nor any other due diligence investigations conducted by such Investor or its advisors (and its counsel), if any, or its representatives shall modify, amend or affect the Investor’s right to rely on the Company’s representations and warranties contained in this Agreement. The Investor acknowledges and agrees that the Company has not made to the Investor, and the Investor acknowledges and agrees it has not relied upon, any representations and warranties of the Company, its employees or any third party other than the representations and warranties of the Company contained in this Agreement. The Investor understands that its investment involves a high degree of risk. The Investor has sought such accounting, legal and tax advice, as it has considered necessary to make an informed investment decision with respect to the transactions contemplated hereby.

Section 4.07 Not an Affiliate. The Investor is not an officer, director or a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the Company or any “Affiliate” of the Company (as that term is defined in Rule 405 promulgated under the Securities Act).

Section 4.08 No Prior Short Sales. At no time prior to the date of this Agreement has the Investor, its sole member, any of their respective officers, or any entity managed or controlled by the Investor or its sole member, engaged in or effected, in any manner whatsoever, directly or indirectly, for its own principal account, any (i) “short sale” (as such term is defined in Rule 200 of Regulation SHO of the Exchange Act) of the Common Shares or (ii) hedging transaction, in either case which establishes a net short position with respect to the Common Shares that remains in effect as of the date of this Agreement.

Section 4.09 General Solicitation. Neither the Investor, nor any of its affiliates, nor any person acting on its or their behalf, has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with any offer or sale of the Common Shares by the Investor.

Article V. Representations and Warranties of the Company

Except as set forth in the disclosure schedule delivered by the Company to the Investor concurrently with this Agreement (which is hereby incorporated by reference in, and constitutes an integral part of, this Agreement) (the “Disclosure Schedule”), or where specifically set forth

below with respect to certain specified representations and warranties, the SEC Documents, the Company hereby makes the following representations, warranties and covenants to the Investor:

Section 5.01 Organization and Qualification. The Company and each of its Subsidiaries are entities duly formed, validly existing and in good standing under the laws of the jurisdiction in which they are formed and have the requisite power and authority to own their properties and to carry on their business as now being conducted. The Company and each of its Subsidiaries is duly qualified to do business and is in good standing in every jurisdiction in which the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect.

Section 5.02 Authorization, Enforcement, Compliance with Other Instruments. The Company has the requisite corporate power and authority to enter into and perform its obligations under this Agreement and the other Transaction Documents and to issue the Shares in accordance with the terms hereof and thereof. The execution and delivery by the Company of this Agreement and the other Transaction Documents, and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Common Shares) have been or (with respect to consummation) will be duly authorized by the Company's board of directors and no further consent or authorization will be required by the Company or its board of directors except for the approval of the Company's shareholders. This Agreement and the other Transaction Documents to which the Company is a party have been (or, when executed and delivered, will be) duly executed and delivered by the Company and, assuming the execution and delivery thereof and acceptance by the Investor, constitute (or, when duly executed and delivered, will be) the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by federal or state securities law.

Section 5.03 Authorization of the Shares. The Shares to be issued under this Agreement have been, or with respect to Shares to be purchased by the Investor pursuant to an Advance Notice, will be, when issued and delivered pursuant to the terms approved by the board of directors of the Company or a duly authorized committee thereof, or a duly authorized executive committee, against payment therefor as provided herein, duly and validly authorized and issued and fully paid and nonassessable, free and clear of any pledge, lien, encumbrance, security interest or other claim, including any statutory or contractual preemptive rights, resale rights, rights of first refusal or other similar rights, and will be registered pursuant to Section 12 of the Exchange Act. The Shares, when issued, will conform to the description thereof set forth in or incorporated into the Prospectus.

Section 5.04 No Conflict. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including, without limitation, the issuance of the Common Shares in exchange for payment of the applicable purchase price in cash or by way of offset) will not (i) result in a violation of the articles of incorporation or other organizational documents of the Company or its Subsidiaries (with respect to consummation, as the same may be amended prior to

the date on which any of the transactions contemplated hereby are consummated), (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or its Subsidiaries is a party, including, without limitation, the agreements entered into with Virage Recovery Master LP and Nomura, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations) applicable to the Company or its Subsidiaries or by which any property or asset of the Company or its Subsidiaries is bound or affected except, in the case of clause (ii) or (iii) above, to the extent such violations that would not reasonably be expected to have a Material Adverse Effect.

Section 5.05 The Company understands and acknowledges that the number of Common Shares issuable upon exchange of the Promissory Notes will increase in certain circumstances. The Company further acknowledges its obligation to issue the Common Shares upon exchange of the Promissory Notes in accordance with the terms thereof or upon delivery of an Advance Notice (including upon receipt of an Investor Notice) is absolute and unconditional regardless of the dilutive effect that such issuance may have on the ownership interests of other stockholders of the Company.

Section 5.06 SEC Documents; Financial Statements. Except as set forth on the Disclosure Schedule or in the SEC Documents, since July 27, 2023, the Company has timely filed (giving effect to permissible extensions in accordance with Rule 12b-25 under the Exchange Act) all SEC Documents. The Company has delivered or made available to the Investor through the SEC's website at <http://www.sec.gov>, true and complete copies of the SEC Documents, as applicable. Except as disclosed in amendments or subsequent filings to the SEC Documents, as of its filing date (or, if amended or superseded by a filing prior to the date hereof, on the date of such amended or superseded filing), each of the SEC Documents complied in all material respects with the requirements of the Exchange Act or the Securities Act, as applicable, and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and did not contain any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Company's previously issued financial statements for the periods ended June 30, 2022 and September 30, 2022 have been restated in accordance with applicable law to correct any material misstatements therein, and the Company has determined, in consultation with its outside securities counsel and independent registered public accounting firm that, except as included in its SEC Documents, it does not need to file an amendment to the Company's previously filed Quarterly Reports on Form 10-Q for the affected periods.

Section 5.07 Financial Statements. The consolidated financial statements of the Company included or incorporated by reference in the SEC Documents, together with the related notes and schedules, present fairly, in all material respects, the consolidated financial position of the Company and the Subsidiaries as of the dates indicated and the consolidated results of operations, cash flows and changes in stockholders' equity of the Company for the periods specified and have been prepared in compliance with the requirements of the Securities Act and Exchange Act and in conformity with generally accepted accounting principles in the United States ("GAAP") applied

on a consistent basis (except for (i) such adjustments to accounting standards and practices as are noted therein, (ii) in the case of unaudited interim financial statements, to the extent such financial statements may not include footnotes required by GAAP or may be condensed or summary statements and (iii) such adjustments which are not material, either individually or in the aggregate) during the periods involved; the other financial and statistical data with respect to the Company and the Subsidiaries contained or incorporated by reference in the SEC Documents are accurately and fairly presented and prepared on a basis consistent with the financial statements and books and records of the Company; there are no financial statements (historical or pro forma) that are required to be included or incorporated by reference in the SEC Documents that are not included or incorporated by reference as required; the Company and the Subsidiaries do not have any material liabilities or obligations, direct or contingent (including any off-balance sheet obligations), not described in the SEC Documents (excluding the exhibits thereto); and all disclosures contained or incorporated by reference in the SEC Documents regarding “non-GAAP financial measures” (as such term is defined by the rules and regulations of the SEC) comply in all material respects with Regulation G of the Exchange Act and Item 10 of Regulation S-K under the Securities Act, to the extent applicable. The interactive data in eXtensible Business Reporting Language included or incorporated by reference in the SEC Documents fairly presents the information called for in all material respects and has been prepared in accordance with the SEC’s rules and guidelines applicable thereto.

Section 5.08 Registration Statement and Prospectus. The Company and the transactions contemplated by this Agreement meet the requirements for and comply with the conditions for the use of Form S-1 under the Securities Act. Each Registration Statement and the offer and sale of Shares as contemplated hereby, if and when filed, will meet the requirements of Rule 415 under the Securities Act and comply in all material respects with said rule. Any statutes, regulations, contracts or other documents that are required to be described in a Registration Statement or a Prospectus, or to be filed as exhibits to a Registration Statement have been so described or filed. Copies of each Registration Statement, any Prospectus, and any such amendments or supplements thereto and all documents incorporated by reference therein that were filed with the Commission on or prior to the date of this Agreement have been delivered, or are available through EDGAR, to the Investor and its counsel. The Company has not distributed and, prior to the later to occur of each Advance Notice Date and completion of the distribution of the Shares, will not distribute any offering material in connection with the offering or sale of the Shares other than a Registration Statement and the Prospectus to which the Investor has consented.

Section 5.09 No Misstatement or Omission. Each Registration Statement, when it became or becomes effective, and any Prospectus, on the date of such Prospectus or amendment or supplement, conformed and will conform in all material respects with the requirements of the Securities Act. At each Advance Notice Date, the Registration Statement, and the Prospectus, as of such date, will conform in all material respects with the requirements of the Securities Act. Each Registration Statement, when it became or becomes effective, 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. Each Prospectus did not, or will not, include an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The

documents incorporated by reference in a Prospectus or any Prospectus Supplement did not, and any further documents filed and incorporated by reference therein will not, when filed with the SEC, contain an untrue statement of a material fact or omit to state a material fact required to be stated in such document or necessary to make the statements in such document, in light of the circumstances under which they were made, not misleading. The foregoing shall not apply to statements in, or omissions from, any such document made in reliance upon, and in conformity with, information furnished to the Company by the Investor specifically for use in the preparation thereof.

Section 5.10 Conformity with Securities Act and Exchange Act. Each Registration Statement, each Prospectus, or any amendment or supplement thereto, and the documents incorporated by reference in each Registration Statement, Prospectus or any amendment or supplement thereto, when such documents were or are filed with the SEC under the Securities Act or the Exchange Act or became or become effective under the Securities Act, as the case may be, conformed or will conform in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable.

Section 5.11 Equity Capitalization.

(a) Authorized and Outstanding Capital Stock. As of the date hereof, the authorized capital stock of the Company consists of 5,500,000,000 shares of Class A common stock, \$0.0001 par value, of which 14,323,764 are issued and outstanding, and 3,250,000,000 shares of Class V common stock, \$0.0001 par value, of which 124,253,176 are issued and outstanding.

(b) Valid Issuance; Available Shares. All of such outstanding shares are duly authorized and have been validly issued and are fully paid and nonassessable.

(c) Existing Securities; Obligations. Except as disclosed in the SEC Documents: (A) none of the Company's or any Subsidiary's shares, interests or capital stock is subject to preemptive rights or any other similar rights or liens suffered or permitted by the Company or any Subsidiary; (B) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any shares, interests or capital stock of the Company or any of its Subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional shares, interests or capital stock of the Company or any of its Subsidiaries or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any shares, interests or capital stock of the Company or any of its Subsidiaries; (C) there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of their securities under the Securities Act (except pursuant to this Agreement); (D) there are no outstanding securities or instruments of the Company or any of its Subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its Subsidiaries is or may become bound to redeem a security of the Company or any of its Subsidiaries; (E) there are no securities or instruments containing antidilution or similar

provisions that will be triggered by the issuance of the Shares; and (G) neither the Company nor any Subsidiary has entered into any Variable Rate Transaction.

Section 5.12 Intellectual Property Rights. The Company and its Subsidiaries own or possess adequate rights or licenses to use all material trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets and rights, if any, necessary to conduct their respective businesses as now conducted, except as would not cause a Material Adverse Effect. The Company and its Subsidiaries have not received written notice of any infringement by the Company or its Subsidiaries of trademark, trade name rights, patents, patent rights, copyrights, inventions, licenses, service names, service marks, service mark registrations, or trade secrets, except as would not cause a Material Adverse Effect. To the knowledge of the Company, there is no claim, action or proceeding being made or brought against, or to the Company's knowledge, being threatened against the Company or its Subsidiaries regarding trademark, trade name, patents, patent rights, invention, copyright, license, service names, service marks, service mark registrations, trade secret or other infringement; and, except as would not cause a Material Adverse Effect, the Company is not aware of any facts or circumstances which might give rise to any of the foregoing.

Section 5.13 Employee Relations. Neither the Company nor any of its Subsidiaries is involved in any labor dispute nor, to the knowledge of the Company or any of its Subsidiaries, is any such dispute threatened, in each case which is reasonably likely to cause a Material Adverse Effect.

Section 5.14 Environmental Laws. The Company and its Subsidiaries (i) have not received written notice alleging any failure to comply in all material respects with all Environmental Laws (as defined below), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) have not received written notice alleging any failure to comply with all terms and conditions of any such permit, license or approval where, in each of the foregoing clauses (i), (ii) and (iii), the failure to so comply would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. The term "Environmental Laws" means all applicable federal, state and local laws relating to pollution or protection of human health or the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata), including, without limitation, laws relating to emissions, discharges, releases or threatened releases of chemicals, pollutants, contaminants, or toxic or hazardous substances or wastes (collectively, "Hazardous Materials") into the environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials, as well as all authorizations, codes, decrees, demands or demand letters, injunctions, judgments, licenses, notices or notice letters, orders, permits, plans or regulations issued, entered, promulgated or approved thereunder.

Section 5.15 Title. Except as would not cause a Material Adverse Effect, the Company (or its Subsidiaries) has indefeasible fee simple or leasehold title to its properties and material assets owned by it, free and clear of any pledge, lien, security interest, encumbrance, claim or equitable interest other than such as are not material to the business of the Company. Any real property and facilities held under lease by the Company and its Subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with

the use made and proposed to be made of such property and buildings by the Company and its Subsidiaries.

Section 5.16 Insurance. The Company and each of its Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its Subsidiaries are engaged. The Company has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect.

Section 5.17 Regulatory Permits. Except as would not cause a Material Adverse Effect, the Company and its Subsidiaries possess all material certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to own their respective businesses, and neither the Company nor any such Subsidiary has received any written notice of proceedings relating to the revocation or modification of any such certificate, authorization or permits.

Section 5.18 Internal Accounting Controls. Except as disclosed in the SEC Documents , the Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization and (iv) 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 management is not aware of any material weaknesses that are not disclosed in the SEC Documents as and when required.

Section 5.19 Absence of Litigation. Except as disclosed in the SEC Documents, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending against or affecting the Company, the Common Shares or any of the Company's Subsidiaries, wherein an unfavorable decision, ruling or finding would have a Material Adverse Effect.

Section 5.20 Absence of Certain Changes. Since the date of the Company's most recent audited financial statements contained in a Form 10-K, there has been no Material Adverse Effect, nor any event or occurrence specifically affecting the Company or its Subsidiaries that would be reasonably expected to result in a Material Adverse Effect. Except as disclosed in the SEC Documents, since the date of the Company's most recent audited financial statements contained in a Form 10-K, neither the Company nor any of its Subsidiaries has (i) declared or paid any dividends, (ii) sold any material assets, individually or in the aggregate, outside of the ordinary course of business, or (iii) made any material capital expenditures, individually or in the aggregate, outside of the ordinary course of business. Neither the Company nor any of its Subsidiaries has taken any steps to seek protection pursuant to any law or statute relating to bankruptcy, insolvency, reorganization, receivership, liquidation or winding up, nor does the Company or any Subsidiary

have any knowledge or reason to believe that any of their respective creditors intend to initiate involuntary bankruptcy proceedings.

Section 5.21 Subsidiaries. Other than as set forth in the Disclosure Schedule, the Company does not own or control, directly or indirectly, any interest in any other corporation, partnership, association or other business entity.

Section 5.22 Tax Status. Each of the Company and its Subsidiaries (i) has timely made or filed all foreign, federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, (ii) has timely paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and (iii) has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. The Company has not received written notification of any unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company and its Subsidiaries know of no basis for any such claim where failure to pay would cause a Material Adverse Effect.

Section 5.23 Certain Transactions. Except as not required to be disclosed pursuant to Applicable Laws, none of the officers or directors of the Company is presently a party to any transaction with the Company (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer or director, or to the knowledge of the Company, any corporation, partnership, trust or other entity in which any officer or director has a substantial interest or is an officer, director, trustee or partner.

Section 5.24 Rights of First Refusal. The Company is not obligated to offer the Common Shares offered hereunder on a right of first refusal basis to any third parties including, but not limited to, current or former shareholders of the Company, underwriters, brokers, agents or other third parties.

Section 5.25 Dilution. The Company is aware and acknowledges that issuance of Common Shares hereunder could cause dilution to existing shareholders and could significantly increase the outstanding number of Common Shares.

Section 5.26 Acknowledgment Regarding Investor's Purchase of Shares. The Company acknowledges and agrees that the Investor is acting solely in the capacity of an arm's length investor with respect to this Agreement and the transactions contemplated hereunder. The Company further acknowledges that the Investor is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to this Agreement and the transactions contemplated hereunder and any advice given by the Investor or any of its representatives or agents in connection with this Agreement and the transactions contemplated hereunder is merely incidental to the Investor's purchase of the Shares hereunder or upon exchange of the Promissory Note. The Company is aware and acknowledges that it shall not be able to request Advances under this Agreement if the Registration Statement is not effective or if any issuances of Common Shares pursuant to any Advances would violate any rules of the Principal Market. The Company

acknowledges and agrees that it is capable of evaluating and understanding, and understands and accepts, the terms, risks and conditions of the transactions contemplated by this Agreement.

Section 5.27 Finder's Fees. Neither the Company nor any of the Subsidiaries has incurred any liability for any finder's fees, brokerage commissions or similar payments in connection with the transactions herein contemplated.

Section 5.28 Relationship of the Parties. Neither the Company, nor any of its subsidiaries, affiliates, nor any person acting on its or their behalf is a client or customer of the Investor or any of its affiliates and neither the Investor nor any of its affiliates has provided, or will provide, any services to the Company or any of its affiliates, its subsidiaries, or any person acting on its or their behalf. The Investor's relationship to Company is solely as investor as provided for in the Transaction Documents.

Section 5.29 Operations. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance with the Applicable Laws and neither the Company nor the Subsidiaries, nor any director, officer, or employee of the Company or any Subsidiary nor, to the Company's knowledge, any agent, affiliate or other person acting on behalf of the Company or any Subsidiary has, not complied with Applicable Law; and no action, suit or proceeding by or before any governmental authority involving the Company or any of its Subsidiaries with respect to Applicable Laws is pending or, to the knowledge of the Company, threatened.

Section 5.30 Forward-Looking Statements. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in the Registration Statement or a Prospectus prepared pursuant to the terms of the Registration Rights Agreement will be made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

Section 5.31 Compliance with Laws. To the Company's knowledge, the Company and each of its Subsidiaries are in compliance in all material respects with Applicable Laws; the Company has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that any director, officer, or employee of the Company or any Subsidiary nor, to the Company's knowledge, any agent, affiliate or other person acting on behalf of the Company or any Subsidiary has, has not complied with Applicable Laws, or could give rise to a notice of non-compliance with Applicable Laws, and is not aware of any pending change or contemplated change to any applicable law or regulation or governmental position; in each case that would have a Material Adverse Effect.

Section 5.32 Sanctions Matters. Neither the Company nor any of its Subsidiaries or, to the knowledge of the Company, any director, officer or controlled affiliate of the Company or any director or officer of any Subsidiary, is a Person that is, or is owned or controlled by a Person that is (i) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Asset Control ("OFAC"), the United Nations Security Council, the European Union, His Majesty's Treasury, or other relevant sanctions authorities, including, without limitation, designation on OFAC's Specially Designated Nationals and Blocked Persons List or OFAC's Foreign Sanctions Evaders List or other relevant sanctions authority (collectively,

“Sanctions”), or (ii) located, organized or resident in a country or territory that is the subject of Sanctions that broadly prohibit dealings with that country or territory (including, without limitation, the Crimea, Zaporizhzhia and Kherson regions, the Donetsk People’s Republic and Luhansk People’s Republic in Ukraine, Cuba, Iran, North Korea, Russia, Sudan and Syria (the “Sanctioned Countries”). Neither the Company nor any of its Subsidiaries will, directly or indirectly, use the proceeds from the sale of Advance Shares or any Pre-Paid Advance, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person (a) for the purpose of funding or facilitating any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions or is a Sanctioned Country, or (b) in any other manner that will result in a violation of Sanctions or Applicable Laws by any Person (including any Person participating in the transactions contemplated by this Agreement, whether as underwriter, advisor, investor or otherwise). For the past five years, neither the Company nor any of its Subsidiaries has engaged in, and is now not engaged 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 or was a Sanctioned Country. Neither the Company nor any of its Subsidiaries nor any director, officer or controlled affiliate of the Company or any of its Subsidiaries, has ever had funds blocked by a United States bank or financial institution, temporarily or otherwise, as a result of OFAC concerns.

Article VI. Indemnification

The Investor and the Company represent to the other the following with respect to itself:

Section 6.01 Indemnification by the Company. In consideration of the Investor’s execution and delivery of this Agreement and acquiring the Shares hereunder, and in addition to all of the Company’s other obligations under this Agreement, the Company shall defend, protect, indemnify and hold harmless the Investor and its investment manager, Yorkville Advisors Global, LP, and each of their respective officers, directors, managers, members, partners, employees and agents (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) and each person who controls the Investor within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the “Investor Indemnitees”) from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and reasonable and documented expenses in connection therewith (irrespective of whether any such Investor Indemnatee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys’ fees and disbursements (the “Indemnified Liabilities”), incurred by the Investor Indemnitees or any of them as a result of, or arising out of, or relating to (a) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement for the registration of the Shares as originally filed or in any amendment thereof, or in any related prospectus, or in any amendment thereof or supplement thereto, or arise out of or are 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; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Company by or on behalf of the

Investor specifically for inclusion therein; (b) any material misrepresentation or breach of any material representation or material warranty made by the Company in this Agreement or any other certificate, instrument or document contemplated hereby or thereby; or (c) any material breach of any material covenant, material agreement or material obligation of the Company contained in this Agreement or any other certificate, instrument or document contemplated hereby or thereby. To the extent that the foregoing undertaking by the Company may be unenforceable under Applicable Law, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities, which is permissible under Applicable Law.

Section 6.02 Indemnification by the Investor. In consideration of the Company's execution and delivery of this Agreement, and in addition to all of the Investor's other obligations under this Agreement, the Investor shall defend, protect, indemnify and hold harmless the Company, its Subsidiaries and all of its and their officers, directors, shareholders, employees and agents (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) and each person who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the "Company Indemnitees") from and against any and all Indemnified Liabilities incurred by the Company Indemnitees or any of them as a result of, or arising out of, or relating to (a) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement for the registration of the Shares as originally filed or in any amendment thereof, or in any related prospectus, or in any amendment thereof or supplement thereto, or arise out of or are 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; provided, however, that the Investor will only be liable for written information relating to the Investor furnished to the Company by or on behalf of the Investor specifically for inclusion in the documents referred to in the foregoing indemnity, and will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Investor by or on behalf of the Company specifically for inclusion therein; (b) any misrepresentation or breach of any representation or warranty made by the Investor in this Agreement or any instrument or document contemplated hereby or thereby executed by the Investor; or (c) any breach of any covenant, agreement or obligation of the Investor contained in this Agreement or any other certificate, instrument or document contemplated hereby or thereby executed by the Investor. To the extent that the foregoing undertaking by the Investor may be unenforceable under Applicable Laws, the Investor shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities, which is permissible under Applicable Laws.

Section 6.03 Notice of Claim. Promptly after receipt by an Investor Indemnitee or Company Indemnitee of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving an Indemnified Liability, such Investor Indemnitee or Company Indemnitee, as applicable, shall, if a claim for an Indemnified Liability in respect thereof is to be made against any indemnifying party under this Article VI, deliver to the indemnifying party a written notice of the commencement thereof; but the failure to so notify the indemnifying party will not relieve it of liability under this Article VI except to the extent the

indemnifying party is prejudiced by such failure. The indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually reasonably satisfactory to the indemnifying party and the Investor Indemnitee or Company Indemnitee, as the case may be; provided, however, that an Investor Indemnitee or Company Indemnitee shall have the right to retain its own counsel with the actual and reasonable third party fees and expenses of not more than one counsel for such Investor Indemnitee or Company Indemnitee to be paid by the indemnifying party, if, in the reasonable opinion of counsel retained by the indemnifying party, the representation by such counsel of the Investor Indemnitee or Company Indemnitee and the indemnifying party would be inappropriate due to actual or potential differing interests between such Investor Indemnitee or Company Indemnitee and any other party represented by such counsel in such proceeding. The Investor Indemnitee or Company Indemnitee shall cooperate fully with the indemnifying party in connection with any negotiation or defense of any such action or claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Investor Indemnitee or Company Indemnitee which relates to such action or claim. The indemnifying party shall keep the Investor Indemnitee or Company Indemnitee reasonably apprised as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent, provided, however, that the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Investor Indemnitee or Company Indemnitee, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Investor Indemnitee or Company Indemnitee of a release from all liability in respect to such claim or litigation. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Investor Indemnitee or Company Indemnitee with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The indemnification required by this Article VI shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received and payment therefor is due.

Section 6.04 Remedies. The remedies provided for in this Article VI are not exclusive and shall not limit any right or remedy which may be available to any indemnified person at law or equity. The obligations of the parties to indemnify or make contribution under this Article VI shall survive expiration or termination of this Agreement.

Section 6.05 Limitation of liability. Notwithstanding the foregoing, no party shall seek, nor shall any be entitled to recover from the other party be liable for, special, incidental, indirect, consequential, punitive or exemplary damages.

Article VII. Covenants

The Company covenants with the Investor, and the Investor covenants with the Company, as follows, which covenants of one party are for the benefit of the other party, during the Commitment Period:

Section 7.01 Effective Registration Statement. During the Commitment Period, the Company shall use commercially reasonable efforts to maintain the continuous effectiveness of each Registration Statement filed with the SEC under the Securities Act pursuant to and in accordance with the Registration Rights Agreement; provided, however, that in the event there are no Pre-Paid Advances outstanding, the Company shall only be required to use its commercially reasonable efforts to maintain the continuous effectiveness of the Registration Statement and each subsequent Registration Statement filed with the SEC under the Securities Act pursuant to and in accordance with the Registration Rights Agreement.

Section 7.02 Registration and Listing. The Company shall cause the Common Shares to continue to be registered as a class of securities under Section 12(b) of the Exchange Act, and to comply with its reporting and filing obligations under the Exchange Act, and shall not take any action or file any document (whether or not permitted by the Securities Act or the Exchange Act) to terminate or suspend such registration or to terminate or suspend its reporting and filing obligations under the Exchange Act or Securities Act, except as permitted herein. The Company shall continue the listing and trading of its Common Shares and the listing of the Shares purchased by the Investor hereunder on the Principal Market and to comply with the Company's reporting, filing and other obligations under the rules and regulations of the Principal Market. If the Company receives any final and non-appealable notice that the listing or quotation of the Common Shares on the Principal Market shall be terminated on a date certain, the Company shall promptly (and in any case within 24 hours) notify the Investor of such fact in writing and shall use its commercially reasonable efforts to cause the Common Shares to be listed or quoted on another Principal Market.

Section 7.03 Blue Sky. The Company shall take such action, if any, as is necessary by the Company in order to obtain an exemption for or to qualify the Shares for sale by the Company to the Investor pursuant to the Transaction Documents, and at the request of the Investor, the subsequent resale of Registrable Securities by the Investor, in each case, under applicable state securities or "Blue Sky" laws and shall provide evidence of any such action so taken to the Investor from time to time during the Commitment Period; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (i) qualify to do business in any jurisdiction where it would not otherwise be required to qualify, (ii) subject itself to general taxation in any such jurisdiction, or (iii) file a general consent to service of process in any such jurisdiction.

Section 7.04 Suspension of Registration Statement.

- (a) **Establishment of a Black Out Period.** During the Commitment Period, the Company from time to time may suspend the use of a Registration Statement by written notice to the Investor in the event that the Company determines in its sole discretion in good faith that such suspension is necessary to (A) delay the disclosure of material nonpublic information concerning the Company, the disclosure of which at the time is not, in the good faith opinion of the Company, in the best interests of the Company or (B) amend or supplement the Registration Statement or Prospectus so that such Registration Statement or Prospectus shall not include 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, in light of the circumstances under which they were made, not misleading (a "Black Out Period").

- (b) No Sales by Investor During the Black Out Period. During such Black Out Period, the Investor agrees not to sell any Common Shares of the Company pursuant to such Registration Statement, but may sell shares pursuant to an exemption from registration, if available, subject to the Investor's compliance with Applicable Laws.
- (c) Limitations on the Black Out Period. The Company shall not impose any Black Out Period that is longer than 30 days or in a manner that is more restrictive (including, without limitation, as to duration) than the comparable restrictions that the Company may impose on transfers of the Company's equity securities by its directors and senior executive officers. In addition, the Company shall not deliver any Advance Notice during any Black Out Period. If the public announcement of such material, nonpublic information is made during a Black Out Period, the Black Out Period shall terminate immediately after such announcement, and the Company shall immediately notify the Investor of the termination of the Black Out Period.

Section 7.05Reservation of Shares. As of the date of first Pre-Advance Closing, and for so long as a Promissory Note remains outstanding, the Company shall have reserved from its duly authorized capital stock not less than the number of shares of Common Shares issuable upon conversion of all \$15 million in principal amount of Promissory Notes (assuming for purposes hereof that (i) all such Promissory Notes are exchangeable at an Exchange Price equal to the Floor Price, and (ii) any such exchange shall not take into account any limitations on the exchange of the Promissory Note set forth therein). In addition, the Company shall have available from its duly authorized capital stock not less an additional 25,000,000 Common Shares issuable pursuant to Advance Notices to be delivered by the Company hereunder. If at any time the number of Common Shares that remain available for issuance under the Exchange Cap is less than 100% of the maximum number of shares issuable upon exchange of all the Promissory Notes then outstanding (assuming for purposes hereof that (i) the Promissory Notes are exchangeable at the Exchange Price then in effect, and (ii) any such exchange shall not take into account any limitations on the exchange of the Promissory Notes), the Company will use commercially reasonable efforts to promptly call and hold a special meeting of stockholders for the purpose of seeking the approval of its stockholders, or otherwise obtain shareholder approval, as required by the applicable rules of the Principal Market, for issuances of shares in excess of the Exchange Cap.

Section 7.06Listing of Common Shares. As of each Advance Notice Date, the Shares to be sold by the Company from time to time hereunder will have been registered under Section 12(b) of the Exchange Act and approved for listing on the Principal Market, subject to official notice of issuance.

Section 7.07Opinion of Counsel. Prior to the date of the first Pre-Paid Advance and prior to the delivery by the Company of the first Advance Notice, the Investor shall have received an opinion letter from counsel to the Company in form and substance reasonably satisfactory to the Investor.

Section 7.08Exchange Act Registration. The Company will use commercially reasonable efforts to file in a timely manner all reports and other documents required of it as a reporting company under the Exchange Act and, during the Commitment Period, will not take any action or

file any document (whether or not permitted by Exchange Act or the rules thereunder) to terminate or suspend its reporting and filing obligations under the Exchange Act.

Section 7.09Transfer Agent Instructions. For any time while there is a Registration Statement in effect for this transaction, the Company shall (if required by the transfer agent for the Common Shares) deliver to the transfer agent for the Common Shares (with a copy to the Investor) instructions to issue Common Shares to the Investor free of restrictive legends upon each Advance if the delivery of such instructions are consistent with Applicable Law, in each case supported as needed by an opinion from legal counsel for the Company.

Section 7.10Corporate Existence. The Company will use commercially reasonable efforts to preserve and continue the corporate existence of the Company during the Commitment Period.

Section 7.11Notice of Certain Events Affecting Registration; Suspension of Right to Make an Advance. The Company will promptly notify the Investor, and confirm in writing, upon its becoming aware of the occurrence of any of the following events in respect of a Registration Statement or related Prospectus: (i) receipt of any request for additional information by the SEC or any other Federal or state governmental authority during the period of effectiveness of the Registration Statement or any request for amendments or supplements to the Registration Statement or related Prospectus; (ii) the issuance by the SEC or any other Federal governmental authority of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose; (iii) receipt of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Common Shares for sale in any jurisdiction or the initiation or written threat of any proceeding for such purpose; (iv) the happening of any event that makes any statement made in the Registration Statement or related Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in the Registration Statement, related Prospectus or documents so that, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the related Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or of the necessity to amend the Registration Statement or supplement a related Prospectus to comply with the Securities Act or any other law (and the Company will promptly make available to the Investor any such supplement or amendment to the related Prospectus). The Company shall not deliver to the Investor any Advance Notice, and the Company shall not sell any Shares pursuant to any pending Advance Notice (other than as required pursuant to Section 2.02(d)), during the continuation of any of the foregoing events (each of the events described in the immediately preceding clauses (i) through (iv), inclusive, a "Material Outside Event").

Section 7.12Consolidation. If an Advance Notice has been delivered to the Investor, then the Company shall not effect any consolidation of the Company with or into, or a transfer of all or substantially all the assets of the Company to another entity before the transaction contemplated in such Advance Notice has been closed in accordance with Section 2.02 hereof, and all Shares in connection with such Advance have been received by the Investor.

Section 7.13Issuance of the Company's Common Shares. The issuance and sale of the Common Shares to the Investor hereunder shall be made in accordance with the provisions and requirements of Section 4(a)(2) of the Securities Act and any applicable state securities law.

Section 7.14Expenses. The Company, whether or not the transactions contemplated hereunder are consummated or this Agreement is terminated, will pay all expenses incident to the performance of its obligations hereunder, including but not limited to (i) the preparation, printing and filing of the Registration Statement and each amendment and supplement thereto, of each Prospectus and of each amendment and supplement thereto; (ii) the preparation, issuance and delivery of any Shares issued pursuant to this Agreement, (iii) all fees and disbursements of the Company's counsel, accountants and other advisors (but not, for the avoidance doubt, the fees and disbursements of Investor's counsel, accountants and other advisors), (iv) the qualification of the Shares under securities laws in accordance with the provisions of this Agreement, including filing fees in connection therewith, (v) the printing and delivery of copies of any Prospectus and any amendments or supplements thereto requested by the Investor, (vi) the fees and expenses incurred in connection with the listing or qualification of the Shares for trading on the Principal Market, or (vii) filing fees of the SEC and the Principal Market.

Section 7.15Current Report. The Company shall, not later than November 14, 2023 file the Form 10-Q for the quarter ended September 30, 2023 (the "September 10-Q"), which September 10-Q shall describe all the material terms of the transactions contemplated by the Transaction Documents in the form required by the Exchange Act and attaching all the material Transaction Documents. The Company shall provide the Investor and its legal counsel a reasonable opportunity to comment on a draft of the relevant disclosure in the September 10-Q prior to filing the September 10-Q with the SEC and shall give due consideration to all such comments. Notwithstanding anything contained in this Agreement to the contrary, the Company expressly agrees that from and after the filing of the September 10-Q with the SEC, the Company shall have publicly disclosed all material, nonpublic information provided to the Investor (or the Investor's representatives or agents) by the Company or any of its Subsidiaries, or any of their respective officers, directors, employees, agents or representatives in during the negotiation and preparation of the Transaction Documents. In addition, effective upon the filing of the September 10-Q, the Company acknowledges and agrees that the confidentiality and non-disclosure agreement dated November 11, 2023 and any all other confidentiality or similar obligations, whether written or oral, between the Company, any of its Subsidiaries or any of their respective officers, directors, affiliates, employees or agents, on the one hand, and Investor or any of its respective officers, directors, affiliates, employees or agents, on the other hand shall terminate. The Company shall not, and the Company shall cause each of its Subsidiaries and each of its and their respective officers, directors, employees and agents not to, provide the Investor with any material, non-public information regarding the Company or any of its Subsidiaries without the express prior written consent of the Investor (which may be granted or withheld in the Investor's sole discretion). The Company understands and confirms that the Investor will rely on the foregoing representations in effecting resales of Shares.

Section 7.16Use of Proceeds. The proceeds from the funding of a Pre-Paid Advance or the sale of the Shares by the Company to Investor pursuant to this Agreement shall be for general corporate

purposes, provided that not more than \$500,000 of the proceeds of the Pre-Paid Advances may be used to repay debt owed to Nomura. Neither the Company nor any Subsidiary will, directly or indirectly, use the proceeds of the transactions contemplated herein (including any proceeds from the funding of a Pre-Paid Advance) to repay any advances or loans to any executives, directors, or employees of the Company or any Subsidiary or to make any payments in respect of any related party obligations, including without limitation any payables or notes payable to related parties of the Company or any Subsidiary whether or not such amounts are escrybed on the balance sheets of the Company in any SEC Documents and any Subsidiary or described in any “Related Party Transactions” section of any SEC Documents.

Section 7.17Compliance with Laws. The Company shall comply in all material respects with all Applicable Laws.

Section 7.18Market Activities. Neither the Company, nor any Subsidiary, nor any of their respective officers, directors or controlling persons will, directly or indirectly, (i) take any action designed to cause or result in, or that constitutes or might reasonably be expected to constitute or result, in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of Common Shares or (ii) sell, bid for, or purchase Common Shares in violation of Regulation M, or pay anyone any compensation for soliciting purchases of the Shares.

Section 7.19Trading Information. On the first Trading Day of each week (provided the Investor sold any shares during the prior week) and otherwise upon the Company’s reasonable request, the Investor agrees to provide the Company with trading reports setting forth the number and average sales prices of shares of Common Shares sold by the Investor during the prior trading week.

Section 7.20Selling Restrictions. (i) Except as expressly set forth below, the Investor covenants that from and after the date hereof through and including the Trading Day next following the expiration or termination of this Agreement as provided in Section 10.01 (the “Restricted Period”), none of the Investor any of its officers, or any entity managed or controlled by the Investor (collectively, the “Restricted Persons” and each of the foregoing is referred to herein as a “Restricted Person”) shall, directly or indirectly, engage in any “short sale” (as such term is defined in Rule 200 of Regulation SHO of the Exchange Act) of the Common Shares, either for its own principal account or for the principal account of any other Restricted Person. Notwithstanding the foregoing, it is expressly understood and agreed that nothing contained herein shall (without implication that the contrary would otherwise be true) prohibit any Restricted Person during the Restricted Period from: (1) selling “long” (as defined under Rule 200 promulgated under Regulation SHO) the Shares; or (2) selling a number of Common Shares equal to the number of Advance Shares that such Restricted Person is unconditionally obligated to purchase under a pending Advance Notice but has not yet received from the Company or the transfer agent pursuant to this Agreement.

Section 7.21Assignment. Neither this Agreement nor any rights or obligations of the parties hereto may be assigned to any other Person.

Section 7.22No Frustration; No Variable Rate Transactions, Etc.

- (a) No Frustration. The Company shall not enter into, announce or recommend to its stockholders any agreement, plan, arrangement or transaction in or of which the terms thereof would restrict, materially delay, conflict with or impair the ability or right of the Company to perform its obligations under the Transaction Documents to which it is a party, including, without limitation, the obligation of the Company to deliver the Shares to the Investor in respect of an Advance Notice.
- (b) No Variable Rate Transactions or Related Party Payments. From the date hereof until the date upon which the Promissory Notes to be issued hereunder has been repaid in full, the Company shall not (A) repay any loans to any executives or employees of the Company or to make any payments in respect of any related party debt, and (B) effect or enter into an agreement to effect any issuance by the Company or any of its Subsidiaries of Common Shares or any security which entitles the holder to acquire Common Shares (or a combination of units thereof) involving a Variable Rate Transaction, other than involving a Variable Rate Transaction with the Investor. The Investor shall be entitled to seek injunctive relief against the Company and its Subsidiaries to preclude any such issuance, which remedy shall be in addition to any right to collect damages, without the necessity of showing economic loss and without any bond or other security being required.

Article VIII.
Non Exclusive Agreement

Subject to Section 7.21 hereof, this Agreement and the rights awarded to the Investor hereunder are non-exclusive, and the Company may, at any time throughout the term of this Agreement and thereafter, issue and allot, or undertake to issue and allot, any shares and/or securities and/or convertible notes, bonds, debentures, options to acquire shares or other securities and/or other facilities which may be converted into or replaced by Common Shares or other securities of the Company, and to extend, renew and/or recycle any bonds and/or debentures, and/or grant any rights with respect to its existing and/or future share capital.

Article IX.
Choice of Law/Jurisdiction

Section 9.01 This Agreement, and any and all claims, proceedings or causes of action relating to this Agreement or arising from this Agreement or the transactions contemplated herein, including, without limitation, tort claims, statutory claims and contract claims, shall be interpreted, construed, governed and enforced under and solely in accordance with the substantive and procedural laws of the State of New York, in each case as in effect from time to time and as the same may be amended from time to time, and as applied to agreements performed wholly within the State of New York. The Parties further agree that any action between them shall be heard in New York County, New York, and expressly consent to the jurisdiction and venue of the Supreme Court of New York, sitting in New York County, New York and the United States District Court of the Southern District of New York, sitting in New York, New York, for the adjudication of any civil action asserted pursuant to this Agreement.

EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREIN, THE PERFORMANCE THEREOF OR THE FINANCINGS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS PARAGRAPH.

Article X.Termination

Section 10.01 Termination.

- (a) Unless earlier terminated as provided hereunder, this Agreement shall terminate automatically on the earliest of (i) the first day of the month next following the 36-month anniversary of the Effective Date, provided that if the Promissory Note is then outstanding, such termination shall be delayed until such date that the Promissory Note that was outstanding has been repaid, or (ii) the date on which the Investor shall have made payment of Advances pursuant to this Agreement for Common Shares equal to the Commitment Amount.
- (b) The Company may terminate this Agreement effective upon five Trading Days' prior written notice to the Investor; provided that (i) there are no outstanding Advance Notices, the Common Shares under which have yet to be issued, (ii) there is not an outstanding Promissory Note, and (iii) the Company has paid all amounts owed to the Investor pursuant to this Agreement. This Agreement may be terminated at any time by the mutual written consent of the parties, effective as of the date of such mutual written consent unless otherwise provided in such written consent.
- (c) Nothing in this Section 10.01 shall be deemed to release the Company or the Investor from any liability for any breach under this Agreement, or to impair the rights of the Company and the Investor to compel specific performance by the other party of its obligations under this Agreement. The indemnification provisions contained in Article VI shall survive termination hereunder.

Article XI.Notices

Other than with respect to Advance Notices, which must be in writing and will be deemed delivered on the day set forth in Section 2.01(b), any notices, consents, waivers, or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered (i) upon receipt, when delivered personally;

(ii) upon receipt, when sent by e-mail if sent on a Trading Day, or, if not sent on a Trading Day, on the immediately following Trading Day; (iii) 5 days after being sent by U.S. certified mail, return receipt requested, (iv) 1 day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses for such communications (except for Advance Notices which shall be delivered in accordance with Exhibit C hereof) shall be:

If to the Company, to:

MSP Recovery, Inc.
2701 S. Le Jeune Rd, Floor 10
Coral Gables, FL 33146
Attn: John Ruiz, CEO
Alexandra Plasencia, General Counsel
E-mail: jruiz@msprecovery.com, aplasencia@msprecovery.com

With copies (which shall not constitute notice or delivery of process) to:

Steven Canner
Baker & McKenzie LLP
452 Fifth Avenue
New York, NY 10018
Telephone: (212) 626-4884

Jeremy L. Moore
Baker & McKenzie LLP
700 Louisiana Street
Houston, TX 77002
Telephone: (713) 427-5000

If to the Investor(s):

YA II PN, Ltd.
1012 Springfield Avenue
Mountainside, NJ 07092
Attention: Mark Angelo
Portfolio Manager
Telephone: (201) 985-8300
Email: mangelo@yorkvilleadvisors.com

With a Copy (which shall not constitute notice or delivery of process) to:

David Fine, Esq.
1012 Springfield Avenue
Mountainside, NJ 07092
Telephone: (201) 985-8300
Email: legal@yorkvilleadvisors.com

or at such other address and/or e-mail and/or to the attention of such other person as the recipient party has specified by written notice given to each other party three Business Days prior to the effectiveness of such change. Written confirmation of receipt (i) given by the recipient of such notice, consent, waiver or other communication, (ii) electronically generated by the sender's email service provider containing the time, date, recipient email address or (iii) provided by a nationally recognized overnight delivery service shall be rebuttable evidence of personal service in accordance with clause (i), (ii) or (iii) above, respectively.

Article XII. Miscellaneous

Section 12.01 Counterparts. This Agreement may be executed in identical counterparts, both which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. Facsimile or other electronically scanned and delivered signatures (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, *e.g.*, www.docuSign.com), including by e-mail attachment, shall be deemed to have been duly and validly delivered and be valid and effective for all purposes of this Agreement.

Section 12.02 Entire Agreement; Amendments. This Agreement supersedes all other prior oral or written agreements between the Investor, the Company, their respective affiliates and persons acting on their behalf with respect to the matters discussed herein, and this Agreement contains the entire understanding of the parties with respect to the matters covered herein and, except as specifically set forth herein, neither the Company nor the Investor makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by the parties to this Agreement.

Section 12.03 Reporting Entity for Common Shares. The reporting entity relied upon for the determination of the trading price or trading volume of the Common Shares on any given Trading Day for the purposes of this Agreement shall be Bloomberg, L.P. or any successor thereto. The written mutual consent of the Investor and the Company shall be required to employ any other reporting entity.

Section 12.04 Structuring Fee. Each of the parties shall pay its own fees and expenses (including the fees of any attorneys, accountants, appraisers or others engaged by such party) in connection with this Agreement and the transactions contemplated hereby, except that the Company shall pay to YA Global II SPV, LLC, a subsidiary of the Investor, a structuring fee in the amount of \$25,000.

Section 12.05 Brokerage. Each of the parties hereto represents that it has had no dealings in connection with this transaction with any finder or broker who will demand payment of any fee or commission from the other party. The Company on the one hand, and the Investor, on the other hand, agree to indemnify the other against and hold the other harmless from any and all liabilities to any person claiming brokerage commissions or finder's fees on account of services purported to have been rendered on behalf of the indemnifying party in connection with this Agreement or the transactions contemplated hereby.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Standby Equity Purchase Agreement to be executed by the undersigned, thereunto duly authorized, as of the date first set forth above.

**COMPANY:
MSP RECOVERY, INC.**

By: /s/ John Ruiz
Name: John Ruiz
Title: CEO

**INVESTOR:
YA II PN, LTD.**

By: Yorkville Advisors Global, LP
Its: Investment Manager

By: Yorkville Advisors Global II, LLC
Its: General Partner

By: /s/ Matt Beckman
Name: Matt Beckman
Title: Member

**ANNEX I TO THE
STANDBY EQUITY PURCHASE AGREEMENT
DEFINITIONS**

“Additional Shares” shall have the meaning set forth in Section 3.03.

“Adjusted Advance Amount” shall have the meaning set forth in Section 3.03

“Advance” shall mean any issuance and sale of Advance Shares by the Company to the Investor pursuant to this Agreement.

“Advance Date” shall mean the first Trading Day after expiration of the applicable Pricing Period for each Advance, provided that, with respect to an Advance pursuant to an Investor Notice, the Advance Date shall be the first Trading Day after the date of delivery of such Investor Notice.

“Advance Notice” shall mean a written notice in the form of Exhibit C attached hereto to the Investor executed by an officer of the Company and setting forth the number of Advance Shares that the Company desires to issue and sell to the Investor.

“Advance Notice Date” shall mean each date the Company is deemed to have delivered (in accordance with Section 3.01(c) of this Agreement) an Advance Notice to the Investor, subject to the terms of this Agreement.

“Advance Shares” shall mean the Common Shares that the Company shall issue and sell to the Investor pursuant to the terms of this Agreement.

“Affiliate” shall have the meaning set forth in Section 4.07.

“Agreement” shall have the meaning set forth in the preamble of this Agreement.

“Applicable Laws” shall mean all applicable laws, statutes, rules, regulations, orders, executive orders, directives, policies, guidelines and codes having the force of law, whether local, national, or international, as amended from time to time, including without limitation (i) all applicable laws that relate to money laundering, terrorist financing, financial record keeping and reporting, (ii) all applicable laws that relate to anti-bribery, anti-corruption, books and records and internal controls, including the United States Foreign Corrupt Practices Act of 1977, and (iii) any Sanctions laws.

“Black Out Period” shall have the meaning set forth in Section 7.01

“Closing” shall have the meaning set forth in Section 3.05.

“Commitment Amount” shall mean \$250,000,000 of Common Shares.

“Commitment Period” shall mean the period commencing on the Effective Date and expiring upon the date of termination of this Agreement in accordance with Section 10.01.

“Common Share Equivalents” shall mean any securities of the Company or its Subsidiaries which entitle the holder thereof to acquire at any time Common Shares, including, without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Shares.

“Common Shares” shall have the meaning set forth in the recitals of this Agreement.

“Company” shall have the meaning set forth in the preamble of this Agreement.

“Company Indemnitees” shall have the meaning set forth in Section 6.02.

“Condition Satisfaction Date” shall have the meaning set forth in Annex II.

“Daily Traded Amount” shall mean the daily trading volume of the Company’s Common Shares on the Principal Market during regular trading hours as reported by Bloomberg L.P.

“Disclosure Schedule” shall have the meaning set forth in Article V.

“Effective Date” shall mean the date hereof.

“Environmental Laws” shall have the meaning set forth in Section 5.14.

“Event of Default” shall have the meaning set forth in the Promissory Note.

“Exchange Act” shall mean the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Exchange Cap” shall have the meaning set forth in Section 3.02(c).

“Exchange Price” shall have the meaning set forth in the Promissory Note.

“Excluded Day” shall have the meaning set forth in Section 3.03.

“Fixed Price” shall have the meaning set forth in the Promissory Note.

“Hazardous Materials” shall have the meaning set forth in Section 5.14.

“Holdings” means Lionheart II Holdings LLC.

“Indemnified Liabilities” shall have the meaning set forth in Section 6.01.

“Investor” shall have the meaning set forth in the preamble of this Agreement.

“Investor Notice” shall mean a written notice to the Company in the form set forth herein as Exhibit E attached hereto.

“Investor Indemnitees” shall have the meaning set forth in Section 6.01.

“Market Price” an Option 1 Market Price or Option 2 Market Price, as applicable.

“Material Adverse Effect” shall mean any event, occurrence or condition that has had or would reasonably be expected to have (i) a material adverse effect on the legality, validity or enforceability of this Agreement or the transactions contemplated herein, (ii) a material adverse effect on the results of operations, assets, business or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company’s ability to perform in any material respect on a timely basis its obligations under this Agreement.

“Material Outside Event” shall have the meaning set forth in Section 7.10.

“Maximum Advance Amount” means (A) in respect of each Advance Notice delivered by the Company pursuant to Section 3.01(a) of this Agreement, an amount equal to one hundred percent (100%) of the average of the Daily Traded Amount during the five consecutive Trading Day immediately preceding an Advance Notice, and (B) in respect of each Advance Notice deemed delivered by the Company pursuant to an Investor Notice, the amount selected by the Investor in such Investor Notice, which amount shall not exceed the limitations set forth in Section 3.02 of this Agreement.

“Minimum Acceptable Price” shall mean the minimum price notified by the Company to the Investor in each Advance Notice, if applicable.

“Nomura” shall mean Nomura Securities International, Inc.

“OFAC” shall have the meaning set forth in Section 5.32.

“Option 1 Market Price” shall mean the VWAP of the Common Shares during the Option 1 Pricing Period.

“Option 2 Market Price” shall mean the lowest daily VWAP of the Common Shares during the Option 2 Pricing Period.

“Option 1 Pricing Period” shall mean the period on the applicable Advance Notice Date with respect to an Advance Notice selecting an Option 1 Pricing Period commencing (i) if submitted to Investor prior to 9:00 a.m. Eastern Time on a Trading Day, the open of trading on such day or (ii) if submitted to Investor after 9:00 a.m. Eastern Time on a Trading Day, upon receipt by the Company of written confirmation (which may be by e-mail) of acceptance of such Advance Notice by the Investor (or the open of regular trading hours, if later), and which confirmation shall specify such commencement time, and, in either case, ending on 4:00 p.m. New York City time on the applicable Advance Notice Date.

“Option 2 Pricing Period” shall mean the three consecutive Trading Days commencing on the Advance Notice Date.

“Ownership Limitation” shall have the meaning set forth in Section 3.02(a).

“Person” shall mean an individual, a corporation, a partnership, a limited liability company, a trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

“Plan of Distribution” shall mean the section of a Registration Statement disclosing the plan of distribution of the Shares.

“Pre-Advance Closing” shall have the meaning set forth in Section 2.01.

“Pre-Paid Advance” shall mean have the meaning set forth in Section 2.01.

“Pricing Period” shall mean the Option 1 Pricing Period or Option 2 Pricing Period, as applicable.

“Principal Market” shall mean the Nasdaq Stock Market; provided however, that in the event the Common Shares are ever listed or traded on the New York Stock Exchange, or the NYSE American, then the “Principal Market” shall mean such other market or exchange on which the Common Shares are then listed or traded to the extent such other market or exchange is the principal trading market or exchange for the Common Shares.

“Promissory Note” shall have the meaning set forth in Section 2.01.

“Prospectus” shall mean any prospectus (including, without limitation, all amendments and supplements thereto) used by the Company in connection with a Registration Statement, including documents incorporated by reference therein.

“Prospectus Supplement” shall mean any prospectus supplement to a Prospectus filed with the SEC pursuant to Rule 424(b) under the Securities Act, including documents incorporated by reference therein.

“Purchase Price” shall mean (i) the price per Advance Share obtained by multiplying the Market Price by (i) 98% in respect of an Advance Notice with an Option 1 Pricing Period, (ii) 97% in respect of an Advance Notice with an Option 2 Pricing Period, or (iii) in the case of any Advance Notice delivered pursuant to an Investor Notice the Purchase Price set forth in Section 3.01(b)(ii).

“Registration Limitation” shall have the meaning set forth in Section 2.01(c)(ii).

“Registration Statement” shall have the meaning set forth in the Registration Rights Agreement.

“Registrable Securities” shall have the meaning set forth in the Registration Rights Agreement.

“Regulation D” shall mean the provisions of Regulation D promulgated under the Securities Act.

“Sanctions” shall have the meaning set forth in Section 5.32.

“Sanctioned Countries” shall have the meaning set forth in Section 5.32.

“SEC” shall mean the U.S. Securities and Exchange Commission.

“SEC Documents” shall mean (1) any registration statement on Form S-4 filed by the Company with the SEC, including the financial statements, schedules, exhibits and all other documents filed as a part thereof or incorporated therein and all information deemed to be a part thereof as of the effective date of such registration statement under the Securities Act, (2) any proxy statement or prospectus filed by the Company with the SEC, including all documents incorporated or deemed incorporated therein by reference, whether or not included in a registration statement on Form S-4, in the form in which such proxy statement or prospectus has most recently been filed with the SEC pursuant to Rule 424(b) under the Securities Act, (3) all reports, schedules, registrations, forms, statements, information and other documents filed with or furnished to the SEC by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act during the two years prior to the date hereof, including, without limitation, the Current Report, (4) each Registration Statement, as the same may be amended from time to time, the Prospectus contained therein and each Prospectus Supplement thereto and (5) all information contained in such filings and all documents and disclosures that have been and heretofore shall be incorporated by reference therein.

“Securities Act” shall have the meaning set forth in the recitals of this Agreement.

“Settlement Document” in respect of an Advance Notice delivered by the Company, shall mean a settlement document in the form set out on Exhibit D, and in respect of an Advance Notice deemed delivered pursuant to an Investor Notice, shall mean the Investor Notice containing the information set forth on Exhibit E.

“Shares” shall mean the Common Shares to be issued from time to time hereunder pursuant to an Advance.

“Subsidiaries” shall mean any Person in which the Company, directly or indirectly, (i) owns a majority of the outstanding capital stock or holds a majority of the equity or similar interest of such Person or (ii) controls or operates all or substantially all of the business, operations or administration of such Person, and the foregoing are collectively referred to herein as “Subsidiaries.”

“Trading Day” shall mean any day during which the Principal Market shall be open for business.

“Transaction Documents” means, collectively, this Agreement, the Registration Rights Agreement, any Promissory Notes issued by the Company hereunder, and each of the other agreements and instruments entered into or delivered by any of the parties hereto in connection with the transactions contemplated hereby and thereby, as may be amended from time to time.

“Trigger Event” shall have the meaning set forth in the Promissory Note.

“Variable Rate Transaction” shall mean a transaction in which the Company (i) issues or sells any Common Shares or Common Share Equivalents that are convertible into, exchangeable or exercisable for, or include the right to receive additional Common Shares either (A) at a conversion price, exercise price, exchange rate or other price that is based upon and/or varies with the trading prices of or quotations for the Common Shares at any time after the initial issuance of Common

Shares or Common Share Equivalents, or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such equity or debt security or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the Common Shares (including, without limitation, any “full ratchet,” “share ratchet,” “price ratchet,” or “weighted average” anti-dilution provisions, but not including any standard anti-dilution protection for any reorganization, recapitalization, non-cash dividend, stock split or other similar transaction), (ii) enters into, or effects a transaction under, any agreement, including but not limited to an “equity line of credit” or other continuous offering or similar offering of Common Shares or Common Share Equivalents, (iii) issues or sells any Common Shares or Common Share Equivalents (or any combination thereof) at an implied discount (taking into account all the securities issuable in such offering) to the market price of the Common Shares at the time of the offering in excess of 30% or (iv) enters into or effects any forward purchase agreement, equity pre-paid forward transaction or other similar offering of securities where the purchaser of securities of the Company receives an upfront or periodic payment of all, or a portion of, the value of the securities so purchased, and the Company receives proceeds from such purchaser based on a price or value that varies with the trading prices of the Common Shares.

“Volume Threshold” shall mean a number of Common Shares equal to the quotient of (a) the number of Advance Shares requested by the Company in an Advance Notice divided by (b) 0.30.

“VWAP” shall mean for any specific period, the daily volume weighted average price of the Common Shares for such Trading Day on the Principal Market during such period as reported by Bloomberg L.P through its “AQR” function. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination, recapitalization or other similar transaction during such period.

**ANNEX II TO THE
STANDBY EQUITY PURCHASE AGREEMENT**

CONDITIONS PRECEDENT TO THE INVESTOR'S OBLIGATION TO FUND A PRE-PAID ADVANCE

The obligation of the Investor to advance to the Company a Pre-Paid Advance hereunder at each Pre-Advance Closing is subject to the satisfaction, as of the date of such Pre-Advance Closing, of each of the following conditions, provided that these conditions are for the Investor's sole benefit and may be waived by the Investor at any time in its sole discretion by providing the Company with prior written notice thereof:

- (a) The Company shall have duly executed and delivered to the Investor each of the Transaction Documents to which it is a party and the Company shall have duly executed and delivered to the Investor a Promissory Note with a principal amount corresponding to the amount of the applicable Pre-Paid Advance (before any deductions made thereto).
 - (b) The Company shall have delivered to the Investor a compliance certificate executed by the chief executive officer of the Company certifying that Company has complied with all of the conditions precedent to the Pre-Advance Closing set forth herein and which may be relied upon by the Investor as evidence of satisfaction of such conditions without any obligation to independently verify.
 - (c) The Investor shall have received an opinion of counsel to the Company, dated on or before the Pre-Advance Closing Date, in a form reasonably acceptable to the Investor.
 - (d) The Investor shall have received a closing statement in a form to be agreed by the parties, duly executed by an officer of the Company, setting forth wire transfer instructions of the Company for the payment of the amount of the Pre-Paid Advance, the amount to be paid by the Investor, which shall be 95% of the full amount of the Pre-Paid Advance, and any other deductions that may be agreed by the parties.
 - (e) The Company shall have delivered to the Investor copies of its and each Subsidiaries certified copies of its charter, as well as any shareholder or operating agreements by or among the shareholders or members of any of the Company's Subsidiaries.
 - (f) The Company shall have delivered to the Investor a certificate evidencing the incorporation and good standing of the Company as of a date within ten (10) days of the Pre-Advance Closing date.
 - (g) The board of directors of the Company has approved the transactions contemplated by the Transaction Documents; said approval has not been amended, rescinded or modified and remains in full force and effect as of the date hereof, and a true, correct and complete copy
-

of such resolutions duly adopted by the board of directors of the Company shall have been provided to the Investor.

- (h) Each and every representation and warranty of the Company shall be true and correct in all material respects (other than representations and warranties qualified by materiality, which shall be true and correct in all respects) as of the date when made and as of the date of the Pre-Advance Closing as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such specific date) and the Company shall have performed, satisfied and complied in all respects with the covenants, agreements and conditions set forth in each Transaction Document required to be performed, satisfied or complied with by the Company at or prior to the Pre-Advance Closing date.
 - (i) Trading in the Common Shares shall not have been suspended by the SEC, the Principal Market or FINRA, the Company shall not have received any final and non-appealable notice that the listing or quotation of the Common Shares on the Principal Market shall be terminated on a date certain (unless, prior to such date certain, the Common Shares is listed or quoted on any subsequent Principal Market), nor shall there have been imposed any suspension of, or restriction on, accepting additional deposits of the Common Shares, electronic trading or book-entry services by DTC with respect to the Common Shares that is continuing, the Company shall not have received any notice from DTC to the effect that a suspension of, or restriction on, accepting additional deposits of the Common Shares, electronic trading or book-entry services by DTC with respect to the Common Shares is being imposed or is contemplated (unless, prior to such suspension or restriction, DTC shall have notified the Company in writing that DTC has determined not to impose any such suspension or restriction).
 - (j) The Company shall have obtained all governmental, regulatory or third-party consents and approvals, if any, necessary for the sale of the Common Shares.
 - (k) No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental entity of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents.
 - (l) Since the date of execution of this Agreement, no event or series of events shall have occurred that has resulted in or would reasonably be expected to result in a Material Adverse Effect, or an Event of Default.
 - (m) No material breach of this Agreement or any Transaction Document shall have occurred (with the passage of time or the giving of notice, or both, would constitute a material breach of this Agreement or any Transaction Document) and no Event of Default shall have occurred (assuming that the Promissory Note had been outstanding at of each Pre-Advance Closing (with the passage of time or the giving of notice, of both, would constitute an Event of Default).
-

- (n) The Company shall have notified the Principal Market of the issuance of all of the Shares hereunder, and (other than with respect to the First Pre-Advance Closing) the Principal Market shall have completed its review of the related Listing of Additional Share form and the Company shall have obtained approval of the Principal Market to list or designate for quotation (as the case may be) the maximum number of Common Shares issuable pursuant to the Promissory Note to be issued at the Pre-Advance Closing.
 - (o) The Company and its Subsidiaries shall have delivered to the Investor such other documents, instruments or certificates relating to the transactions contemplated by this Agreement as the Investor or its counsel may reasonably request.
 - (p) The Company shall have received the consent of Nomura regarding the issuance of the Promissory notes and the use of proceeds derived from this Agreement in the form agreed to by the parties (which consent shall remain in full force and effect as of each Pre-Advance Closing), and no default or event of default shall have occurred and be continuing in respect of the debt owed to Nomura, or would result from the applicable Pre-Advance Closing.
 - (q) Solely with respect to the Second Pre-Advance Closing, the Registration Statement shall have been filed with the SEC in accordance with the provisions set forth in the Registration Rights Agreement, including the filing deadline set forth therein.
 - (r) Solely with respect to the Third Pre-Advance Closing, the Registration Statement shall be effective in accordance with the provisions set forth in the Registration Rights Agreement, including the effectiveness deadline set forth therein.
-

**ANNEX III TO THE
STANDBY EQUITY PURCHASE AGREEMENT**

CONDITIONS PRECEDENT TO THE RIGHT OF THE COMPANY TO DELIVER AN ADVANCE NOTICE

The right of the Company to deliver an Advance Notice and the obligations of the Investor hereunder with respect to an Advance are subject to the satisfaction or waiver, on each Advance Notice Date (a “Condition Satisfaction Date”), of each of the following conditions:

- (s) Accuracy of the Company’s Representations and Warranties. The representations and warranties of the Company in this Agreement shall be true and correct in all material respects as of the Advance Notice Date, except to the extent such representations and warranties are as of another date, such representations and warranties shall be true and correct as of such other date.
 - (t) Registration of the Common Shares with the SEC. There is an effective Registration Statement pursuant to which the Investor is permitted to utilize the prospectus thereunder to resell all of the Common Shares issuable pursuant to such Advance Notice. The Current Report shall have been filed with the SEC and the Company shall have filed with the SEC in a timely manner all reports, notices and other documents required under the Exchange Act and applicable SEC regulations during the twelve-month period immediately preceding the applicable Condition Satisfaction Date.
 - (u) Authority. The Company shall have obtained all permits and qualifications required by any applicable state for the offer and sale of all the Common Shares issuable pursuant to such Advance Notice, or shall have the availability of exemptions therefrom. The sale and issuance of such Common Shares shall be legally permitted by all laws and regulations to which the Company is subject.
 - (v) Board. The board of directors of the Company has approved the transactions contemplated by the Transaction Documents; said approval has not been amended, rescinded or modified and remains in full force and effect as of the date hereof, and a true, correct and complete copy of such resolutions duly adopted by the board of directors of the Company shall have been provided to the Investor.
 - (w) No Material Outside Event. No Material Outside Event shall have occurred and be continuing.
 - (x) Performance by the Company. The Company shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior the applicable Condition Satisfaction Date.
 - (y) No Injunction. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental
-

authority of competent jurisdiction that prohibits or directly, materially and adversely affects any of the transactions contemplated by this Agreement.

- (z) No Suspension of Trading in or Delisting of Common Shares. Trading in the Common Shares shall not have been suspended by the SEC, the Principal Market or FINRA, the Company shall not have received any final and non-appealable notice that the listing or quotation of the Common Shares on the Principal Market shall be terminated on a date certain (unless, prior to such date certain, the Common Shares is listed or quoted on any subsequent Principal Market), nor shall there have been imposed any suspension of, or restriction on, accepting additional deposits of the Common Shares, electronic trading or book-entry services by DTC with respect to the Common Shares that is continuing, the Company shall not have received any notice from DTC to the effect that a suspension of, or restriction on, accepting additional deposits of the Common Shares, electronic trading or book-entry services by DTC with respect to the Common Shares is being imposed or is contemplated (unless, prior to such suspension or restriction, DTC shall have notified the Company in writing that DTC has determined not to impose any such suspension or restriction).
 - (aa) Authorized. All of the Shares issuable pursuant to the applicable Advance Notice shall have been duly authorized by all necessary corporate action of the Company. All Shares relating to all prior Advance Notices required to have been received by the Investor under this Agreement shall have been delivered to the Investor in accordance with this Agreement.
 - (bb) Investor Notice. At least three Trading Days shall have elapsed since the date of delivery of any Investor Notice.
 - (cc) Executed Advance Notice. The representations contained in the applicable Advance Notice shall be true and correct in all material respects as of the applicable Condition Satisfaction Date.
-

EXHIBIT A
REGISTRATION RIGHTS AGREEMENT

EXHIBIT B
CONVERTIBLE PROMISSORY NOTE

EXHIBIT C
ADVANCE NOTICE

Dated: _____

Advance Notice Number: _____

The undersigned, _____, hereby certifies, with respect to the sale of Common Shares of **MSP RECOVERY, INC.** (the "Company") issuable in connection with this Advance Notice, delivered pursuant to that certain Standby Equity Purchase Agreement, dated as of [_____] (the "Agreement"), as follows (with capitalized terms used herein without definition having the same meanings as given to them in the Agreement):

1. The undersigned is the duly elected _____ of the Company.
2. There are no fundamental changes to the information set forth in the Registration Statement which would require the Company to file a post-effective amendment to the Registration Statement.
3. The Company has performed in all material respects all covenants and agreements to be performed by the Company contained in this Agreement on or prior to the Advance Notice Date. All conditions to the delivery of this Advance Notice are satisfied as of the date hereof.
4. The number of Advance Shares the Company is requesting is _____.
5. The Pricing Period for this Advance shall be an [Option 1 Pricing Period]/[Option 2 Pricing Period].
6. (For an Option 1 Pricing Period Add:) The Volume Threshold for this Advance shall be [insert: Advance Shares requested in Advance Notice divided by 0.30]. (For an Option 2 Pricing Period Add:) The Minimum Acceptable Price with respect to this Advance Notice is _____ (if left blank then no Minimum Acceptable Price will be applicable to this Advance).
7. The number of Common Shares of the Company outstanding as of the date hereof is _____.

The undersigned has executed this Advance Notice as of the date first set forth above.

MSP RECOVERY, INC.

By: _____

Please deliver this Advance Notice by email to:

Email: Trading@yorkvilleadvisors.com

Attention: Trading Department and Compliance Officer

Confirmation Telephone Number: (201) 985-8300.

EXHIBIT D

SETTLEMENT DOCUMENT

VIA EMAIL

MSP RECOVERY, INC.

Attn:

Email:

	Below please find the settlement information with respect to the Advance Notice Date of:	
1.	Number of Common Shares requested in the Advance Notice	
1.b.	Volume Threshold (Number of Common Shares in (1) divided by 0.30)	
1.c.	Number of Common Shares traded during Pricing Period	
2.	Minimum Acceptable Price for this Advance (if any)	
3.	Number of Excluded Days (if any)	
4.	Adjusted Advance Amount (if applicable)	
5.	[Option [1] / [2] Market Price	
6.	Purchase Price (Market Price x 97% or 98%) per share	
7.	Number of Advance Shares due to the Investor	
8.	The aggregate purchase price due to Company (row 6 x row 7)	

If there were any Excluded Days then add the following

9.	Number of Additional Shares to be issued to the Investor	
10.	Additional amount to be paid to the Company by the Investor (Additional Shares in row 9 x Minimum Acceptable Price x 97%)	
11.	Total Amount to be paid to the Company (The aggregate purchase price in row 8 + additional amount in row 10)	
12.	Total Advance Shares to be issued to the Investor (Advance Shares due to the Investor in row 7 + Additional Shares in row 9)	

Please issue the number of Advance Shares due to the Investor to the account of the Investor as follows:

INVESTOR'S DTC PARTICIPANT #:

ACCOUNT NAME:

ACCOUNT NUMBER:

ADDRESS:

CITY:

COUNTRY:

CONTACT PERSON:

NUMBER AND/OR EMAIL:

Sincerely,

YA II PN, LTD.

Agreed and approved By: MSP RECOVERY, INC.

Name:

Title:

EXHIBIT E
INVESTOR NOTICE,
CORRESPONDING ADVANCE NOTICE,
AND SETTLEMENT DOCUMENT

YA II PN, LTD.

Dated: _____

Investor Notice Number: _____

On behalf of YA II PN, LTD. (the "Investor"), the undersigned hereby certifies, with respect to the purchase of Common Shares of **MSP RECOVERY, INC.** (the "Company") issuable in connection with this Investor Notice, delivered pursuant to that certain Standby Equity Purchase Agreement, dated as of [____], as amended and supplemented from time to time (the "Agreement"), as follows:

1.	Advance requested in the Advance Notice	
2.	Purchase Price (equal to the Exchange Price)	
3.	Number of Shares due to Investor	

[Fifty percent of the] [The] aggregate purchase price of the Shares to be paid by Investor pursuant to this Investor Notice and corresponding Advance Notice shall be offset against an amount outstanding under the Pre-Paid Advance evidenced by the Promissory Note dated [_____] (first towards accrued and unpaid interest, and then towards outstanding principal) as follows (and this information shall satisfy the obligations of the Investor to deliver a Settlement Document pursuant to the Agreement)[, and fifty percent of the aggregate purchase price of the Shares shall be paid to the Company]:

1.	Amount offset against accrued and unpaid Interest	\$[_____]
2.	Amount offset against Principal	\$[_____]
3.	Total amount of the Promissory Note outstanding following the Advance	\$[_____]
[4.]	Amount paid to the Company	\$[_____]

Please issue the number of Shares due to the Investor to the account of the Investor as follows:

INVESTOR'S DTC PARTICIPANT #:

ACCOUNT NAME:

ACCOUNT NUMBER:

Please deliver this Investor Notice by email to:

Email: [_____]

With copy by email to: [_____]

Attention:

ADDRESS:

CITY:

The undersigned has executed this Investor Notice as of the date first set forth above.

YA II PN, LTD.

By: Yorkville Advisors Global, LP

Its: Investment Manager

By: Yorkville Advisors Global II, LLC

Its: General Partner

By:

Name:

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this “Agreement”) dated as of November 14, 2023 is made by and between YA II PN, LTD., a Cayman Islands exempt limited partnership (the “Investor”), and MSP RECOVERY, INC., a company incorporated under the laws of the State of Delaware (the “Company”). The Investor and the Company may be referred to herein individually as a “Party” and collectively as the “Parties.”

WHEREAS, the Company and the Investor have entered into that certain Standby Equity Purchase Agreement, dated as of the date hereof (the “Purchase Agreement”), pursuant to which the Company may issue, from time to time, to the Investor up to \$250 million of newly issued shares of the Company’s Class A common stock, par value \$0.0001 per share (the “Common Shares”); and

WHEREAS, pursuant to the terms of, and in consideration for the Investor entering into, the Purchase Agreement, and to induce the Investor to execute and deliver the Purchase Agreement, the Company has agreed to provide the Investor with certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the “Securities Act”).

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Investors hereby agree as follows:

1. DEFINITIONS.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Purchase Agreement. As used in this Agreement, the following terms shall have the following meanings:

(a) “Effectiveness Deadline” means, with respect to the initial Registration Statement filed hereunder, the 90th calendar day following the initial filing hereof, provided, however, in the event the Company is notified by the U.S. Securities and Exchange Commission (“SEC”) that the Registration Statement will not be reviewed or is no longer subject to further review and comments, the Effectiveness Deadline as to such Registration Statement shall be the fifth business day following the date on which the Company is so notified if such date precedes the date required above.

(b) “Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(c) “Filing Deadline” means, with respect to the initial Registration Statement required hereunder, the 30th calendar day following date hereof.

(d) “Person” means a corporation, a limited liability company, an association, a partnership, an organization, a business, an individual, a governmental or political subdivision thereof or a governmental agency.

(e) “Prospectus” means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

(f) “Registrable Securities” means all of (i) the Shares (as defined in the Purchase Agreement) and Commitment Shares (as defined in the Purchase Agreement), (ii) any capital stock issued or issuable with respect to the Shares and Commitment Shares, including, without limitation, (1) as a result of any stock split, stock dividend or other distribution, recapitalization or similar event or otherwise, and (2) shares of capital stock of the Company into which the Common Shares are converted or exchanged and shares of capital stock of a successor entity into which the Common Shares are converted or exchanged.

(g) “Registration Statement” means any registration statement of the Company, including the Prospectus, amendments and supplements to such registration statement or Prospectus, including post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

(h) “Rule 144” means Rule 144 under the Securities Act or any successor rule thereto.

(i) “Rule 415” means Rule 415 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same purpose and effect as such Rule.

(j) “SEC” means the Securities and Exchange Commission or any other federal agency administering the Securities Act and the Exchange Act at the time.

(k) “Securities Act” shall have the meaning set forth in the Recitals above.

2. REGISTRATION.

(a) The Company’s registration obligations set forth in this Section 2 including its obligations to file Registration Statements, obtain effectiveness of Registration Statements, and maintain the continuous effectiveness of any Registration Statement that has been declared effective shall begin on the date hereof and continue until all the earlier of (i) the date on which the Investor has sold all of the Registrable Securities and (ii) the date of termination of the Purchase Agreement if as of such termination date the Investor holds no Registrable Securities (the “Registration Period”).

(b) Subject to the terms and conditions of this Agreement, the Company shall (i) as soon as practicable, but in no case later than the Filing Deadline, prepare and file with the SEC an initial Registration Statement on Form S-3 (or, if the Company is not then eligible, on Form S-1) or any successor form thereto covering the resale by the Investor of the maximum number of Registrable Securities as shall be permitted to be included thereon in accordance with applicable SEC rules, regulations and interpretations so as to permit the resale of such Registrable Securities by the Investor under Rule 415 at then prevailing market prices (and not fixed prices). The Registration Statement shall contain “Selling Stockholders” and “Plan of Distribution” sections. The Company shall use its commercially reasonable efforts to have the Registration Statement declared effective by the SEC as soon as practicable, but in no event later than the Effectiveness Deadline. By 9:30 am on the business day following the date of effectiveness, the Company shall file with the SEC in accordance with Rule 424 under the 1933 Act the final Prospectus to be used in connection with sales pursuant to such Registration Statement. Prior to the filing of the Registration Statement with the SEC, the Company shall furnish a draft of the Registration Statement to the Investor for their review and comment. The Investor shall furnish comments on the Registration Statement to the Company within 24 hours of the receipt thereof from the Company.

(c) Sufficient Number of Shares Registered. If at any time all Registrable Securities are not covered by a Registration Statement filed pursuant to Section 2(a) as a result of Section 2(e) or otherwise, the Company shall use its commercially reasonable efforts to file with the SEC one or more additional Registration Statements so as to cover all of the Registrable Securities not covered by such initial Registration Statement, in each case as soon as practicable (taking into account any position of the staff of the SEC with respect to the date on which the Staff will permit such additional Registration Statement(s) to be filed with the SEC and the rules and regulations of the SEC). The Company shall use its commercially reasonable efforts to cause each such new Registration Statement to become effective as soon as reasonably practicable following the filing thereof with the SEC.

(d) During the Registration Period, the Company shall use commercially reasonable efforts to (i) promptly prepare and file with the SEC such amendments (including post-effective amendments) and supplements to a Registration Statement and the Prospectus used in connection with a Registration Statement, which Prospectus is to be filed pursuant to Rule 424 promulgated under the Securities Act, as may be necessary to keep such Registration Statement effective at all times during the Registration Period, (ii) prepare and file with the SEC additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities; (iii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and as so supplemented or amended to be filed pursuant to Rule 424; (iv) respond to any comments received from the SEC with respect to a Registration Statement or any amendment thereto and as promptly as reasonably possible provide the Investor true and complete copies of all correspondence from and to the SEC relating to a Registration Statement (provided that the Company may excise any information contained therein which would constitute material non-public information as to any Investor which has not executed a confidentiality agreement with the Company); and (v) comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities of the Company covered by such Registration Statement until such time as all of such Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by

the seller or sellers thereof as set forth in such Registration Statement. In the case of amendments and supplements to a Registration Statement which are required to be filed pursuant to this Agreement (including pursuant to this Section 2(c)) by reason of the Company's filing a report on Form 10-K, Form 10-Q, or Form 8-K or any analogous report under the Exchange Act, the Company shall incorporate such report by reference into the Registration Statement, if applicable, or shall file such amendments or supplements with the SEC on the same day on which the Exchange Act report is filed which created the requirement for the Company to amend or supplement the Registration Statement.

(e) Reduction of Registrable Securities Included in a Registration Statement. Notwithstanding anything contained herein, in the event that the SEC requires the Company to reduce the number of Registrable Securities to be included in a Registration Statement in order to allow the Company to rely on Rule 415 with respect to a Registration Statement, then the Company shall reduce the number of Registrable Securities to be included in such Registration Statement (after consultation with the Investor as to the specific Registrable Securities to be removed therefrom) to the maximum number of securities as is permitted to be registered by the SEC. In the event of any reduction in Registrable Securities pursuant to this paragraph, the Company shall use its commercially reasonable efforts to file one or more New Registration Statements with the Commission in accordance with Section 2(c) until such time as all Registrable Securities have been included in Registration Statements that have been declared effective and the Prospectuses contained therein are available for use by the Investor.

(f) If: (i) after the date that is six months from the date hereof, the Company does not have available adequate current public information as set forth in Rule 144(c), or (ii) a Registration Statement which has been declared effective ceases for any reason to remain continuously effective as to all Registrable Securities for which it is required to be effective, or (iii) the Investor is not permitted to utilize the Prospectus therein to resell Registrable Securities set forth therein for more than 30 consecutive calendar days, (any such failure or breach being referred to as an "Event"), then in addition to any other rights the Investor may have hereunder or under applicable law, such Event shall constitute a Registration Event Trigger (as defined in the Promissory Note) shall be deemed to have occurred.

(g) Piggy-Back Registrations. If at any time there is not an effective Registration Statement covering all of the Registrable Securities and the Company proposes to register the offer and sale of any Common Shares under the Securities Act (other than a registration (i) pursuant to a Registration Statement on Form S-8 ((or other registration solely relating to an offering or sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit arrangement), (ii) pursuant to a Registration Statement on Form S-4 (or similar form that relates to a transaction subject to Rule 145 under the Securities Act or any successor rule thereto), or (iii) in connection with any dividend or distribution reinvestment or similar plan), whether for its own account or for the account of one or more stockholders of the Company and the form of Registration Statement to be used may be used for any registration of Registrable Securities, the Company shall give prompt written notice (in any event no later than five days prior to the filing of such Registration Statement) to the holders of Registrable Securities of its intention to effect such a registration and, shall include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion from the holders of Registrable Securities; provided, however, that, the Company shall not be required to register any Registrable

Securities pursuant to this Section 2(g) that have been sold or may permanently be sold without any restrictions pursuant to Rule 144, as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Company's transfer agent.

(h) No Inclusion of Other Securities. In no event shall the Company include any securities other than Registrable Securities on any Registration Statement pursuant to Section 2(a) or Section 2(c) without consulting with the Investor prior to filing such Registration Statement with the SEC. Other than pursuant to any registration rights obligations of the Company existing as of the date hereof, in no event shall the Company file any Registration Statement for the resale of shares, or shares underlying warrants, for any selling shareholder until after the earlier of (i) the effective date of the Initial Registration Statement, or (ii) provided that the Company has available adequate current public information as set forth in Rule 144(c), the date that is six months from the date hereof.

3. RELATED OBLIGATIONS.

(a) The Company shall, not less than three business days prior to the filing of each Registration Statement and not less than one business day prior to the filing of any related amendments and supplements to all Registration Statements (except for annual reports on Form 10-K, supplements and amendments to update the Registration Statement solely for information reflected in the Company's annual reports on Form 10-K, quarterly reports on Form 10-Q or current reports on Form 8-K), furnish to each Investor copies of all such documents proposed to be filed, which documents (other than those incorporated or deemed to be incorporated by reference) will be subject to the reasonable and prompt review of such Investor. The Company shall not file a Registration Statement or any such Prospectus or any amendments or supplements thereto to which the Investor shall reasonably object in good faith; *provided* that, the Company is notified of such objection in writing no later than two (2) Trading Days after the Investors have been so furnished copies of a Registration Statement.

(b) The Company shall furnish to each Investor whose Registrable Securities are included in any Registration Statement, without charge (i) at least one copy (which may be in electronic form) of such Registration Statement as declared effective by the SEC and any amendment(s) thereto, including financial statements and schedules, all documents incorporated therein by reference, all exhibits and each preliminary prospectus, (ii) at least one copy (which may be in electronic form) of the final prospectus included in such Registration Statement and all amendments and supplements thereto, and (iii) any documents, which are not publicly available through EDGAR, as such Investor may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities owned by such Investor.

(c) The Company shall use its commercially reasonable efforts to (i) register and qualify the Registrable Securities covered by a Registration Statement under such other securities or "blue sky" laws of such jurisdictions in the United States as any Investor reasonably requests, (ii) prepare and file in those jurisdictions, such amendments (including post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Registration Period, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times during the Registration Period, and (iv) take all other actions reasonably necessary or advisable to qualify the

Registrable Securities for sale in such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (w) make any change to its articles of incorporation or by-laws, (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(c), (y) subject itself to general taxation in any such jurisdiction, or (z) file a general consent to service of process in any such jurisdiction. The Company shall promptly notify each Investor who holds Registrable Securities of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of any of the Registrable Securities for sale under the securities or “blue sky” laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

(d) As promptly as practicable after becoming aware of such event or development, the Company shall notify each Investor in writing of the happening of any event as a result of which the Prospectus included in a Registration Statement, as then in effect, includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (provided that in no event shall such notice contain any material, nonpublic information), and promptly prepare a supplement or amendment to such Registration Statement to correct such untrue statement or omission and deliver one electronic copy of such supplement or amendment to the Investor. The Company shall also promptly notify each Investor in writing (i) when a Prospectus or any Prospectus supplement or post-effective amendment has been filed, and when a Registration Statement or any post-effective amendment has become effective (notification of such effectiveness shall be delivered to each Investor by email on the same day of such effectiveness), (ii) of any request by the SEC for amendments or supplements to a Registration Statement or related prospectus or related information, and (iii) of the Company’s reasonable determination that a post-effective amendment to a Registration Statement would be appropriate. The Company shall respond as promptly as reasonably practicable to any comments received from the SEC with respect to a Registration Statement or any amendment thereto.

(e) The Company shall use its commercially reasonable efforts to prevent the issuance of any stop order or other suspension of effectiveness of a Registration Statement, or the suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction within the United States of America and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest possible moment and to notify each Investor who holds Registrable Securities being sold of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

(f) Without limiting any obligation of the Company under the Purchase Agreement, the Company shall use commercially reasonable efforts either to cause all of the Registrable Securities covered by each Registration Statement to be listed on the Principal Market. The Company shall pay all fees and expenses in connection with satisfying its obligation under this Section 3(f).

(g) The Company shall hold in confidence and not make any disclosure of information concerning the Investor provided to the Company unless (i) disclosure of such information is necessary to comply with federal or state securities laws, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration

Statement, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, or (iv) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other agreement. The Company agrees that it shall, upon learning that disclosure of such information concerning an Investor is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to such Investor and allow such Investor, at the Investor's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

(h) The Company shall cooperate with the holders of the Registrable Securities to facilitate the timely preparation and delivery of certificates representing the Registrable Securities to be sold pursuant to such Registration Statement or Rule 144 free of any restrictive legends and representing such number of Common Shares and registered in such names as the holders of the Registrable Securities may reasonably request a reasonable period of time prior to sales of Registrable Securities pursuant to such Registration Statement or Rule; provided, that the Company may satisfy its obligations hereunder without issuing physical stock certificates through the use of The Depository Trust Company's Direct Registration System.

(i) The Company shall use its commercially reasonable efforts to cause the Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary to consummate the disposition of such Registrable Securities.

(j) The Company shall otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the SEC in connection with any registration hereunder.

(k) Within two business days after a Registration Statement which covers Registrable Securities is declared effective by the SEC, the Company shall deliver, and shall cause legal counsel for the Company to deliver, to the transfer agent for such Registrable Securities (with copies to the Investor whose Registrable Securities are included in such Registration Statement) confirmation that such Registration Statement has been declared effective by the SEC.

(l) The Company shall take all other reasonable actions necessary to expedite and facilitate disposition by each Investor of Registrable Securities pursuant to a Registration Statement.

4. OBLIGATIONS OF THE INVESTOR.

(a) The Investor agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3(d) such Investor shall as soon as reasonably practicable discontinue disposition of Registrable Securities pursuant to any Registration Statement covering such Registrable Securities until the Investor's receipt of the copies of the supplemented or amended prospectus contemplated by Section 3(d) or receipt of notice that no supplement or amendment is required. Notwithstanding anything to the contrary, subject to compliance with the securities laws, the Company shall cause its transfer agent to deliver unlegended certificates for Common Shares to a transferee of an Investor in accordance with the terms of the Purchase Agreement in connection with any sale of Registrable Securities with respect

to which an Investor has entered into a contract for sale prior to the Investor's receipt of a notice from the Company of the happening of any event of the kind described in Section 3(d) and for which the Investor has not yet settled.

(b) The Investor covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it or an exemption therefrom in connection with sales of Registrable Securities pursuant to the Registration Statement.

(c) The Investor, by its acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of each Registration Statement hereunder, unless the Investor has notified the Company in writing of the Investor's election to exclude all of the Investor's Registrable Securities from such Registration Statement.

5. EXPENSES OF REGISTRATION.

All expenses incurred by the Company in complying with its obligations pursuant to this Agreement and in connection with the registration and disposition of Registrable Securities shall be paid by the Company, including, without limitation, all registration, listing and qualifications fees, printers, fees and expenses of the Company's counsel and accountants (except legal fees of Investor's counsel associated with the review of the Registration Statement).

6. INDEMNIFICATION.

With respect to Registrable Securities which are included in a Registration Statement under this Agreement:

(a) To the fullest extent permitted by law, the Company will, and hereby does, indemnify, hold harmless and defend the Investor, the directors, officers, partners, employees, agents, representatives of, and each Person, if any, who controls any Investor within the meaning of the Securities Act or the Exchange Act (each, an "Indemnified Person"), against any losses, claims, damages, liabilities, judgments, fines, penalties, charges, costs, reasonable attorneys' fees, amounts paid in settlement or expenses, joint or several (collectively, "Claims") incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the SEC, whether pending or threatened, whether or not an indemnified party is or may be a party thereto ("Indemnified Damages"), to which any of them may become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in a Registration Statement or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under the securities or other "blue sky" laws of any jurisdiction in which Registrable Securities are offered ("Blue Sky Filing"), or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) any untrue statement or alleged untrue statement of a material fact contained in any final prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light

of the circumstances under which the statements therein were made, not misleading; or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any other law, including, without limitation, any state securities law, or any rule or regulation there under relating to the offer or sale of the Registrable Securities pursuant to a Registration Statement (the matters in the foregoing clauses (i) through (iii) being, collectively, “Violations”). The Company shall reimburse the Investors and each such controlling person promptly as such expenses are incurred and are due and payable, for any legal fees or disbursements that are reasonably incurred by them or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6(a): (x) shall not apply to a Claim by an Indemnified Person arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by such Indemnified Person expressly for use in connection with the preparation of the Registration Statement or any such amendment thereof or supplement thereto; (y) shall not be available to the extent such Claim is based on a failure of the Investor to deliver or to cause to be delivered the prospectus made available by the Company, if such prospectus was timely made available by the Company pursuant to Section 3(c); and (z) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person.

(b) In connection with a Registration Statement, the Investor agrees to indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in Section 6(a), the Company, each of its directors, each of its officers, employees, representatives, or agents and each Person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act (each an “Indemnified Party”), against any Claim or Indemnified Damages to which any of them may become subject, under the Securities Act, the Exchange Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or is based upon any Violation, in each case to the extent, and only to the extent, that such Violation occurs (i) in reliance upon and in conformity with written information furnished to the Company by such Investor expressly for use in connection with such Registration Statement or (ii) from the Investor’s violation of any prospectus delivery requirements under the Securities Act, the Exchange Act, any other law, including, without limitation, any state securities law, or any rule or regulation there under relating to the offer or sale of the Registrable Securities pursuant to a Registration Statement; and, subject to Section 6(d), such Investor will reimburse any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Claim; provided, however, that the indemnity agreement contained in this Section 6(b) and the agreement with respect to contribution contained in Section 7 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of such Investor, which consent shall not be unreasonably withheld, conditioned or delayed; provided, further, however, that, absent fraud or gross negligence, the Investor shall be liable under this Section 6(b) for only that amount of a Claim or Indemnified Damages as does not exceed the net proceeds to such Investor as a result of the sale of Registrable Securities pursuant to such Registration Statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6(b) with respect to any prospectus shall not inure to the benefit of any Indemnified Party if the untrue statement or omission of material fact contained in

the prospectus was corrected and such new prospectus was delivered to each Investor prior to such Investor's use of the prospectus to which the Claim relates.

(c) Promptly after receipt by an Indemnified Person or Indemnified Party under this Section 6 of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving a Claim, such Indemnified Person or Indemnified Party shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel reasonably mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party, as the case may be; provided, however, that an Indemnified Person or Indemnified Party shall have the right to retain its own counsel with the fees and expenses of not more than one (1) counsel for such Indemnified Person or Indemnified Party to be paid by the indemnifying party, if, in the reasonable opinion of counsel retained by the indemnifying party, the representation by such counsel of the Indemnified Person or Indemnified Party and the indemnifying party would be inappropriate due to actual or potential differing interests between such Indemnified Person or Indemnified Party and any other party represented by such counsel in such proceeding. The Indemnified Party or Indemnified Person shall cooperate fully with the indemnifying party in connection with any negotiation or defense of any such action or claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party or Indemnified Person which relates to such action or claim. The indemnifying party shall keep the Indemnified Party or Indemnified Person fully apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent; provided, however, that the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Indemnified Party or Indemnified Person, which consent shall not be unreasonably withheld, conditioned or delayed, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party or Indemnified Person of a release from all liability in respect to such claim or litigation. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party under this Section 6, except to the extent that the indemnifying party is prejudiced in its ability to defend such action.

(d) The indemnification required by this Section 6 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Damages are incurred.

(e) The indemnity agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnified Party or Indemnified Person against the

indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

7. CONTRIBUTION.

To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 6 to the fullest extent permitted by law; provided, however, that: (i) no seller of Registrable Securities guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any seller of Registrable Securities who was not guilty of fraudulent misrepresentation; and (ii) contribution by any seller of Registrable Securities shall be limited in amount to the net amount of proceeds received by such seller from the sale of such Registrable Securities.

8. REPORTS UNDER THE EXCHANGE ACT.

With a view to making available to the Investor the benefits of Rule 144 promulgated under the Securities Act or any similar rule or regulation of the SEC that may at any time permit the Investors to sell securities of the Company to the public without registration, and as a material inducement to the Investor's purchase of the Promissory Notes, the Company represents, warrants, and covenants to the following:

(a) The Company is subject to the reporting requirements of section 13 or 15(d) of the Exchange Act and has filed all required reports under section 13 or 15(d) of the Exchange Act during the 12 months prior to the date hereof (or for such shorter period that the issuer was required to file such reports), other than Form 8-K reports.

(b) During the Registration Period, the Company shall file with the SEC in a timely manner all required reports under section 13 or 15(d) of the Exchange Act (it being understood that nothing herein shall limit the Company's obligations under the Purchase Agreement) and such reports shall conform to the requirement of the Exchange Act and the SEC for filing thereunder.

(c) The Company shall furnish to the Investor so long as such Investor owns Registrable Securities, promptly upon request, (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144, (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested to permit the Investor to sell such securities pursuant to Rule 144 without registration.

9. AMENDMENT OF REGISTRATION RIGHTS.

Provisions of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Investor. Any amendment or waiver effected in accordance with this Section 9 shall be binding upon each of the Investor and the Company. No such amendment shall be effective to the extent that it applies to fewer than all of the holders of the Registrable Securities. No consideration shall be offered or paid to any Person to amend or

consent to a waiver or modification of any provision of any of this Agreement unless the same consideration also is offered to all of the parties to this Agreement.

10. MISCELLANEOUS.

(a) A Person is deemed to be a holder of Registrable Securities whenever such Person owns or is deemed to own of record such Registrable Securities or owns the right to receive the Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from the registered owner of such Registrable Securities.

(b) No Other Registrations. The Company shall not include any other securities on a Registration Statement which includes Registrable Securities unless otherwise agreed by the Investor.

(c) Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered pursuant to the notice provisions of the Purchase Agreement or to such other address and/or electronic mail address and/or to the attention of such other person as the recipient party has specified by written notice given to each other party five (5) days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) electronically generated by the sender's email service provider containing the time, date, and recipient email or (C) provided by a courier or overnight courier service shall be rebuttable evidence of personal service, receipt by email or receipt from a nationally recognized overnight delivery service in accordance with this section.

(d) Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof.

(e) The laws of the State of New York shall govern all issues concerning the relative rights of the Company and the Investor as its stockholder. All other questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York. Each party hereby irrevocably submits to the non-exclusive jurisdiction of the Supreme Court of the State of New York, sitting in New York County, New York and federal courts for the Southern District of New York sitting New York, New York, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and

sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HERewith OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

(f) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) This Agreement may be executed in identical counterparts, both of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. Electronically scanned and delivered signatures (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docuSign.com), including by e-mail attachment, shall be deemed to have been duly and validly delivered and be valid and effective for all purposes of this Agreement.

(h) Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(i) The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party. This Agreement may not be assigned by any party without the prior consent of the other parties hereto.

(j) This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Investor and the Company have caused their signature page to this Registration Rights Agreement to be duly executed as of the date first above written.

**COMPANY:
MSP RECOVERY, INC.**

By: /s/ John Ruiz

Name: John Ruiz

Title: CEO

**INVESTOR:
YA II PN, LTD.**

By: Yorkville Advisors Global, LP

Its: Investment Manager

By: Yorkville Advisors Global II, LLC

Its: General Partner

By: /s/ Matt Beckman

Name: Matt Beckman

Title: Member

NEITHER THIS NOTE NOR THE SECURITIES INTO WHICH THIS NOTE IS EXCHANGEABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE. THESE SECURITIES HAVE BEEN SOLD IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

LIONHEART II HOLDINGS, LLC

EXCHANGEABLE PROMISSORY NOTE

Original Principal Amount: \$5,000,000

Issuance Date: [_____]

Number: LIFW-[1][2][3]

FOR VALUE RECEIVED, Lionheart II Holdings, LLC, an entity organized under the laws of the State of Delaware (the “Company”), hereby promises to pay to the order of YA II PN, LTD., or its registered assigns (the “Holder”), the amount set out above as the Original Principal Amount (as reduced pursuant to the terms hereof pursuant to repayment, redemption, conversion or otherwise, the “Principal”) and Payment Premium or Redemption Premium, as applicable, in each case when due, and to pay interest (“Interest”) on any outstanding Principal at the applicable Interest Rate (as defined below) from the date set out above as the Issuance Date (the “Issuance Date”) until the same becomes due and payable, whether upon the Maturity Date or acceleration, exchange, redemption or otherwise (in each case in accordance with the terms hereof). Certain capitalized terms used herein are defined in Section (12). The Issuance Date is the date of the first issuance of this Exchangeable Promissory Note (the “Note”) regardless of the number of transfers and regardless of the number of instruments, which may be issued to evidence such Note. This Note was issued with a 5% original issue discount.

This Note is being issued pursuant to Section 2.01 of the Standby Equity Purchase Agreement, dated November __, 2023 (as may be amended, amended and restated, extended, supplemented or otherwise modified in writing from time to time, the “SEPA”), between MSP Recovery, Inc. (“Parent”) and the YA II PN, Ltd., as the Investor. This Note may be repaid in accordance with the terms of the SEPA, including, without limitation, pursuant to Investor Notices and corresponding Advance Notices (as defined in the SEPA) deemed given by the Parent in connection with such Investor Notices (as defined in the SEPA). The Holder also has the option of exchanging on one or more occasions all or part of the then outstanding balance under this Note by delivering to the Company one or more Exchange Notices in accordance with Section 3 of this Note.

(1) GENERAL TERMS

(a) Maturity Date. On the Maturity Date, the Company shall pay to the Holder an amount in cash representing all outstanding Principal, accrued and unpaid Interest, and any other amounts outstanding pursuant to the terms of this Note. The "Maturity Date" shall be March 31, 2025, as may be extended at the option of the Holder. Other than as specifically permitted by this Note, the Company may not prepay or redeem any portion of the outstanding Principal and accrued and unpaid Interest.

(b) Interest Rate and Payment of Interest. Interest shall accrue on the outstanding Principal balance hereof at an annual rate equal to 5% ("Interest Rate"), which Interest Rate shall increase to an annual rate of 18% upon the occurrence of an Event of Default (for so long as such event remains uncured). Interest shall be calculated based on a 365-day year and the actual number of days elapsed, to the extent permitted by applicable law.

(c) Monthly Payments. If, any time after the Issuance Date set forth above, and from time to time thereafter, a Trigger Event occurs, then the Company shall make monthly payments beginning on the 7th Trading Day after the Trigger Date and continuing on the same day of each successive Calendar Month. Each monthly payment shall be in an amount equal to the sum of (i) \$1,500,000 of Principal in the aggregate among this Note and all Other Notes (or the outstanding Principal if less than such amount) (the "Triggered Principal Amount"), plus (ii) the Payment Premium (as defined below) in respect of such Triggered Principal Amount, and (iii) accrued and unpaid interest hereunder as of each payment date. The obligation of the Company to make monthly prepayments related to a Trigger Event shall cease (with respect to any payment that has not yet come due) if any time after the Trigger Date (A) in the event of a Floor Price Trigger, on the date that is the 7th consecutive Trading Day that the daily VWAP is greater than 110% of the Floor Price then in effect, (B) in the event of an Exchange Cap Trigger, the date Parent has obtained stockholder approval to increase the number of Common Shares under the Exchange Cap and/ or the Exchange Cap no longer applies, and (C) in the event of a Registration Event Trigger, the conditions causing the Registration Event Trigger have been cured or until the Holder is able to resell the shares of Common Stock issuable upon exchange of this Note in accordance with Rule 144 under the Securities Act, unless a subsequent Trigger Event occurs.

(d) Optional Redemption. The Company at its option shall have the right, but not the obligation, to redeem ("Optional Redemption") early a portion or all amounts outstanding under this Note as described in this Section; *provided* that (i) the Company provides the Holder with at least three Trading Days' prior written notice (each, a "Redemption Notice") of its desire to exercise an Optional Redemption, and (ii) on the date the Redemption Notice is issued, the VWAP of the Common Shares is less than the Fixed Price. Each Redemption Notice shall be irrevocable and shall specify the outstanding balance of the Note to be redeemed and the Redemption Amount. The "Redemption Amount" shall be equal to the outstanding Principal balance being redeemed by the Company, plus the Redemption Premium (as defined below), plus all accrued and unpaid interest. After receipt of the Redemption Notice, the Holder shall have three Trading Days to elect to exchange all or any portion of the Note pursuant to the terms of this Note. On the fourth Trading Day after the Redemption Notice, the Company shall deliver to the Holder the Redemption Amount with respect to the Principal amount redeemed after giving effect to exchanges or other payments effected during the three Trading Day period.

(e) Payment Dates. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

(2) EVENTS OF DEFAULT.

(a) An “Event of Default”, wherever used herein, means any one of the following events (whatever the reason and whether it shall be voluntary or involuntary or 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):

(i) The Company's failure to pay to the Holder any amount of Principal, Redemption Premium, Payment Premium, Interest, or other amounts when and as due under this Note or any other Transaction Document within five (5) Trading Days after such payment is due;

(ii) The Company or any Subsidiary of the Company shall commence, or there shall be commenced against the Company or any Subsidiary of the Company under any applicable bankruptcy or insolvency laws as now or hereafter in effect or any successor thereto, or the Company or any Subsidiary of the Company commences any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction, whether now or hereafter in effect relating to the Company or any Subsidiary of the Company, any such bankruptcy, insolvency or other proceeding which remains undismissed for a period of sixty one (61) days; or the Company or any Subsidiary of the Company is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered; or the Company or any Subsidiary of the Company suffers any appointment of any custodian, private or court appointed receiver or the like for it or all or substantially all of its property which continues undischarged or unstayed for a period of sixty one (61) days; or the Company or any Subsidiary of the Company makes a general assignment of all or substantially all of its assets for the benefit of creditors; or the Company or any Subsidiary of the Company shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; or the Company or any Subsidiary of the Company shall call a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or the Company or any Subsidiary of the Company shall by any act or failure to act expressly indicate its consent to, approval of or acquiescence in any of the foregoing; or any corporate or other action is taken by the Company or any Subsidiary of the Company for the purpose of effecting any of the foregoing;

(iii) The Company or any Subsidiary of the Company shall default, in any of its obligations under any debenture, mortgage, credit agreement or other facility, indenture agreement, factoring agreement or other instrument under which there may be issued, or by which there may be secured or evidenced any indebtedness for borrowed money or money due under any long term leasing or factoring arrangement of the Company or any Subsidiary of the Company in an amount exceeding \$5,000,000, whether such indebtedness now exists or shall hereafter be created and such default is not cured within the time prescribed by the documents governing such indebtedness or if no time is prescribed, within ten (10) Trading Days, and as a result, such indebtedness becomes or is declared due and payable;

- (iv) The Common Shares shall cease to be quoted or listed for trading, as applicable, on any Primary Market for a period of ten (10) consecutive Trading Days;
- (v) The Parent or any Subsidiary of the Parent shall be a party to any Change of Control Transaction (as defined in Section (12)) unless in connection with such Change of Control Transaction this Note is retired;
- (vi) The Parent's (A) failure to deliver the required number of Common Shares to the Holder within two (2) Trading Days after the applicable Share Delivery Date or (B) notice, written or oral, to any holder of the Note, including by way of public announcement, at any time, of its intention not to comply with a request for Exchange of any Note into Common Shares that is tendered in accordance with the provisions of the Note;
- (vii) The Company shall fail for any reason to deliver the payment in cash pursuant to a Buy-In (as defined herein) within five (5) Business Days after such payment is due;
- (viii) The Parent's failure to timely file with the Commission any Periodic Report on or before the due date of such filing as established by the Commission, it being understood, for the avoidance of doubt, that due date includes any permitted filing deadline extension under Rule 12b-25 under the Exchange Act;
- (ix) Any material representation or warranty made or deemed to be made by or on behalf of the Company in or in connection with any Transaction Document, or any waiver hereunder or thereunder, shall prove to have been incorrect in any material respect (or, in the case of any such representation or warranty already qualified by materiality, such representation or warranty shall prove to have been incorrect) when made or deemed made;
- (x) Any material provision of any Transaction Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder, ceases to be in full force and effect; or the Company or any other Person contests in writing the validity or enforceability of any provision of any Transaction Document; or the Company denies in writing that it has any or further liability or obligation under any Transaction Document, or purports in writing to revoke, terminate (other than in line with the relevant termination provisions) or rescind any Transaction Document;
- (xi) The Company uses the proceeds of the issuance of this Note, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulations T, U and X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof), or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose;
- (xii) Any Event of Default (as defined in the Other Notes or in any Transaction Document other than this Note) occurs with respect to any Other Notes, or any breach of any material term of any other debenture, note, or instrument held by the Holder in the Company or any agreement between or among the Company and the Holder; or

(xiii) The Company shall fail to observe or perform any material covenant, agreement or warranty contained in, or otherwise commit any material breach or default of any provision of this Note (except as may be covered by Section (2)(a)(i) through (2)(a)(xii) hereof) or any other Transaction Document, which is not cured or remedied within the time prescribed or if no time is prescribed within ten (10) Business Days.

(b) During the time that any portion of this Note is outstanding, if any Event of Default has occurred (other than an event with respect to the Company described in Section (2)(a)(ii)), the full unpaid Principal amount of this Note, together with interest and other amounts owing in respect thereof, to the date of acceleration shall become at the Holder's election given by notice pursuant to Section (5), immediately due and payable in cash; provided that, in the case of any event with respect to the Company described in Section (2)(a)(ii), the full unpaid Principal amount of this Note, together with interest and other amounts owing in respect thereof to the date of acceleration, shall automatically become due and payable, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Company. Furthermore, in addition to any other remedies, the Holder shall have the right (but not the obligation) to exchange, on one or more occasions all or part of the Note in accordance with Section (3) (and subject to the limitations set out in Section (3)(c)(i) and Section (3)(c)(ii)) at any time after (x) an Event of Default or (y) the Maturity Date at the Exchange Price. The Holder need not provide and the Company hereby waives any presentment, demand, protest or other notice of any kind, (other than required notice of exchange) and the Holder may immediately enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such declaration may be rescinded and annulled by the Holder in writing at any time prior to payment hereunder. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

(3) EXCHANGE OF NOTE. This Note shall be exchangeable into Common Shares, on the terms and conditions set forth in this Section (3).

(a) Exchange Right. Subject to the limitations of Section (3)(c), at any time or times on or after the Issuance Date, the Holder shall be entitled to exchange any portion of the outstanding and unpaid Exchange Amount into fully paid and nonassessable Common Shares in accordance with Section (3)(b), at the Exchange Price. The number of Common Shares issuable upon exchange of any Exchange Amount pursuant to this Section (3)(a) shall be determined by dividing (x) such Exchange Amount by (y) the Exchange Price. The Parent shall not issue any fraction of a share of Common Shares upon any exchange. All calculations under this Section (3) shall be rounded to the nearest \$0.0001. If the issuance would result in the issuance of a fraction of a share of Common Shares, the Parent shall round such fraction of a share of Common Shares up to the nearest whole share. The Parent shall pay any and all transfer, stamp and similar taxes that may be payable with respect to the issuance and delivery of Common Shares upon exchange of any Exchange Amount.

(b) Mechanics of Exchange.

(i) Optional Exchange. To exchange any Exchange Amount into Common Shares on any date (a "Exchange Date"), the Holder shall (A) transmit by email (or otherwise deliver), for receipt on or prior to 11:59 p.m., New York Time, on such date, a copy of

an executed notice of exchange in the form attached hereto as Exhibit I (the "Exchange Notice") to the Company and (B) if required by Section (3)(b)(iii), surrender this Note to a nationally recognized overnight delivery service for delivery to the Company (or an indemnification undertaking reasonably satisfactory to the Company with respect to this Note in the case of its loss, theft or destruction). On or before the third (3rd) Trading Day following the date of receipt of an Exchange Notice (the "Share Delivery Date"), the Parent shall (X) if legends are not required to be placed on certificates of Common Shares and provided that the Transfer Agent is participating in the Depository Trust Company's ("DTC") Fast Automated Securities Transfer Program, credit such aggregate number of Common Shares to which the Holder shall be entitled to the Holder's or its designee's balance account with DTC through its Deposit Withdrawal Agent Commission system or (Y) if the Transfer Agent is not participating in the DTC Fast Automated Securities Transfer Program, issue and deliver to the address as specified in the Exchange Notice, a certificate, registered in the name of the Holder or its designee, for the number of Common Shares to which the Holder shall be entitled which certificates shall not bear any restrictive legends unless required pursuant to rules and regulations of the Commission. If this Note is physically surrendered for exchange and the outstanding Principal of this Note is greater than the Principal portion of the Exchange Amount being exchanged, then the Company shall as soon as practicable and in no event later than three (3) Business Days after receipt of this Note and at its own expense, issue and deliver to the holder a new Note representing the outstanding Principal not exchanged. The Person or Persons entitled to receive the Common Shares issuable upon an exchange of this Note shall be treated for all purposes as the record holder or holders of such Common Shares upon the transmission of an Exchange Notice.

(ii) Parent's Failure to Timely Exchange. If within three (3) Trading Days after the Company's receipt of an email copy of an Exchange Notice the Parent shall fail to issue and deliver a certificate to the Holder or credit the Holder's balance account with DTC for the number of Common Shares to which the Holder is entitled upon such holder's exchange of any Exchange Amount (a "Exchange Failure"), and if on or after such Trading Day the Holder purchases (in an open market transaction or otherwise) Common Shares to deliver in satisfaction of a sale by the Holder of Common Shares issuable upon such exchange that the Holder anticipated receiving from the Parent (a "Buy-In"), then the Company or the Parent, as applicable, shall, within three (3) Business Days after the Holder's request and in the Holder's discretion, either (i) pay cash to the Holder in an amount equal to the Holder's total purchase price (including brokerage commissions and other out of pocket expenses, if any) for the Common Shares so purchased (the "Buy-In Price"), at which point the Company's obligation to deliver such certificate (and to issue such Common Shares) shall terminate, or (ii) promptly honor its obligation to deliver to the Holder a certificate or certificates representing such Common Shares and pay cash to the Holder in an amount equal to the excess (if any) of the Buy-In Price over the product of (A) such number of Common Shares, times (B) the Closing Price on the Exchange Date.

(iii) Book-Entry. Notwithstanding anything to the contrary set forth herein, upon exchange of any portion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to the Company unless (A) the full Exchange Amount represented by this Note is being exchanged or (B) the Holder has provided the Company with prior written notice (which notice may be included in an Exchange Notice) requesting reissuance of this Note upon physical surrender of this Note. The Holder and the Company shall maintain records showing the Principal and Interest exchanged and the dates of such exchanges or

shall use such other method, reasonably satisfactory to the Holder and the Company, so as not to require physical surrender of this Note upon exchange.

(c) Limitations on Exchanges.

(i) Beneficial Ownership. The Holder shall not have the right to exchange any portion of this Note to the extent that after giving effect to such exchange, the Holder, together with any affiliate thereof, would beneficially own (as determined in accordance with Section 13(d) of the Exchange Act and the rules promulgated thereunder) in excess of 4.99% of the number of Common Shares outstanding immediately after giving effect to such exchange or receipt of shares as payment of interest. Since the Holder will not be obligated to report to the Company the number of Common Shares it may hold at the time of an exchange hereunder, unless the exchange at issue would result in the issuance of Common Shares in excess of 9.99% of the then outstanding Common Shares without regard to any other shares which may be beneficially owned by the Holder or an affiliate thereof, the Holder shall have the authority and obligation to determine whether the restriction contained in this Section will limit any particular exchange hereunder and to the extent that the Holder determines that the limitation contained in this Section applies, the determination of which portion of the Principal amount of this Note is exchangeable shall be the responsibility and obligation of the Holder. If the Holder has delivered an Exchange Notice for a Principal amount of this Note that, without regard to any other shares that the Holder or its affiliates may beneficially own, would result in the issuance in excess of the permitted amount hereunder, the Company shall notify the Holder of this fact and shall honor the exchange for the maximum Principal amount permitted to be exchanged on such Exchange Date in accordance with Section (3)(a) and, any Principal amount tendered for exchange in excess of the permitted amount hereunder shall remain outstanding under this Note. The provisions of this Section may be waived by a Holder (but only as to itself and not to any other Holder) upon not less than 65 days prior notice to the Company. Other Holders shall be unaffected by any such waiver.

(ii) Principal Market Limitation. Notwithstanding anything in this Note to the contrary, the Parent shall not issue any Common Shares upon exchange of this Note, or otherwise, if the issuance of such Common Shares, together with any Common Shares issued in connection the SEPA and with any other related transactions that may be considered part of the same series of transactions, would exceed the aggregate number Common Shares that the Parent may issue in a transaction in compliance with the Parent's obligations under the rules or regulations of Nasdaq Stock Market LLC (the "Nasdaq") and shall be referred to as the "Exchange Cap," except that such limitation shall not apply if the Parent's stockholders have approved such issuances on such terms in excess of the Exchange Cap in accordance with the rules of the Nasdaq.

(d) Other Provisions.

(i) All calculations under this Section (3) shall be rounded to the nearest \$0.0001 or whole share.

(ii) So long as this Note or any Other Notes remain outstanding, the Parent shall maintain available and reserve from its duly authorized share capital the maximum number of Common Shares issuable upon exchange of this Note and the Other Notes (assuming

for purposes hereof that (x) this Note and such Other Notes are exchangeable at the Floor Price as of the date of determination, (y) any such exchange shall not take into account any limitations on the exchange of the Note or Other Notes set forth herein or therein (the “Required Reserve Amount”), provided that at no time shall the number of Common Shares reserved pursuant to this Section (3)(d)(ii) be reduced other than proportionally with respect to all Common Shares in connection with any exchange (other than pursuant to the exchange of this Note and the Other Notes in accordance with their terms) and/or cancellation, or reverse stock split. If at any time the number of Common Shares authorized but unissued and not otherwise reserved for issuance (including (i) in relation to equity or debt securities convertible into or exchangeable or exercisable for or that can be settled in Common Shares (other than the Note and the Other Notes) and (ii) Common Shares remaining available for issuance under the Parent’s equity incentive plans) is not sufficient to meet the Required Reserve Amount, the Parent will promptly take all corporate action necessary to propose to its general meeting of shareholders (or otherwise through shareholder approval) an increase of its authorized share capital necessary to meet the Parent’s obligations pursuant to this Note, recommending that shareholders vote in favor of such an increase. If at any time the number of Common Shares that remain available for issuance under the Exchange Cap is less than 100% of the maximum number of shares issuable upon exchange of all the Notes and Other Notes then outstanding (assuming for purposes hereof that (x) the Notes are exchangeable at the Exchange Price then in effect, and (y) any such exchange shall not take into account any limitations on the exchange of the Note, other than the Floor Price then in effect but solely with respect to the Variable Price), the Parent will use commercially reasonable efforts to promptly call and hold a shareholder meeting (or otherwise obtain shareholder approval) for the purpose of seeking the approval of its shareholders as required by the applicable rules of the Principal Market, for issuances of shares in excess of the Exchange Cap. The Parent covenants that, upon issuance in accordance with exchange of this Note in accordance with its terms, the Common Shares, when issued, will be validly issued, fully paid and nonassessable.

(iii) Nothing herein shall limit a Holder's right to pursue actual damages or declare an Event of Default pursuant to Section (2) herein for the Parent’s failure to deliver certificates representing Common Shares upon exchange within the period specified herein and such Holder shall have the right to pursue all remedies available to it at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief, in each case without the need to post a bond or provide other security. The exercise of any such rights shall not prohibit the Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable law.

(iv) Legal Opinions. The Company is obligated to cause its legal counsel to deliver legal opinions to the Company’s transfer agent in connection with any legend removal upon the expiration of any holding period or other requirement for which the Underlying Shares may bear legends restricting the transfer thereof. The Company has determined, in consultation with its counsel, that for the purposes of Rule 144(d)(1) the Common Shares to be issued to the Holder upon an exchange as contemplated herein should be deemed to have been acquired as of the Issuance Date, and any legal opinion required hereunder shall include the Holder's holding period of this Note. To the extent that a legal opinion is not provided (either timely or at all), then, in addition to being an Event of Default hereunder, the Company agrees to reimburse the Holder for all reasonable costs incurred by the Holder in connection with any legal opinions paid for by the Holder in connection with sale or transfer of Underlying Common Shares.

The Holder shall notify the Company of any such costs and expenses it incurs that are referred to in this section from time to time and all amounts owed hereunder shall be paid by the Company with reasonable promptness.

(e) Adjustment of Exchange Price upon Subdivision or Combination of Common Shares. If the Company, at any time while this Note is outstanding, shall (a) pay a stock dividend or otherwise make a distribution or distributions on shares of its Common Shares or any other equity or equity equivalent securities payable in Common Shares, (b) subdivide outstanding Common Shares into a larger number of shares, (c) combine (including by way of reverse stock split) outstanding Common Shares into a smaller number of shares, or (d) issue by reclassification of Common Shares any shares of capital stock of the Company, then each of the Fixed Price and the Floor Price shall be multiplied by a fraction of which the numerator shall be the number of Common Shares (excluding treasury shares, if any) outstanding before such event and of which the denominator shall be the number of Common Shares outstanding after such event. Any adjustment made pursuant to this Section shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

(f) Other Corporate Events. In addition to and not in substitution for any other rights hereunder, prior to the consummation of any Fundamental Transaction pursuant to which holders of Common Shares are entitled to receive securities or other assets with respect to or in exchange for Common Shares (a "Corporate Event"), the Company shall make appropriate provision to ensure that the Holder will thereafter have the right to receive upon an exchange of this Note, at the Holder's option, (i) in addition to the Common Shares receivable upon such exchange, such securities or other assets to which the Holder would have been entitled with respect to such Common Shares had such Common Shares been held by the Holder upon the consummation of such Corporate Event (without taking into account any limitations or restrictions on the exchangeability of this Note) or (ii) in lieu of the Common Shares otherwise receivable upon such exchange, such securities or other assets received by the holders of Common Shares in connection with the consummation of such Corporate Event in such amounts as the Holder would have been entitled to receive had this Note initially been issued with exchange rights for the form of such consideration (as opposed to Common Shares) at an exchange rate for such consideration commensurate with the Exchange Price. Provision made pursuant to the preceding sentence shall be in a form and substance satisfactory to the Required Holders. The provisions of this Section shall apply similarly and equally to successive Corporate Events and shall be applied without regard to any limitations on the exchange or redemption of this Note.

(g) Whenever the Exchange Price is adjusted pursuant to Section (3) hereof, the Company shall promptly provide the Holder with a written notice setting forth the Exchange Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

(h) In case of any (1) merger or consolidation of the Parent or any Subsidiary of the Parent with or into another Person, or (2) sale by the Parent or any Subsidiary of the Parent of more than one-half of the assets of the Parent in one or a series of related transactions, a Holder shall have the right to (A) exercise any rights under Section (2)(a)(xii), (B) exchange the aggregate

amount of this Note then outstanding into the shares of stock and other securities, cash and property receivable upon or deemed to be held by holders of Common Shares following such merger, consolidation or sale, and such Holder shall be entitled upon such event or series of related events to receive such amount of securities, cash and property as the Common Shares into which such aggregate Principal amount of this Note could have been exchanged immediately prior to such merger, consolidation or sales would have been entitled, or (C) in the case of a merger or consolidation, require the surviving entity to issue to the Holder a convertible or exchangeable Note with a Principal amount equal to the aggregate Principal amount of this Note then held by such Holder, plus all accrued and unpaid interest and other amounts owing thereon, which such newly issued convertible or exchangeable Note shall have terms identical (including with respect to exchange) to the terms of this Note, and shall be entitled to all of the rights and privileges of the Holder of this Note set forth herein and the agreements pursuant to which this Note was issued. In the case of clause (C), the conversion or exchange price applicable for the newly issued shares of preferred stock or debentures shall be based upon the amount of securities, cash and property that each Common Shares would receive in such transaction and the Exchange Price in effect immediately prior to the effectiveness or closing date for such transaction. The terms of any such merger, sale or consolidation shall include such terms so as to continue to give the Holder the right to receive the securities, cash and property set forth in this Section upon any exchange or redemption following such event. This provision shall similarly apply to successive such events.

(i) Notwithstanding anything to contrary herein, in connection with any exchange of this Note into Common Shares as set forth herein, this Note shall be first converted into an equivalent number of Class B Common Units and Class V Common Stock (each as defined in Parent's Second Amended and Restated Certificate of Incorporation (the "Parent Charter")), and such Class B Common Units and Class V Common Stock shall then be immediately exchanged into Common Shares, as provided in the Amended and Restated Limited Liability Company Agreement of the Company and the Parent Charter.

(4) REISSUANCE OF THIS NOTE.

(a) Transfer. If this Note is to be transferred, the Holder shall surrender this Note to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Note (in accordance with Section (4)(d)), registered in the name of the registered transferee or assignee, representing the outstanding Principal being transferred by the Holder (along with any accrued and unpaid interest thereof) and, if less than the entire outstanding Principal is being transferred, a new Note (in accordance with Section (4)(d)) to the Holder representing the outstanding Principal not being transferred. The Holder and any assignee, by acceptance of this Note, acknowledge and agree that, by reason of the provisions of Section (3)(b)(iii) following exchange or redemption of any portion of this Note, the outstanding Principal represented by this Note may be less than the Principal stated on the face of this Note.

(b) Lost, Stolen or Mutilated Note. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Note, and, in the case of loss, theft or destruction, of any indemnification undertaking by the Holder to the Company in customary form and, in the case of mutilation, upon surrender and cancellation of this Note, the Company shall execute and deliver to the Holder a new Note (in accordance with Section (4)(d)) representing the outstanding Principal.

(c) Note Exchangeable for Different Denominations. This Note is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Note or Notes (in accordance with Section (4)(d)) representing in the aggregate the outstanding Principal of this Note, and each such new Note will represent such portion of such outstanding Principal as is designated by the Holder at the time of such surrender.

(d) Issuance of New Notes. Whenever the Company is required to issue a new Note pursuant to the terms hereof, such new Note (i) shall be of like tenor with this Note, (ii) shall represent, as indicated on the face of such new Note, the Principal remaining outstanding (or in the case of a new Note being issued pursuant to Section 5(4)(a) or Section 5(4)(c), the Principal designated by the Holder which, when added to the Principal represented by the other new Note issued in connection with such issuance, does not exceed the Principal remaining outstanding under this Note immediately prior to such issuance of new Note), (iii) shall have an issuance date, as indicated on the face of such new Note, which is the same as the Issuance Date of this Note, (iv) shall have the same rights and conditions as this Note, and (v) shall represent accrued and unpaid Interest from the Issuance Date.

(5) NOTICES. Any notices, consents, waivers or other communications required or permitted to be given under the terms hereof must be in writing by letter and email and will be deemed to have been delivered: upon the later of (A) either (i) receipt, when delivered personally or (ii) one (1) Business Day after deposit with an overnight courier service with next day delivery specified, in each case, properly addressed to the party to receive the same and (B) receipt, when sent by electronic mail. The addresses and email addresses for such communications shall be:

If to the Company, to:

MSP Recovery, Inc.
2701 S. Le Jeune Rd, Floor 10
Coral Gables, FL 33146

Attn: John Ruiz, CEO
Alexandra Plasencia, General Counsel
E-mail: jruiz@msprecovery.com, aplasencia@msprecovery.com

with a copy (which shall not constitute notice) to:

Steven Canner
Baker & McKenzie LLP
452 Fifth Avenue
New York, NY 10018
Telephone: (212) 626-4884

Jeremy L. Moore
Baker & McKenzie LLP
700 Louisiana Street
Houston, TX 77002
Telephone: (713) 427-5000

If to the Holder:

YA II PN, Ltd
c/o Yorkville Advisors Global, LLC
1012 Springfield Avenue
Mountainside, NJ 07092
Attention: Mark Angelo
Telephone: 201-985-8300
Email: Legal@yorkvilleadvisors.com

or at such other address and/or email and/or to the attention of such other person as the recipient party has specified by written notice given to each other party three (3) Business Days prior to the effectiveness of such change. Written confirmation of receipt (i) given by the recipient of such notice, consent, waiver or other communication, (ii) electronically generated by the sender's email service provider containing the time, date, recipient email address or (iii) provided by a nationally recognized overnight delivery service, shall be rebuttable evidence of personal service, receipt by facsimile or receipt from a nationally recognized overnight delivery service in accordance with clause (i), (ii) or (iii) above, respectively.

(6) Except as expressly provided herein, no provision of this Note shall alter or impair the obligations of the Company, which are absolute and unconditional, to pay the Principal of, interest and other charges (if any) on, this Note at the time, place, and rate, and in the currency, herein prescribed. This Note is a direct obligation of the Company. As long as this Note is outstanding, the Company shall not and shall cause their subsidiaries not to, without the consent of the Holder, (i) amend its certificate of incorporation, bylaws or other charter documents so as to adversely affect any rights of the Holder; (ii) repay, repurchase or offer to repay, repurchase or otherwise acquire shares of its Common Shares or other equity securities; or (iii) enter into any agreement with respect to any of the foregoing.

(7) This Note shall not entitle the Holder to any of the rights of a stockholder of the Company, including without limitation, the right to vote, to receive dividends and other distributions, or to receive any notice of, or to attend, meetings of stockholders or any other proceedings of the Company, unless and to the extent exchanged for Common Shares in accordance with the terms hereof.

(8) CHOICE OF LAW; VENUE; WAIVER OF JURY TRIAL

(a) Governing Law. This Note and the rights and obligations of the Parties hereunder shall, in all respects, be governed by, and construed in accordance with, the laws (excluding the principles of conflict of laws) of the State of New York (the "Governing Jurisdiction") (including Section 5-1401 and Section 5-1402 of the General Obligations Law of the State of New York), including all matters of construction, validity and performance.

(b) Jurisdiction; Venue; Service.

(i) The Company hereby irrevocably consents to the non-exclusive personal jurisdiction of the state courts of the Governing Jurisdiction and, if a basis for federal jurisdiction exists, the non-exclusive personal jurisdiction of any United States District Court for the Governing Jurisdiction.

(ii) The Company agrees that venue shall be proper in any court of the Governing Jurisdiction selected by the Holder or, if a basis for federal jurisdiction exists, in any United States District Court in the Governing Jurisdiction. The Company waives any right to object to the maintenance of any suit, claim, action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, in any of the state or federal courts of the Governing Jurisdiction on the basis of improper venue or inconvenience of forum.

(iii) Any suit, claim, action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or tort or otherwise, brought by the Company against the Holder arising out of or based upon this Note or any matter relating to this Note, or any other Transaction Document, or any contemplated transaction, shall be brought in a court only in the Governing Jurisdiction. The Company shall not file any counterclaim against the Holder in any suit, claim, action, litigation or proceeding brought by the Holder against the Company in a jurisdiction outside of the Governing Jurisdiction unless under the rules of the court in which the Holder brought such suit, claim, action, litigation or proceeding the counterclaim is mandatory, and not permissive, and would be considered waived unless filed as a counterclaim in the suit, claim, action, litigation or proceeding instituted by the Holder against the Company. The Company agrees that any forum outside the Governing Jurisdiction is an inconvenient forum and that any suit, claim, action, litigation or proceeding brought by the Company against the Holder in any court outside the Governing Jurisdiction should be dismissed or transferred to a court located in the Governing Jurisdiction. Furthermore, the Company irrevocably and unconditionally agrees that it will not bring or commence any suit, claim, action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Holder arising out of or based upon this Note or any matter relating to this Note, or any other Transaction Document, or any contemplated transaction, in any forum other than the courts of the State of New York sitting in New York County, and the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such suit, claim, action, litigation or proceeding may be heard and determined in such New York State Court or, to the fullest extent permitted by applicable law, in such federal court. The Company and the Holder agree that a final judgment in any such suit, claim, action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(iv) The Company and the Holder irrevocably consent to the service of process out of any of the aforementioned courts in any such suit, claim, action, litigation or proceeding by the mailing of copies thereof by registered or certified mail postage prepaid, to it at the address provided for notices in this Note, such service to become effective thirty (30) days after the date of mailing.

(v) Nothing herein shall affect the right of the Holder to serve process in any other manner permitted by law or to commence legal proceedings or to otherwise proceed against the Company or any other Person in the Governing Jurisdiction or in any other jurisdiction.

(c) THE PARTIES MUTUALLY WAIVE ALL RIGHT TO TRIAL BY JURY OF ALL CLAIMS OF ANY KIND ARISING OUT OF OR BASED UPON THIS NOTE OR ANY MATTER RELATING TO THIS NOTE, OR ANY OTHER TRANSACTION DOCUMENT, OR ANY CONTEMPLATED TRANSACTION. THE PARTIES ACKNOWLEDGE THAT THIS IS A WAIVER OF A LEGAL RIGHT AND THAT THE PARTIES EACH MAKE THIS WAIVER VOLUNTARILY AND KNOWINGLY AFTER CONSULTATION WITH COUNSEL OF THEIR RESPECTIVE CHOICE. THE PARTIES AGREE THAT ALL SUCH CLAIMS SHALL BE TRIED BEFORE A JUDGE OF A COURT HAVING JURISDICTION, WITHOUT A JURY.

(9) If the Company fails to strictly comply with the terms of this Note, then the Company shall reimburse the Holder promptly for all fees, costs and expenses, including, without limitation, attorneys' fees and expenses incurred by the Holder in any action in connection with this Note, including, without limitation, those incurred: (i) during any workout, attempted workout, and/or in connection with the rendering of legal advice as to the Holder's rights, remedies and obligations, (ii) collecting any sums which become due to the Holder, (iii) defending or prosecuting any proceeding or any counterclaim to any proceeding or appeal; or (iv) the protection, preservation or enforcement of any rights or remedies of the Holder.

(10) Any waiver by the Holder of a breach of any provision of this Note shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Note. The failure of the Holder to insist upon strict adherence to any term of this Note on one or more occasions shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Note. Any waiver must be in writing.

(11) If any provision of this Note is invalid, illegal or unenforceable, the balance of this Note shall remain in effect, and if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder shall violate applicable laws governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum permitted rate of interest. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law which would prohibit or forgive the Company from paying all or any portion of the Principal of or interest on this Note as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this indenture, and the Company (to the extent it may lawfully do so) hereby expressly waives all benefits or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impeded the execution of any power herein granted to the Holder, but will suffer and permit the execution of every such as though no such law has been enacted.

(12) CERTAIN DEFINITIONS. For purposes of this Note, the following terms shall have the following meanings:

(a) "Bloomberg" means Bloomberg Financial Markets.

(b) "Business Day" means any day except Saturday, Sunday and any day which shall be a federal legal holiday in the United States or a day on which banking institutions are authorized or required by law or other government action to close.

(c) "Buy-In" shall have the meaning set forth in Section (3)(b)(ii).

(d) "Buy-In Price" shall have the meaning set forth in Section (3)(b)(ii).

(e) "Calendar Month" means one of the months as named in the calendar.

(f) "Change of Control Transaction" means the occurrence of (a) an acquisition after the date hereof by an individual or legal entity or "group" (as described in Rule 13d-5(b)(1) promulgated under the Exchange Act) of effective control (whether through legal or beneficial ownership of capital stock of the Company, by contract or otherwise) of in excess of fifty percent (50%) of the voting power of the Company (except that the acquisition of voting securities by the Holder or any other current holder of convertible securities of the Company shall not constitute a Change of Control Transaction for purposes hereof), (b) a replacement at one time or over time of more than one-half of the members of the board of directors of the Company (other than as due to the death or disability of a member of the board of directors) which is not approved by a majority of those individuals who are members of the board of directors on the date hereof (or by those individuals who are serving as members of the board of directors on any date whose nomination to the board of directors was approved by a majority of the members of the board of directors who are members on the date hereof), (c) the merger, consolidation or sale of fifty percent (50%) or more of the assets of the Company or any Subsidiary of the Company in one or a series of related transactions with or into another entity, or (d) the execution by the Company of an agreement to which the Company is a party or by which it is bound, providing for any of the events set forth above in (a), (b) or (c). No transfer to a wholly-owned Subsidiary shall be deemed a Change of Control Transaction under this provision.

(g) "Closing Price" means the price per share in the last reported trade of the Common Shares on a Primary Market or on the exchange which the Common Shares are then listed as quoted by Bloomberg.

(h) "Commission" means the Securities and Exchange Commission.

(i) "Common Shares" means the shares of Class A common stock, par value \$0.0001, of the Parent and stock of any other class into which such shares may hereafter be changed or reclassified.

(j) "Company" shall have the meaning set forth in the Recitals.

(k) "Corporate Event" shall have the meaning set forth in Section (3)(f).

(l) “DTC” shall have the meaning set forth in Section (3)(b)(i).

(m) “Event of Default” shall have the meaning set forth in Section (2).

(n) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(o) “Exchange Amount” means the portion of the Principal, Interest, or other amounts outstanding under this Note to be exchanged, redeemed or otherwise with respect to which this determination is being made.

(p)

(q) “Exchange Date” shall have the meaning set forth in Section (3)(b)(i).

(r) “Exchange Failure” shall have the meaning set forth in Section (3)(b)(ii).

(s) “Exchange Notice” shall have the meaning set forth in Section (3)(b)(i).

(t) “Exchange Price” means, as of any Exchange Date or other date of determination the lower of (i) [\$___] per Common Share (the “Fixed Price”), or (ii) 95% of the lowest daily VWAP during the 7 consecutive Trading Days immediately preceding the Exchange Date or other date of determination (the “Variable Price”), but which Variable Price shall not be lower than the Floor Price then in effect. The Exchange Price shall be adjusted from time to time pursuant to the other terms and conditions of this Note.

(u)

(v) “Floor Price” solely with respect to the Variable Price, shall mean [\$___] per share. Notwithstanding the foregoing, the Company may reduce the Floor Price to any amounts set forth in a written notice to the Holder; provided that such reduction shall be irrevocable and shall not be subject to increase thereafter.

(w) “Fundamental Transaction” means any of the following: (1) the Parent effects any merger or consolidation of the Parent with or into another Person and the Parent is the non-surviving company (other than a merger or consolidation with a wholly owned Subsidiary of the Parent for the purpose of redomiciling the Parent), (2) the Parent effects any sale of all or substantially all of its assets in one or a series of related transactions, (3) any tender offer or exchange offer (whether by the Parent or another Person) is completed pursuant to which holders of Common Shares are permitted to tender or exchange their shares for other securities, cash or property, or (4) the Parent effects any reclassification of the Common Shares or any compulsory share exchange pursuant to which the Common Shares is effectively converted into or exchanged for other securities, cash or property.

(x) “Holder” shall have the meaning set forth in the Recitals.

(y) “Interest” shall have the meaning set forth in the Recitals.

(z) "Issuance Date" shall have the meaning set forth in the Recitals.

(aa) "Note" shall have the meaning set forth in the Recitals.

(bb) "Other Notes" means any other notes issued pursuant to the SEPA and any other debentures, notes, or other instruments issued in exchange, replacement, or modification of the foregoing.

(cc) "Parent" shall have the meaning set forth in the Recitals.

(dd) "Payment Premium" means 5% of the Principal amount being paid.

(ee) "Periodic Reports" shall mean the Parent's (i) Annual Reports on Form 10-K each fiscal year end, (ii) any current report to be filed on Form 10-Q and (iii) all other reports required to be filed by the Parent with the Commission under applicable laws and regulations (including, without limitation, Regulation S-K) for so long as any amounts are outstanding under this Note or any Other Note; *provided* that all such Periodic Reports shall include, when filed, all information, financial statements, audit reports (when applicable) and other information required to be included in such Periodic Reports in compliance with all applicable laws and regulations.

(ff) "Person" means a corporation, an association, a partnership, organization, a business, an individual, a government or political subdivision thereof or a governmental agency.

(gg) "Primary Market" means any of The New York Stock Exchange, the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market or the Nasdaq Global Select Market, and any successor to any of the foregoing markets or exchanges.

(hh) "Principal" shall have the meaning set forth in the Recitals.

(ii) "Redemption Premium" means 10% of the Principal amount being redeemed.

(jj) "Registration Rights Agreement" means the registration rights agreement entered into between the Parent and the Holder on the date hereof.

(kk) "Registration Statement" means a registration statement meeting the requirements set forth in the Registration Rights Agreement, covering among other things the resale of the Underlying Shares and naming the Holder as a "selling stockholder" thereunder.

(ll) "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(mm) "SEPA" shall have the meaning set forth in the Recitals.

(nn) "Share Delivery Date" shall have the meaning set forth in Section (3)(b)(i).

(oo)“Subsidiary” means, with respect to any Person, any corporation, association, partnership or other business entity of which more than 50% of the total voting power of shares of capital stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, general partners or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person; (ii) such Person and one or more Subsidiaries of such Person; or (iii) one or more Subsidiaries of such Person.

(pp)“Trading Day” means a day on which the Common Shares are quoted or traded on a Primary Market on which the Common Shares are then quoted or listed; provided, that in the event that the Common Shares are not listed or quoted, then Trading Day shall mean a Business Day.

(qq)“Transaction Document” means, each of, the Other Notes, the SEPA, the Registration Rights Agreement and any and all documents, agreements, instruments or other items executed or delivered in connection with any of the foregoing.

(rr)“Trigger Event” shall mean (i) the daily VWAP is less than the Floor Price then in effect for 10 consecutive Trading Days (a “Floor Price Trigger”), (ii) unless the Parent has obtained the approval from its stockholders in accordance with the rules of the Principal Market for the issuance of Shares pursuant to the transactions contemplated in this Note and the SEPA in excess of the Exchange Cap, the Parent has issued in excess of 99% of the Common Shares available under the Exchange Cap (an “Exchange Cap Trigger”), or (iii) the Parent is in material breach of the Registration Rights Agreement, and such breach remains uncured for a period of 20 Trading Days, or the occurrence of an Event (as defined in the Registration Rights Agreement) (a “Registration Event Trigger”) (the last such day of each such occurrence, a “Trigger Date”).

(ss)“Triggered Principal Amount” shall have the meaning set forth in Section (1)(c).

(tt)“Underlying Shares” means the Common Shares issuable upon exchange of this Note or as payment of interest in accordance with the terms hereof.

(uu)“VWAP” means, for any security as of any date, the daily dollar volume-weighted average price for such security on the Primary Market during regular trading hours as reported by Bloomberg through its “Historical Prices – Px Table with Average Daily Volume” functions.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company and the Parent have caused this Exchangeable Promissory Note to be duly executed by a duly authorized officer as of the date set forth above.

COMPANY:
LIONHEART II HOLDINGS, LLC

By:
Name:
Title:

PARENT:
MSP RECOVERY, INC.

By:
Name: John Ruiz
Title: CEO

EXHIBIT I
EXCHANGE NOTICE

(To be executed by the Holder in order to Exchange the Note)

TO: LIONHEART II HOLDINGS, LLC

Via Email:

The undersigned hereby irrevocably elects to exchange a portion of the outstanding and unpaid Exchange Amount of Note No. LIFW-[1] into Common Shares of **MSP RECOVERY, INC.**, according to the conditions stated therein, as of the Exchange Date written below.

Exchange Date:

Principal Amount to be Exchanged:

Accrued Interest to be Exchanged:

Total Exchange Amount to be Exchanged:

Fixed Price:

Variable Price:

Applicable Exchange Price:

Number of Common Shares to be issued:

Please issue the Common Shares in the following name and deliver them to the following account:

Issue to:

Broker DTC Participant Code:

Account Number:

Authorized Signature:

Name:

Title:

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of MSP Recovery, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 14, 2023

By: _____ /s/ John H. Ruiz

John H. Ruiz
Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of MSP Recovery, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 14, 2023

By: _____ /s/ Francisco Rivas-Vásquez

Francisco Rivas-Vásquez
Chief Financial Officer
