IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	:	Chapter 11
MODIVCARE INC., *et al.*,	:	Case No. 25-90309 (ARP)
Debtors.[1]	:	(Jointly Administered)

NOTICE OF FILING OF DEBTORS' DEMONSTRATIVE
FOR HEARING ON AUGUST 21, 2025

Attached to this Notice as **Exhibit A** is a copy of the Debtors' demonstrative in connection with the hearing in the above-captioned cases set for **August 21, 2025, at 2:30 p.m. (prevailing Central Time)**.

[*Remainder of page intentionally left blank.*]

[1] A complete list of each of the Debtors in these chapter 11 cases (the "***Chapter 11 Cases***") and the last four digits of each Debtor's taxpayer identification number (if applicable) may be obtained on the website of the Debtors' proposed claims and noticing agent at https://www.veritaglobal.net/ModivCare. Debtor ModivCare Inc.'s principal place of business and the Debtors' service address in the Chapter 11 Cases is 6900 E. Layton Avenue, Suite 1100 & 1200, Denver, Colorado 80237.

2590309250821000000000020

Dated: August 21, 2025

Respectfully submitted,

/s/ Timothy A. ("Tad") Davidson II

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Proposed Attorneys for the Debtors
and Debtors in Possession

CERTIFICATE OF SERVICE

I certify that on August 21, 2025, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas on those parties registered to receive electronic notices.

/s/ Timothy A. ("Tad") Davidson II
Timothy A. ("Tad") Davidson II

Exhibit A

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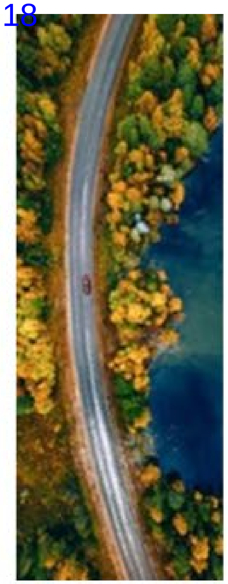
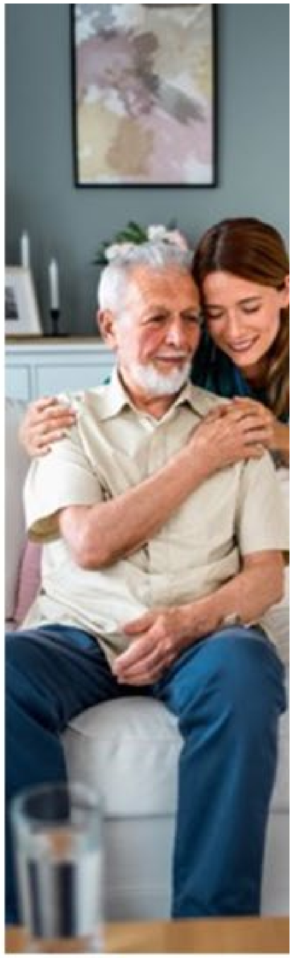
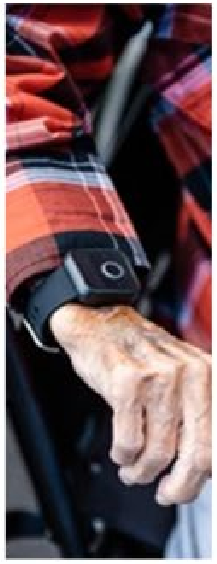
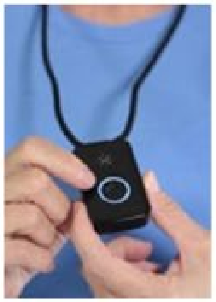
Chapter 11 Cases

First Day Demonstrative

August 21, 2025

LATHAM & WATKINS LLP FTI CONSULTING Moelis


Roadmap

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Background

- The Debtors are a leading technology-enabled healthcare services company and one of the nation's largest providers of supportive care
- The Debtors provide the following services:
  - essential care through non-emergency medical transportation ("**NEMT**");
  - personal care services ("**PCS**");
  - remote patient monitoring ("**RPM**"); and
  - general corporate services
- The Debtors' business is substantial. Specifically, the Debtors and its non-Debtor affiliates serve millions of members each year across 48 states and the District of Columbia through a workforce of approximately 23,675 employees and thousands of contracted drivers and caregivers

Businesses

NEMT

- Non-emergency medical transportation to members of public and private insurance providers, including state Medicaid and Medicare agencies, and managed care organizations
- Network comprised of approximately 4,100 transportation resources
- In 2024, the Debtors managed approximately 36.8 million trips for 29.5 million monthly members

PCS

- Places non-medical personal care assistants, home health aides, and skilled nurses in the home for patients in need of assistance, including senior citizens and disabled adults
- Payors include government agencies, managed care organizations, commercial insurers, and private individuals
- In 2024, the Debtors had approximately 14,000 caregivers who provided 28 million hours of patient care

RPM

- Provides health monitoring devices and emergency response systems to support patient self-management and preventative care
- Enables seniors, the chronically ill, and people with disabilities to maintain independence
- In 2024, the Debtors served approximately 247,000 members

Corporate

- Provides data-driven personal health technologies through placement of health monitoring systems at third-party brick and mortar stores, and community health monitory services
- Also includes revenue from its non-controlling interest in a joint venture of a network of clinicians providing in-home and on-location services, and activities related to finance, accounting, internal audit, tax, and corporate development

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Debtors’ Board and Key Management Team Members Involved in Restructuring

Executives	
Chief Executive Officer and Board Member	**Heath Sampson**
Office of the Chief Financial Officer	**Scott Kern, Rebecca Orcutt, Kenneth Shepard**
Chief Transformation Officer	**Chad Shandler, FTI**
General Counsel	**Faisal Khan**

Board of Directors	
Chairperson and Board Member	**Leslie Norwalk**
Board Member	**Heath Sampson**

Board Members and Members of Capital Structure Committee	
Chairperson and Independent Director	**Daniel Silvers**
Independent Director	**Todd Carter**
Independent Director	**Alec Cunningham**
Independent Director	**Erin Russell**
Director	**David Mounts Gonzales**

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Debtors' and Key Stakeholders' Professionals

Party	Advisors
Debtors' Professionals	**Latham & Watkins LLP – Proposed Co-Counsel** (Ray Schrock, Keith Simon, George Klidonas, Jon Weichselbaum) **Hunton Andrews Kirth – Proposed Co-Counsel** (Tad Davidson II, Catherine Rankin, Brandon Bell) **Moelis – Proposed Investment Banker** (Zul Jamal, Adam Steinberg, David Murphy, Andrew Carlson) **FTI – Proposed Financial Advisor** (Carlin Adrianopoli, David Kiyosaki, Kevin DeLuise)
Consenting Creditors	**Paul Hastings LLP – Proposed Counsel** (Kris Hansen, Matt Warren, Lindsey Henrickson) **Lazard Frères & Co. LLC – Proposed Investment Banker** (Lee West, Nick Sardi)

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Prepetition Capital Structure

Facility	Principal Balance	Maturity	Rate
Incremental First Lien Term Loan	$78.8 million	January 10, 2026	SOFR + 7.50%
First Lien Revolving Credit Facility	$270.7 million	February 3, 2027	SOFR + 4.25%
First Lien Term Loan B	$522.2 million	July 31, 2031	SOFR + 4.75%
Second Lien Notes	$316.2 million	October 1, 2029	5.0% Cash (10% PIK Toggle)
Total Secured Debt	**$1,187.9 million**		
Unsecured Notes	$228.8 million	October 1, 2029	5.0%
Total Funded Debt	**$1,416.7 million**		

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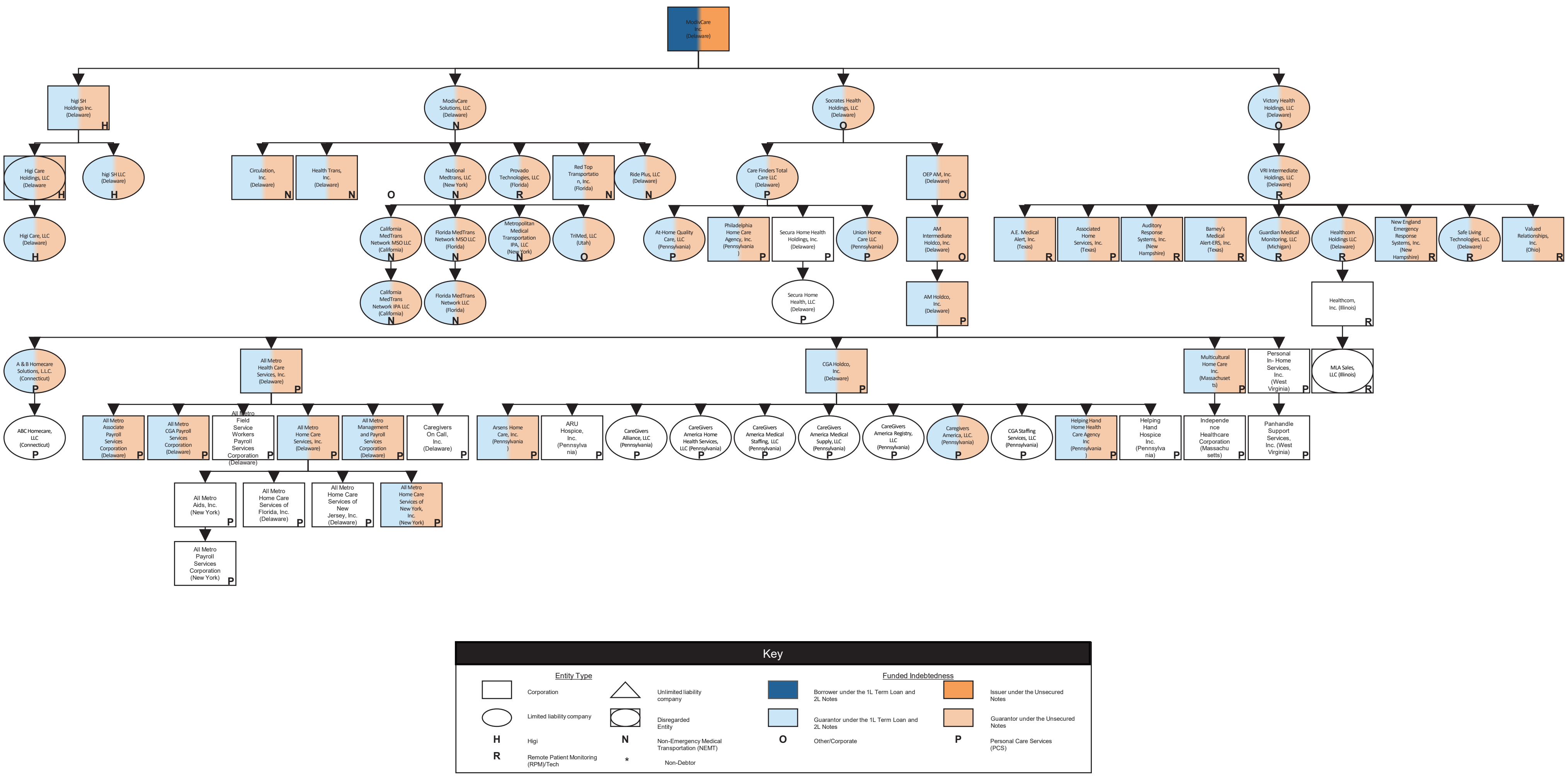
Corporate Organizational Chart with Funded Debt Overlay



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Events Leading to Chapter 11

The Debtors have faced sustained and escalating liquidity and operational pressures in recent months, including, for example:

- **Unsustainable Capital Structure and Financial Challenges:** the Debtors' leverage impacts the Debtors' liquidity and growth prospects; unhedged annual cash interest expense for 2025 is approximately $107 million at current rates; and demands for cash collateral from sureties have added pressure to the Debtors' financial position
- **Negative Industry Trends:** NEMT and PCS industries have been facing persistent headwinds following demographic shifts, evolving government reimbursement models, and tightening regulatory oversight; wage inflation in the broader healthcare services sector, particularly for caregivers and transportation providers; and competitive pressures from more nimble regional operators with lower-cost models
- **Contract Challenges:** customer non-renewals or terminations, delays in customer contract repricing, and the risk of further contract terminations for convenience
- **Changes in the Regulatory Landscape:** anticipated budget cuts arising from the One Big Beautiful Bill, the Budget Control Act of 2011, and the American Rescue Plan Act of 2021
- **Impact of the Acquisitions:** the growth of the Debtors' services has required substantial investment of capital, and the service of debt associated with the acquisitions has placed stress on the Debtors

Prepetition Restructuring Efforts

- In the second half of 2024 and into 2025, the Debtors hired FTI and Moelis to evaluate strategic alternatives, help rationalize its business, reduce discretionary capital expenditures, and preserve liquidity
    - The Debtors also (i) sought to raise funds in the public markets to provide additional liquidity and address leverage concerns, and (ii) entered the Fourth Amendment, which adjusted leverage and interest coverage ratios
- In early 2025, the Debtors undertook a series of capital structure initiatives to bolster liquidity and stabilize operations. These initiatives included:
    - entering into the Fifth Amendment, which infused $75 million of new capital into the Debtors; and
    - issuing $30 million of new second lien notes and exchanging $271 million of existing unsecured notes for additional second lien notes, which raised over $105 million in new financing and broadly supported the capital structure
- In exchange for allowing the capital infusions, the first lien lenders limited certain baskets and imposed certain covenants on the debtors
- The Debtors have spent the last several months undertaking sales efforts for certain business segments, attempting to raise capital, undergoing significant operational improvements and dealing with increased pressures on its businesses overall
- Faced with these pressures, this summer the Debtors have engaged in confidential discussions with numerous parties in their capital structure

The Debtors Prearranged Restructuring

- The Debtors initiated these cases to effectuate a restructuring that will:
  - reduce funded debt (including accrued but unpaid interest) by at least $1.1 billion;
  - raise substantial new capital for the Debtors' businesses;
  - lower annual cash interest expense; and
  - enable the Debtors to continue operating with a substantially improved balance sheet and liquidity profile

First Lien Lender Support:	90%
Second Lien Lender Support:	70%
Reduction in Total Funded Debt:	$1.1 billion
New Capital Infused:	$100 million

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The Debtors Prearranged Restructuring

- The Restructuring Support Agreement (the "**RSA**") contemplates:
  - $100 million in DIP financing to fund these chapter 11 cases, with such claims rolled into a takeback term loan facility;
  - exchanging first lien claims for up to $200 million of a takeback term loan facility and 98% of the pro forma reorganized equity, subject to dilution;
  - exchanging second lien claims for 2% of the pro forma reorganized equity, subject to dilution, plus warrants;
  - certain holders of unsecured claims having the opportunity to participate in an equity rights offering of up to $200 million; and
  - the entering into a $250 million exit revolver credit agreement, inclusive of a $150 million letter of credit sublimit

Restructuring Support Agreement Overview

Treatment of Claims	RCF / First Lien Term Loan / Incremental First Lien Term Loan	▪ Pro rata share of up to $200 million alongside other 1L claimants, based on 1L claim amount ▪ Reorganized Equity: pro rata share of 98% alongside other 1L claimants, subject to dilution from DIP Backstop Fee, Warrants, Unsecureds' ERO and MIP ▪ Ratable repayment from Unsecureds' ERO
	Undrawn LC Exposure	▪ Treatment to be subject to diligence
	Second Lien Notes	▪ 2% of reorganized equity, subject to dilution from DIP Backstop Fee, Warrants, MIP, Unsecureds' ERO, Unsecured Notes, Unsecured Notes and / or existing equity pro forma equity allocation ▪ <u>Series A Warrants:</u> Exercisable for 15% of reorganized equity, subject to dilution by Series B, Series C and MIP, exercise price at which 1L holder would recover 100¢ ▪ <u>Series B Warrants:</u> Exercisable for 15% of reorganized equity, subject to dilution by Series C and MIP, exercise price at which 1L holder would recover 110¢ ▪ <u>Series C Warrants:</u> Exercisable for 15% of reorganized equity, subject to dilution by MIP, exercise price at which 1L holder would recover 120¢ ▪ Warrant tenor and other terms TBD
	Unsecured Notes	▪ Right to participate in up to $200 million ERO
	Equity	▪ Deemed to reject
	General Unsecured Claims	▪ Treatment to be subject to diligence

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Restructuring Support Agreement Overview

Governance	▪ Reorganized Board to be selected by consenting first lien lenders ▪ ModivCare and certain of its subsidiaries (the "**Company**") to be private upon emergence
Management Incentive Plan	▪ 8% of fully diluted reorganized equity reserved for MIP, terms and allocation to be determined by new board and CEO
Releases & Exculpation	▪ Customary mutual releases and customary exculpation provisions in favor of released and indemnified parties, subject to Company's investigation of claims except: ▪ Not including any person or entity that objects to any substantive pleading in the case or to the DIP or the confirmation of the plan or pursues any cause of action against any director or any lender relating to the secured obligations
Fiduciary Out	▪ If the Company receives an alternative proposal, the Company's advisors would review such proposal with the Company and Board, and if the Board, after consultation with the Company's advisors and taking into account all relevant consideration (e.g., execution risk; timing), that the alternative is a better proposal, the Company may terminate the RSA and pursue such alternative

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DIP Facility Overview

The Cases are funded by a $100 million DIP facility provided by first lien lenders

Implementation		▪ Pre-arranged Chapter 11 filing
New Money DIP Facility	Type	▪ Super Priority First Lien Term Loan to roll into exit First Lien Takeback Term Loan
	Size	▪ $100 million; $62.5 million available in a single draw following entry of the Interim DIP Order and $37.5 million available following entry of the Final DIP Order
	Backstop	▪ Backstopped and structured by certain ModivCare lenders for aggregate fees of 20.0% of the Company's pro forma equity, subject to dilution from Unsecureds' ERO, Warrants, and MIP
	Participation	▪ Offered to all First Lien Lenders pro rata based on holdings conditional upon acceptance of restructuring support agreement
	Rate	▪ S + 7.00% cash interest
	Fees	▪ Exit Fee: 3.00% payable in cash at exit ▪ OID: 2.00% netted from proceeds at issuance
	Term	▪ 6 months, with a 3-month extension
	Maintenance Covenants	▪ Typical for DIP facilities (minimum liquidity, cash flow variance testing; each tested monthly as of the last date of the month)
	Negative Covenants	▪ Typical for DIP facilities
	Affirmative Covenants	▪ Typical for DIP facilities
	Treatment Upon Exit	▪ Roll into exit First Lien Takeback Term Loan
	Milestones	▪ (i) final DIP order within 45 days, (ii) DS Order within 45 days, (iii) Plan confirmation within 90 days, (iv) Plan effectiveness within 110 days; Conditional DS Approval
	Collateral	▪ Cash collateral for current payment of fees and expenses for the agent and 1L lenders and PIK interest at a stepped-up rate ▪ Replacement liens typical for DIP facilities ▪ New liens equivalent to the DIP package as well as a lien on avoidance action proceeds, a marshaling waiver, a 506(c) waiver and a 552(b) waiver
	Other	▪ Proceeds funded into restricted account with cash disbursed pursuant to then-prevailing 13-week cash flow forecast; DIP fully funded upon entry of final order; subject to funding within one day of written notice

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Exit Facility Overview

New Money Exit RCF	Type	▪ Super Priority Cash Flow Revolver subject to final terms of New Money Exit RCF
	Size	▪ $250 million facility with $150 million LC sublimit
	Rate	▪ TBD
	Term	▪ TBD
First Lien Takeback Term Loan	Type	▪ Super Priority First Lien Term Loan to roll into exit First Lien Takeback Term Loan
	Size	▪ $300 million
	Allocation	▪ $100 million allocated to DIP Facility Lenders upon exit ▪ Up to $200 million ratably allocated to existing RCF, First Lien Term Loan and Incremental First Lien Term Loan Lenders upon exit
	Rate	▪ S + TBD% payable in cash and/or PIK as determined by the requisite creditors
	Term	▪ 5 years
	Maintenance Covenants	▪ None
	Negative Covenants	▪ Typical for Exit Term Loans / BSLs
	Affirmative Covenants	▪ Typical for Exit Term Loans / BSLs

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RSA Milestones

Event	Deadline
Interim DIP Order	3 days after the Petition Date
Filing of Plan and Disclosure Statement	15 days after the Petition Date
Final DIP Order	45 days after the Petition Date
Disclosure Statement Order	45 days after the Petition Date
Confirmation Order	90 days after the Petition Date
Effective Date	110 days after the Petition Date