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)

DISCLOSURE STATEMENT FOR FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF MODIVCARE INC. AND ITS DEBTOR AFFILIATES

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Counsel for the Debtors and Debtors in Possession

October 16, 2025
Houston, Texas

[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' 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.

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DISCLOSURE STATEMENT, DATED OCTOBER 16, 2025

MODIVCARE INC., *ET AL*.

THIS DISCLOSURE STATEMENT (THIS "*DISCLOSURE STATEMENT*") IS NOT A SOLICITATION OF VOTES ON THE PLAN. ACCEPTANCES AND REJECTIONS OF THE PLAN MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT REMAINS SUBJECT TO MATERIAL REVISION AND HAS NOT, AS OF THE DATE HEREOF, BEEN APPROVED BY THE BANKRUPTCY COURT AS CONTAINING "ADEQUATE INFORMATION" WITHIN THE MEANING OF SECTION 1125(A) OF THE BANKRUPTCY CODE. THE DEBTORS HAVE SOUGHT ORDERS OF THE BANKRUPTCY COURT APPROVING THIS DISCLOSURE STATEMENT AS CONTAINING "ADEQUATE INFORMATION," AND APPROVING THE SOLICITATION OF VOTES AS BEING IN COMPLIANCE WITH SECTIONS 1125 AND 1126(B) OF THE BANKRUPTCY CODE.

THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS 4:00 P.M. (PREVAILING CENTRAL TIME) ON NOVEMBER 25, 2025, UNLESS EXTENDED BY THE DEBTORS IN THEIR SOLE DISCRETION. THE RECORD DATE FOR DETERMINING WHICH HOLDERS OF CLAIMS MAY VOTE ON THE PLAN IS OCTOBER 6, 2025 (THE "*RECORD DATE*").

A release opt out form and a notice of non-voting status (the "***Release Opt Out Form***") or a Ballot (as defined herein) containing an opt out election will be provided to you. The Release Opt Out Form or Ballot, as applicable, will provide you with the option to not grant the Releases contained in section 10.6(b) of the Plan. You must complete and timely return the Release Opt Out Form or Ballot, as applicable, to the Solicitation Agent by November 25, 2025 (unless extended by the Debtors, the "***Voting Deadline***") at 4:00 p.m. (Prevailing Central Time) in accordance with the instructions set forth in the Release Opt Out Form or Ballot (and accompanying notices), as applicable, for your opt-out to be valid; **OTHERWISE, YOU WILL BE DEEMED TO CONSENT TO AND BE BOUND BY THE RELEASES SET FORTH IN SECTION 10.6(B) OF THE PLAN**. Please review the additional information set forth in this Disclosure Statement, the Release Opt Out Form or Ballot, as applicable, the Plan, and any other documents related to the Chapter 11 Cases that you may receive from time to time. Please be advised that your decision to opt out of the releases in section 10.6(b) of the Plan does not affect the amount of distribution you will receive under the Plan.

RECOMMENDATION BY THE DEBTORS

The Debtors believe the Plan is in the best interests of their creditors and other stakeholders. All creditors entitled to vote on the Plan are urged to vote in favor of the Plan.

The Board of Directors of ModivCare Inc. has approved the transactions contemplated by the Solicitation and the Plan and recommend that all creditors whose votes are being solicited submit ballots to accept the Plan. Holders of more than 93% of First Lien Claims, and more than 70% of Second Lien Claims (each as defined herein) entitled to vote on the Plan have already agreed, subject to the terms and conditions of the Restructuring Support Agreement, to vote in favor of the Plan.

RECOMMENDATION BY AND POSITION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS[2]

THE COMMITTEE HAS REVIEWED THE PROPOSED PLAN AND, AT THIS TIME, THE COMMITTEE CANNOT SUPPORT CONFIRMATION OF THE DEBTORS' PLAN FOR THE REASONS STATED BELOW.

AS SUCH, THE COMMITTEE RECOMMENDS THAT ALL HOLDERS OF UNSECURED CLAIMS SUBMIT BALLOTS TO (I) REJECT THE PLAN AND (II) OPT OUT OF THE PLAN RELEASES BY RETURNING THEIR BALLOTS SO AS TO BE ACTUALLY RECEIVED BY THE SOLICITATION AGENT NO LATER THAN NOVEMBER 25, 2025, AT 4:00 P.M. (PREVAILING CENTRAL TIME) PURSUANT TO THE INSTRUCTIONS SET FORTH HEREIN AND IN THE BALLOTS.

THE COMMITTEE'S LEGAL AND FINANCIAL ADVISORS ARE CONTINUING TO ENGAGE WITH THE DEBTORS' ADVISORS TO SEEK TO RESOLVE THESE ISSUES.

IF YOU HAVE ANY QUESTIONS LEADING UP TO THE CONFIRMATION HEARING, PLEASE CONTACT WHITE & CASE LLP, THE LAW FIRM THAT IS ADVISING THE COMMITTEE, AT W&CMODIVCARE@WHITECASE.COM.

[2] The Debtors reserve all rights and do not endorse the position taken by the Committee. As described above, the Debtors believe the Plan is in the best interests of their creditors and other stakeholders.

IMPORTANT INFORMATION REGARDING THIS DISCLOSURE STATEMENT FOR YOU TO READ

ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. IN PARTICULAR, ALL HOLDERS OF CLAIMS SHOULD CAREFULLY READ AND CONSIDER THE RISK FACTORS SET FORTH IN ARTICLE X OF THIS DISCLOSURE STATEMENT – "CERTAIN RISK FACTORS TO BE CONSIDERED" – BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. THE PLAN SUMMARY AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN ITSELF AND ANY EXHIBITS ATTACHED TO THE PLAN AND THIS DISCLOSURE STATEMENT. IN THE EVENT OF ANY CONFLICT BETWEEN ANY DESCRIPTIONS SET FORTH IN THIS DISCLOSURE STATEMENT AND THE TERMS OF THE PLAN, THE TERMS OF THE PLAN SHALL GOVERN.

HOLDERS OF CLAIMS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE AND SHOULD CONSULT WITH THEIR OWN ADVISORS BEFORE CASTING A VOTE WITH RESPECT TO THE PLAN.

UPON CONFIRMATION OF THE PLAN, THE SECURITIES DESCRIBED IN THIS DISCLOSURE STATEMENT WILL BE OFFERED AND SOLD WITHOUT REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, TOGETHER WITH THE RULES AND REGULATIONS PROMULGATED THEREUNDER (THE "*SECURITIES ACT*"), OR SIMILAR U.S. FEDERAL, STATE, OR LOCAL LAWS IN RELIANCE ON THE EXEMPTION SET FORTH IN SECTION 1145(A) OF THE BANKRUPTCY CODE AND/OR ANOTHER AVAILABLE EXEMPTION UNDER THE SECURITIES LAWS OF THE UNITED STATES. THE ABILITY TO OFFER AND SELL SECURITIES WITHOUT REGISTRATION IN RELIANCE ON SECTION 1145(A) OF THE BANKRUPTCY CODE AND/OR APPLICABLE SECURITIES LAWS, WHETHER FEDERAL, STATE, OR TERRITORIAL, SHALL NOT BE A CONDITION TO THE OCCURRENCE OF THE EFFECTIVE DATE. WITH RESPECT TO SECURITIES ISSUED PURSUANT TO SECTION 4(A)(2), AND/OR REGULATION D, SUCH SECURITIES WILL BE "RESTRICTED SECURITIES" SUBJECT TO RESALE RESTRICTIONS AND MAY BE RESOLD, EXCHANGED, ASSIGNED, OR OTHERWISE TRANSFERRED ONLY PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT (OR AN APPLICABLE EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS) AND OTHER APPLICABLE LAW.

NO SECURITIES TO BE ISSUED PURSUANT TO THE PLAN HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "*SEC*") OR BY ANY STATE SECURITIES COMMISSION OR SIMILAR PUBLIC,

GOVERNMENTAL, OR REGULATORY AUTHORITY. THIS DISCLOSURE STATEMENT HAS NOT BEEN FILED FOR APPROVAL WITH THE SEC OR ANY STATE AUTHORITY AND NEITHER THE SEC NOR ANY STATE AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES. NEITHER THE SOLICITATION OF VOTES ON THE PLAN NOR THIS DISCLOSURE STATEMENT CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY STATE OR JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED.

THE DEBTORS BELIEVE THAT THE SOLICITATION OF VOTES ON THE PLAN MADE BY THIS DISCLOSURE STATEMENT ARE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT AND RELATED STATE STATUTES PURSUANT TO SECTION 4(A)(2) OF THE SECURITIES ACT AND/OR RULE 506 OF REGULATION D PROMULGATED THEREUNDER, AND PURSUANT TO REGULATION S UNDER THE SECURITIES ACT, AS APPLICABLE.

ALL SECURITIES DESCRIBED HEREIN ARE EXPECTED TO BE ISSUED WITHOUT REGISTRATION UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS ("*BLUE SKY LAWS*").

CERTAIN STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT, INCLUDING STATEMENTS INCORPORATED BY REFERENCE, PROJECTED FINANCIAL INFORMATION, AND OTHER FORWARD-LOOKING STATEMENTS, ARE SUBJECT TO A NUMBER OF ASSUMPTIONS, RISKS AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE DEBTORS, INCLUDING THE IMPLEMENTATION OF THE PLAN. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ACTUAL OUTCOMES. FORWARD-LOOKING STATEMENTS SHOULD BE EVALUATED IN THE CONTEXT OF THE ESTIMATES, ASSUMPTIONS, UNCERTAINTIES, AND RISKS DESCRIBED HEREIN.

FURTHERMORE, READERS ARE CAUTIONED THAT ANY FORWARD-LOOKING STATEMENTS HEREIN, INCLUDING ANY PROJECTIONS, ARE BASED ON ASSUMPTIONS THAT ARE BELIEVED TO BE REASONABLE, BUT ARE SUBJECT TO A WIDE RANGE OF RISKS IDENTIFIED IN THIS DISCLOSURE STATEMENT. IMPORTANT ASSUMPTIONS AND OTHER IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY INCLUDE, BUT ARE NOT LIMITED TO, THOSE FACTORS, RISKS AND UNCERTAINTIES DESCRIBED IN MORE DETAIL UNDER THE HEADING "CERTAIN RISK FACTORS TO BE CONSIDERED," AS WELL AS THE ABILITY OF MANAGEMENT TO EXECUTE ITS PLANS TO MEET ITS GOALS AND OTHER RISKS INHERENT IN THE DEBTORS' BUSINESSES. DUE TO THESE UNCERTAINTIES, READERS CANNOT BE ASSURED THAT ANY FORWARD-LOOKING STATEMENTS WILL PROVE TO BE CORRECT. PARTIES ARE CAUTIONED THAT THE FORWARD-LOOKING STATEMENTS

SPEAK AS OF THE DATE MADE, ARE BASED ON THE DEBTORS' CURRENT BELIEFS, INTENTIONS AND EXPECTATIONS, AND ARE NOT GUARANTEES OF FUTURE PERFORMANCE. ACTUAL RESULTS OR DEVELOPMENTS MAY DIFFER MATERIALLY FROM THE EXPECTATIONS EXPRESSED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS. THE DEBTORS ARE UNDER NO OBLIGATION TO (AND EXPRESSLY DISCLAIM ANY OBLIGATION TO) UPDATE OR ALTER ANY FORWARD-LOOKING STATEMENTS WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE, UNLESS INSTRUCTED TO DO SO BY THE BANKRUPTCY COURT OR REQUIRED BY APPLICABLE LAW.

NO INDEPENDENT AUDITOR OR ACCOUNTANT HAS REVIEWED OR APPROVED THE FINANCIAL PROJECTIONS OR THE LIQUIDATION ANALYSIS PROVIDED HEREIN.

THE STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED. THE TERMS OF THE PLAN GOVERN IN THE EVENT OF ANY INCONSISTENCY WITH THE SUMMARIES IN THE DISCLOSURE STATEMENT.

THE INFORMATION IN THE DISCLOSURE STATEMENT IS BEING PROVIDED SOLELY FOR PURPOSES OF VOTING TO ACCEPT OR REJECT THE PLAN OR OBJECTING TO CONFIRMATION. NOTHING IN THE DISCLOSURE STATEMENT MAY BE USED BY ANY PARTY FOR ANY OTHER PURPOSE.

ALL EXHIBITS TO THE DISCLOSURE STATEMENT ARE INCORPORATED INTO AND ARE A PART OF, THE DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN.

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I.
EXECUTIVE SUMMARY

ModivCare Inc. ("***ModivCare***"), a Delaware corporation, and the other debtors and debtors in possession (collectively, the "***Debtors***" or the "***Company***"), submit this Disclosure Statement pursuant to section 1125 of title 11 of the United States Code, 11 U.S.C §§ 101-1532 (as amended from time to time, the "***Bankruptcy Code***") and other applicable law, in connection with the solicitation of votes (the "***Solicitation***") on the *First Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and its Debtor Affiliates* (the "***Plan***"),[3] which was filed contemporaneously herewith by the Debtors in the United States Bankruptcy Court for the Southern District of Texas (the "***Bankruptcy Court***"). A copy of the Plan is attached hereto as Exhibit A.

The Debtors are commencing this Solicitation to implement a comprehensive financial restructuring to significantly deleverage the Debtors' balance sheet to ensure the long-term viability of the Debtors' enterprise. As a result of extensive, good faith, and arm's-length negotiations, the Debtors and Holders of approximately 93% of First Lien Claims, and 70% of Second Lien Claims (the "***Consenting Creditors***") entered into a restructuring support agreement (including any amendments, modifications and joinders thereto, the "***Restructuring Support Agreement***") dated as of August 20, 2025, a copy of which is attached as Exhibit B to the *Declaration of Chad J. Shandler in Support of the Debtors' Chapter 11 Petitions and First Day Relief* [Docket No. 14]. Under the terms of the Restructuring Support Agreement, the Consenting Creditors have agreed, subject to the terms and conditions of the Restructuring Support Agreement, to support a restructuring of the Debtors' existing capital structure and operations in chapter 11 and to vote to accept the Plan.

Prior to soliciting votes on a proposed plan of reorganization, section 1125 of the Bankruptcy Code requires debtors to prepare a disclosure statement containing information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance or rejection of the plan of reorganization. As such, this Disclosure Statement is being submitted in accordance with the requirements of section 1125 of the Bankruptcy Code.

This Executive Summary is being provided as an overview of the material items addressed in the Disclosure Statement and the Plan, which is qualified by reference to the entire Disclosure Statement and by the actual terms of the Plan (and including all exhibits attached hereto, to the Plan, and the Plan Supplement), and should not be relied upon for a comprehensive discussion of the Disclosure Statement and/or the Plan.

This Disclosure Statement includes, without limitation, information about:

- the Debtors' prepetition operating and financial history;

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[3] Capitalized terms used but not otherwise defined in this Disclosure Statement will have the meaning ascribed to such terms in the Plan. The summary of the Plan provided herein is qualified in its entirety by reference to the Plan. In the case of any inconsistency between this Disclosure Statement and the Plan, the Plan will govern.

- the events leading up to the commencement of the Chapter 11 Cases;
- the events that have occurred during the pendency of the Chapter 11 Cases;
- the solicitation procedures for voting on the Plan;
- the confirmation process and the voting procedures that Holders of Claims or Interests who are entitled to vote on the Plan must follow for their votes to be counted;
- the terms and provisions of the Plan, including certain effects of confirmation of the Plan, certain risk factors relating to the Debtors or the Reorganized Debtors, the Plan and the securities to be issued under the Plan, and the manner in which distributions will be made under the Plan; and
- the proposed organization, operations and financing of the Reorganized Debtors if the Plan is confirmed and becomes effective.

A. Purpose and Effect of the Plan

1. Plan of Reorganization Under Chapter 11 of the Bankruptcy Code

The Debtors are reorganizing pursuant to chapter 11 of the Bankruptcy Code, which is the principal business reorganization chapter of the Bankruptcy Code. As a result, the confirmation of the Plan means that the Reorganized Debtors will continue to operate their businesses going forward and does not mean that the Debtors will be liquidated or forced to go out of business.

The proposed Restructuring will leave the Company's businesses intact and significantly deleverage the Debtors' capital structure, as its total funded indebtedness (including accrued but unpaid interest) will be reduced from approximately $1.4 billion to approximately $300 million inclusive of principal and accrued interest—an approximately 80% debt reduction relative to the debt balance as of the Petition Date. This deleveraging will enhance the Company's long-term growth prospects and competitive position and allow the Debtors to emerge from the Chapter 11 Cases as a stronger, reorganized group of entities better able to invest in the business, deliver value to customers, continue providing critical services to persons in need, and withstand a challenging market environment.

Additionally, a bankruptcy court's confirmation of a plan binds debtors, any entity acquiring property under the plan, any holder of a claim against or equity interest in a debtor and all other entities as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code to the terms and conditions of the confirmed plan, whether or not such entity voted on the particular plan or affirmatively voted to reject the plan.

2. Financial Restructurings Under the Plan

The Plan contemplates certain transactions, including, without limitation, the following transactions (described in greater detail in Article VII herein):

- The Chapter 11 Cases are being financed by a superpriority secured multi-draw $100 million term loan facility funded by certain of the First Lien Lenders (the "***DIP Facility***").

- To ensure the Reorganized Debtors are sufficiently capitalized going forward, the Reorganized Debtors will, on the effective date of the Plan, enter into (i) a new senior secured revolving loan facility with an aggregate principal commitment amount of up to $250 million, inclusive of a $150 million letter of credit sub-limit, and (ii) a new senior secured term loan agreement with an aggregate principal commitment of up to $300 million, which will refinance and replace the DIP Facility and the First Lien Loans.

- The Debtors will conduct a $200 million Equity Rights Offering, which all Eligible Holders of Allowed General Unsecured Claims (excluding First Lien Deficiency Claims) and Allowed Subordinated Unsecured Noted Claims will be entitled to participate in.

- The treatment of certain Classes of Claims and Interests will be as follows:

    - Payment in full of all Allowed Administrative Claims, DIP Claims, Priority Tax Claims, Other Secured Claims, and Other Priority Claims, (or such other treatment rendering such claims Unimpaired);

    - With respect to each Holder of First Lien Claims, its Pro Rata Share (subject to application of the Equity Option) of the following:

        (a) with respect to any First Lien RCF Claims on account of unfunded First Lien Revolving LC Exposure as of the Effective Date, participation in the Exit LC Facility in an amount equal to each such Holder's participation in any such unfunded First Lien Revolving LC Exposure as of the Effective Date; and

        (b) with respect to any First Lien Claim other than unfunded First Lien Revolving LC Exposure:

            - the Exit Term Loans;

            - 98% of the New Common Interests, subject to dilution on account of the DIP Backstop Premium, the Equity Rights Offering (if applicable), the New Warrants, and the MIP; and

            - Cash from the proceeds of the Equity Rights Offering, if applicable.

    - With respect to each Holder of General Unsecured Claims:

        (a) its Pro Rata Share of 2% of the New Common Interests (subject to dilution by the DIP Backstop Premium, the Equity Rights Offering, the New Warrants, and the MIP);

        (b) its Pro Rata Share of the New Warrants; and

(c) if such Holder is an Eligible Holder, its *pro rata* share of the right to purchase up to $200 million, in aggregate, of New Common Interests pursuant to the Equity Rights Offering (determined on a *pro rata* basis with the Holders of Allowed General Unsecured Claims and Holders of Allowed Subordinated Unsecured Notes Claims);

provided that, each Holder of an Allowed General Unsecured Claim that is less than $1,000,000 may elect to receive, in lieu of the foregoing, its Pro Rata Share (determined *pro rata* for all Holders of General Unsecured Claims regardless of whether such Holders make such election) of the GUC Cashout Value;

- With respect to each Eligible Holder of Subordinated Unsecured Notes Claims, its Pro Rata Share of the right to purchase up to $200 million, in aggregate, of New Common Interests pursuant to the Equity Rights Offering (determined on a *pro rata* basis with the other Holders of Allowed Subordinated Unsecured Noted Claims and the Holders of Allowed General Unsecured Claims); and

- The Existing Parent Equity Interests will be canceled, and each Holder of an Existing Parent Equity Interest will not receive any distribution or retain any property on account of such Existing Parent Equity Interest.

- After the Effective Date, the New Board may adopt the Management Incentive Plan for the benefit of the new management of the Reorganized Debtors. The MIP shall dilute all New Common Interests equally, including the New Common Interests issued pursuant to the Equity Rights Offering.

- After the Effective Date, the Reorganized Debtors will be a private company.

B. Classification and Treatment of Claims and Equity Interests Under the Plan

The following table provides a summary of the classification and treatment of Claims and Interests and the potential distributions to Holders of Allowed Claims and Interests under the Plan.

The projected recoveries set forth in the table below are estimates only and, therefore, are subject to material change. For a complete description of the Debtors' classification and treatment of Claims and Interests, reference should be made to the entire Plan and the risk factors described in Article X below. The table is intended for illustrative purposes only and is not a substitute for a review of the Plan and the Disclosure Statement in their entirety. For certain classes of Claims, the actual amount of Allowed Claims could be materially different than the estimated amounts shown in the table below.

In the event that certain Subordination Agreement, dated as of March 7, 2025 by and among JP Morgan Chasebank, N.A., Ankura Trust Company LLC and Wilmington Savings Fund Society, FSB (the "Subordination Agreement"), were amended, altered or otherwise modified such that the subordination provision set forth therein were no longer applicable to the Holders of Subordinated Unsecured Notes Claims, the Holders of Subordinated Unsecured Notes Claims may be entitled to receive the same treatment under the Plan as the General Unsecured Claims. In such event, the recoveries of the General Unsecured Claims

under the Plan would be reduced accordingly on account of increased Claims that share *pro rata* with the treatment of the General Unsecured Claims.

The recoveries set forth below reflect the Debtors' current understanding that the Debtors have no prepetition unencumbered assets. Whether there are such assets remains subject to further investigation (as further described below in this Disclosure Statement).

Class and Designation	Treatment under Plan	Approx. % Recovery[4] Under the Plan	Est. % Recovery Under Chapter 7
Class 1: Other Secured Claims	The legal, equitable, and contractual rights of Holders of Allowed Other Secured Claims are unaltered by the Plan. On or as soon as reasonably practicable after the Effective Date, except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment of its Allowed Other Secured Claim, in full and final satisfaction, settlement, release, and discharge and in exchange for each Allowed Other Secured Claim, at the option of the Debtors (with the consent of the Required Consenting First Lien Lenders) or the Reorganized Debtors, (i) such Holder shall receive payment in full in Cash, payable on the later of the Effective Date and the date that is ten (10) Business Days after the date on which such Other Secured Claim becomes an Allowed Other Secured Claim, in each case, or as soon as reasonably practicable thereafter or (ii) such Holder shall receive such other treatment so as to render such holder's Allowed Other Secured Claim Unimpaired.	100%	0%

[4] Approximate percentage recovery is illustrated prior to dilution from the MIP, the New Common Interests issued pursuant to the Equity Rights Offering, the DIP Backstop Premium, and the New Warrants.

Class and Designation	Treatment under Plan	Approx. % Recovery[4] Under the Plan	Est. % Recovery Under Chapter 7
Class 2: Other Priority Claims	The legal, equitable, and contractual rights of the Holders of Allowed Other Priority Claims are unaltered by the Plan. On or as soon as reasonably practicable after the Effective Date, except to the extent that a holder of an Allowed Other Priority Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge and in exchange for each Allowed Other Priority Claim, each holder of an Allowed Other Priority Claim shall, at the option of the Debtors (with the consent of the Required Consenting First Lien Lenders) or the Reorganized Debtors, (i) be paid in full in Cash or (ii) otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code, payable on the later of the Effective Date and the date that is ten (10) Business Days after the date on which such Other Priority Claim becomes an Allowed Other Priority Claim, in each case, or as soon as reasonably practicable thereafter.	100%	0%
Class 3: First Lien Claims	On or as soon as reasonably practicable after the Effective Date, except to the extent that a Holder of an Allowed First Lien Claim agrees to less favorable treatment, in full and final satisfaction settlement, release, and discharge and in exchange for each Allowed First Lien Claim, on the Effective Date or on another date acceptable to the Required Consenting First Lien Lenders, each Holder of an Allowed First Lien Claim shall receive its Pro Rata Share (subject to application of the Equity Option) of the following: i. with respect to any First Lien RCF Claims on account of unfunded First Lien Revolving LC Exposure as of the Effective Date, participation in the Exit LC Facility in an amount equal to each such Holder's participation in any such unfunded First	58% - 79%[5]	28% - 42%

[5] Assumes $200 million of Exit Term Loans allocated to First Lien Claims and no cash from proceeds from the Equity Rights Offering.

Class and Designation	Treatment under Plan	Approx. % Recovery[4] Under the Plan	Est. % Recovery Under Chapter 7
	Lien Revolving LC Exposure as of the Effective Date; ii. with respect to any First Lien Claim other than unfunded First Lien Revolving LC Exposure: a. the Exit Term Loans; b. 98% of the New Common Interests, subject to dilution on account of the DIP Backstop Premium, the Equity Rights Offering (if applicable), the New Warrants, and the MIP; and c. Cash from proceeds of the Equity Rights Offering, if applicable. The First Lien Deficiency Claim shall be waived and shall not receive any distribution under the Plan.		
Class 4: General Unsecured Claims	On or as soon as reasonably practicable after the Effective Date, except to the extent that a Holder of an Allowed General Unsecured Claim agrees to less favorable treatment, in full and final satisfaction settlement, release, and discharge and in exchange for each Allowed General Unsecured Claim, on the Effective Date or on another date acceptable to the Required Consenting First Lien Lenders, each Holder of an Allowed General Unsecured Claim shall receive a Pro Rata Share of the following: i. 2% of the New Common Interests, subject to dilution by the DIP Backstop Premium, the Equity Rights Offering (if applicable), the New Warrants, and the MIP; and ii. the New Warrants; and	1.0 – 1.9%[6]	0%

[6] Reflects recovery on account of primary equity allocation and does not include potential value of the New Warrants. Recovery inclusive of New Warrants based on Black Scholes analysis estimated at 5.0% to 15.6%. Recoveries assume $200 million of Exit Term Loans allocated to First Lien Claims.

Class and Designation	Treatment under Plan	Approx. % Recovery[4] Under the Plan	Est. % Recovery Under Chapter 7
	iii. if such Holder is an Eligible Holder, on a *pro rata* basis with the Holders of Allowed General Unsecured Claims and Holders of Allowed Subordinated Unsecured Notes Claims, the right to purchase up to $200,000,000, in aggregate, of New Common Interests pursuant to the Equity Rights Offering, provided that, each Holder of an Allowed General Unsecured Claim that is less than $1,000,000 may elect to receive, in lieu of the foregoing, its *pro rata* share (determined (*pro rata* for all Holders of General Unsecured Claims regardless of whether such holders make such election) of the GUC Cashout Value.		
Class 5: Subordinated Unsecured Notes Claims	All Subordinated Unsecured Notes Claims shall be canceled, released, and extinguished as of the Effective Date, and Holders of Allowed Subordinated Unsecured Notes Claims shall not receive or retain any distribution, property, or other value on account of such Subordinated Unsecured Notes Claims; *provided* that, Eligible Holders of Subordinated Unsecured Notes Claims shall receive, in full and final satisfaction, settlement, release, and discharge and in exchange for each Subordinated Unsecured Notes Claim, their Pro Rata Share of the right to purchase, on a pro rata basis with the other Holders of Allowed Subordinated Unsecured Notes Claims and the Holders of Allowed General Unsecured Claims, up to $200,000,000, in aggregate, of New Common Interests pursuant to the Equity Rights Offering.	0%	0%
Class 6: Intercompany Claims	On or as soon as reasonably practicable after the Effective Date, all Intercompany Claims shall be either: (i) Reinstated or (ii) set off, settled, distributed, contributed, merged, canceled, or released, in each case, in the discretion of the Debtors with the consent of the Required Consenting First Lien Lenders.	100%	0%

Class and Designation	Treatment under Plan	Approx. % Recovery[4] Under the Plan	Est. % Recovery Under Chapter 7
Class 7: Subordinated Claims	Holders of Subordinated Claims are not entitled to receive a recovery or distribution on account of such Subordinated Claim. On the Effective Date, Subordinated Claims shall be canceled, released, extinguished, and of no further force or effect.	0%	0%
Class 8: Intercompany Interests	On or as soon as reasonably practicable after the Effective Date, all Intercompany Interests shall be, at the option of the Debtors, either (i) Reinstated for administrative convenience or (ii) set off, settled, distributed, contributed, merged, canceled, or released, in each case, in the discretion of the Debtors or Reorganized Debtors.	100%	0%
Class 9: Existing Parent Equity Interests	Holders of Existing Parent Equity Interests shall not receive or retain any distribution, property, or other value on account of such Existing Parent Equity Interests. On the Effective Date or as soon as reasonably practicable thereafter, all Existing Parent Equity Interests shall be canceled, released, extinguished, and of no further force and effect.	0%	0%

PLEASE TAKE NOTE OF THE FOLLOWING KEY DATES AND DEADLINES FOR THE CHAPTER 11 CASES AS SET FORTH IN THE RESTRUCTURING SUPPORT AGREEMENT:

Deadline to commence the Chapter 11 Cases	By no later than August 20, 2025
Deadline for entry of the Interim DIP Order	By no later than August 23, 2025
Deadline for filing of the Plan, Disclosure Statement, and the motion for approval of the Disclosure Statement and the Solicitation Materials	By no later than September 4, 2025
Deadline for entry of the Final DIP Order	By no later than October 6, 2025
Deadline for entry of the Solicitation Procedures Order	By no later than October 6, 2025

Deadline for entry of the Confirmation Order	By no later than December 10, 2025
Deadline for the occurrence of the Effective Date	By no later than December 24, 2025

WHERE TO FIND ADDITIONAL INFORMATION: ModivCare files annual reports and quarterly reports with, and furnishes other information to, the SEC. Copies of any document filed with the SEC may be obtained by visiting the SEC website at http://www.sec.gov and performing a search under the "Company Filings" link. This Disclosure Statement incorporates SEC filings as if fully set forth herein including, but not limited to:

- Annual report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on March 6, 2025; and
- Quarterly report on Form 10-Q for the quarter ending March 30, 2025, filed with the SEC on May 9, 2025.

C. Solicitation Procedures

1. The Solicitation Procedures

On October 6, 2025, the Bankruptcy Court entered an order [Docket No. 457] (the "***Solicitation Procedures Order***") that, among other things: (a) approved this Disclosure Statement; (b) scheduled the hearing to consider confirmation of the Plan (the "***Confirmation Hearing***"); (c) established the deadline for filing objections to the Plan; (d) approved the notice of the Disclosure Statement hearing and the form and manner of the notice of the Confirmation Hearing; (e) established the Voting Record Date; and (f) approved the dates, procedures and forms applicable to the process of soliciting votes on and providing notice of the Plan, as well as certain vote tabulation procedures, approved the Assumption Procedures and the form and manner of the Assumption Notice (each as defined in the Solicitation Procedures Order).

The discussion of the procedures below is a summary of the solicitation and voting process. Detailed voting instructions will be provided with each Ballot (defined below) and are also set forth in greater detail in the Solicitation Procedures Order.

PLEASE REFER TO THE INSTRUCTIONS ACCOMPANYING THE BALLOTS AND THE SOLICITATION PROCEDURES ORDER FOR MORE INFORMATION REGARDING VOTING REQUIREMENTS TO ENSURE THAT YOUR BALLOT IS PROPERLY AND TIMELY SUBMITTED SUCH THAT YOUR VOTE MAY BE COUNTED.

2. The Solicitation Agent

The Debtors have retained Kurtzman Carson Consultants LLC d/b/a Verita Global to, among other things, act as their solicitation and noticing agent (the "***Solicitation Agent***").

Specifically, the Solicitation Agent will assist the Debtors with: (a) mailing the Disclosure Statement Hearing Notice (as defined in the Solicitation Procedures Order); (b) the Confirmation Notice (as defined in the Solicitation Procedures Order); (c) mailing Solicitation Packages (as defined in the Solicitation Procedures Order and as described below); (d) soliciting votes on the Plan; (e) receiving, tabulating, and reporting on ballots cast for or against the Plan by Holders of Claims against the Debtors; (f) collecting Release Opt-Out Forms; (g) responding to inquiries from creditors and other stakeholders relating to the Plan, the Disclosure Statement, the Ballots and matters related thereto, including, without limitation, the procedures and requirements for voting to accept or reject the Plan and objecting to the Plan; and (h) if necessary, contacting creditors regarding the Plan and their Ballots.

3. Holders of Claims Entitled to Vote on the Plan

Under the provisions of the Bankruptcy Code, not all holders of claims against and equity interests in a debtor are entitled to vote on a chapter 11 plan. The following table provides a summary of the status and voting rights of each Class (and, therefore, of each Holder of a Claim within such Class) under the Plan:

Class	Designation	Treatment	Entitled to Vote
1	Other Secured Claims	Unimpaired	No (Presumed to Accept)
2	Other Priority Claims	Unimpaired	No (Presumed to Accept)
3	**First Lien Claims**	**Impaired**	**Yes**
4	**General Unsecured Claims**	**Impaired**	**Yes**
5	**Subordinated Unsecured Notes Claims**	**Impaired**	**Yes**
6	Intercompany Claims	Unimpaired	No (Presumed to Accept)
7	Subordinated Claims	Impaired	No (Deemed to Reject)
8	Intercompany Interests	Unimpaired	No (Presumed to Accept)
9	Existing Parent Equity Interests	Impaired	No (Deemed to Reject)

Based on the foregoing, the Debtors are soliciting votes to accept the Plan only from Holders of Claims in Class 3, Class 4, and Class 5 (the "***Voting Classes***") because Holders of Claims in such Voting Classes are Impaired under the Plan and, therefore, have the right to vote to accept or reject the Plan.

The Debtors are **not** soliciting votes from (a) Holders of Other Secured Claims in Class 1, or Holders of Other Priority Claims in Class 2, because such parties are conclusively presumed to have accepted the Plan, (b) Holders of Subordinated Claims in Class 7, or Holders of Existing Parent Equity Interests in Class 9, because such parties are conclusively deemed to have rejected the Plan, and (c) Holders of Intercompany Claims or Intercompany Interests in Classes 6 and 8, because such parties are Affiliates and will be Unimpaired and conclusively presumed to have accepted the Plan (collectively, the "***Non-Voting Classes***"). In lieu of Solicitation Materials, Holders of Claims in Classes 1, 2, 7 and 9 will receive a Notice of Non-Voting Status and Release Opt-Out Form, each of which will include an option for such Holders to affirmatively opt out of the Third-Party Release contained in section 10.6(b) of the Plan.

4. The Voting Record Date

The Bankruptcy Court has approved October 6, 2025 as the voting record date (the "***Voting Record Date***") with respect to all Claims and Interests in the Voting Classes. The Voting Record Date is the date on which it will determined which Holders of Claims in the Voting Classes are entitled to vote to accept or reject the Plan.

5. Contents of Solicitation Packages

The following documents and materials will collectively constitute the Solicitation Packages:

- the Confirmation Notice, attached to the Solicitation Procedures Order;
- this Disclosure Statement (and exhibits annexed thereto, including the Plan);
- the Solicitation Procedures Order;
- to the extent applicable, a Ballot and/or notice, appropriate for the specific creditor, in substantially the forms attached to the Solicitation Procedures Order (as may be modified for particular classes and with instruction attached thereto); and
- such other materials as the Bankruptcy Court may direct.

6. Distribution of the Solicitation Materials to Holders of Claims Entitled to Vote on the Plan

With the assistance of the Solicitation Agent, the Debtors intend to distribute the Solicitation Packages on or before October 23, 2025 (the "***Solicitation Mailing Date***"). The Debtors submit that the timing of such distribution will provide such Holders of Claims with adequate time to review the materials required to allow such parties to make informed decisions with respect to voting on the Plan in accordance with Bankruptcy Rules 3017(d) and 2002(b). The Debtors will

make every reasonable effort to ensure that Holders who have more than one Allowed Claim in the Voting Classes receive no more than one set of Solicitation Materials.

7. Distribution of Notices to Holders of Claims in Non-Voting Classes

As set forth above, certain third-party Holders of Claims and Existing Parent Equity Interests are **not** entitled to vote on the Plan. As a result, such parties will not receive Solicitation Packages and, instead, will receive a Non-Voting Status Notice and a Release Opt-Out Form.

The Holders of Intercompany Claims in Class 6 and Intercompany Interests in Class 8 are Affiliates of the Debtors. As such, the Debtors will seek to waive any requirement to serve Holders of Intercompany Claims in Class 6 and Intercompany Interests in Class 8 with Solicitation Packages or any other notices.

8. Additional Distribution of Solicitation Documents

In addition to the distribution of Solicitation Packages to Holders of Claims in the Voting Classes, the Debtors will also provide parties who have filed requests for notice under Bankruptcy Rule 2002 as of the Voting Record Date with the Disclosure Statement, the Solicitation Procedures Order, and the Plan. Additionally, parties may request (and obtain at the Debtors' expense) a copy of the Disclosure Statement (and any exhibits thereto, including the Plan) by: (a) calling the Solicitation Agent at the number shown on the Ballot received; (b) emailing ModivCare Inc., c/o Kurtzman Carson Consultants LLC, d/b/a Verita Global at ModivCareInfo@veritaglobal.com; (c) writing to ModivCare Inc., c/o Kurtzman Carson Consultants LLC, d/b/a Verita Global at 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245; and/or (d) visiting the Debtors' restructuring website at: https://www.veritaglobal.net/ModivCare. Parties may also obtain any documents filed in the Chapter 11 Cases for a fee via PACER at https://www.pacer.gov.

9. Filing of Plan Supplement

The Debtors will file the Plan Supplement by November 14, 2025. The Debtors will transmit a copy of the Plan Supplement to the Distribution List, as defined in this Section I.D.9. Additionally, (and obtain at the Debtors' expense) a copy of the Plan Supplement by: (a) calling the Solicitation Agent at the number shown on the Ballot received; (b) emailing ModivCare Inc., c/o Kurtzman Carson Consultants LLC, d/b/a Verita Global at ModivCareInfo@veritaglobal.com; (c) writing to ModivCare Inc., c/o Kurtzman Carson Consultants LLC, d/b/a Verita Global at 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245; and/or (d) visiting the Debtors' restructuring website at: https://www.veritaglobal.net/ModivCare. Parties may also obtain any documents filed in the Chapter 11 Cases for a fee via PACER at https://www.pacer.gov.

The Plan Supplement will include, among other things, the documents and forms of documents, schedules, and exhibits to the Plan (as more fully set forth in the definition for Plan Supplement in the Plan), all of which are incorporated by reference into, and are an integral part of, the Plan, as all of the same may be amended, supplemented, or modified from time to time.

As used herein, the term "***Distribution List***" means: (a) the United States Trustee for the Southern District of Texas; (b) the parties included on the Debtors' consolidated list of the holders of the thirty largest unsecured claims against the Debtors; (c) Paul Hastings LLP as counsel to the

Prepetition First Lien Agent, Consenting Creditors, DIP Agent, and DIP Lenders; (d) Ankura Trust Company, LLC, as trustee for the Second Lien Notes (the "***Second Lien Trustee***"); (e) Wilmington Saving Fund Society, FSB, as trustee for Subordinated Unsecured Notes; (f) counsel to the Committee; (g) the United States Attorney's Office for the Southern District of Texas; (h) the Internal Revenue Service; (i) the SEC; (j) the state attorneys general for states in which the Debtors conduct business; and (k) all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002.

D. Voting Process

Holders of Claims entitled to vote on the Plan are advised to read the Solicitation Procedures Order, which sets forth in greater detail the voting instructions summarized herein.

1. The Voting Deadline

The Bankruptcy Court has approved 4:00 p.m. prevailing Central Time on November 25, 2025 as the Voting Deadline. The Voting Deadline is the date by which all Ballots must be properly executed, completed and delivered to the Solicitation Agent in order to be counted as votes to accept or reject the Plan.

2. Types of Ballots

The Debtors will provide the following ballots (collectively, the "***Ballots***") to Holders of Claims in the Voting Classes (*i.e.* Class 3, Class 4, and Class 5):

- "***First Lien Ballots***", the form of which is attached to the Solicitation Procedures Order as Exhibit 3, will be sent to Holders of Class 3 Claims;
- "***General Unsecured Claim Beneficial Holder Ballots***", the form of which is attached to the Solicitation Procedures Order as Exhibit 4-A, will be sent to beneficial Holders of Class 4 Claims;
- "***General Unsecured Claim Master Ballots***", the form of which is attached to the Solicitation Procedures Order as Exhibit 4-B, will be sent to Nominee Holders of Class 4 Claims;
- "***GUC Ballots***", the form of which is attached to the Solicitation Procedures Order as Exhibit 4-C, will be sent to Holders of Holders of Class 4 Claims, other than Second Lien Notes Claims.
- "***Subordinated Unsecured Notes Beneficial Holder Ballots***", the form of which is attached to the Solicitation Procedures Order as Exhibit 5-A, will be sent to beneficial Holders of Subordinated Unsecured Notes Claims; and
- "***Subordinated Unsecured Notes Master Ballots***", the form of which is attached to the Solicitation Procedures Order as Exhibit 5-B; will be sent to Nominee Holders of Class 5 Claims.

Subject to the terms of the Restructuring Support Agreement, each Ballot will include an option for the applicable Holder of Claims to affirmatively opt out of the Third-Party Release contained in section 10.6(b) of the Plan.

3. Voting Instructions

Under the Plan, Holders of Claims in the Voting Classes are entitled to vote to accept or reject the Plan. Those Holders may vote by completing a First Lien Ballot, a Beneficial Holder Ballot, a Master Ballot, or a GUC Ballot, as applicable, and returning it to the Solicitation Agent so that it is **actually received** by the Voting Deadline. There are special voting rules and procedures for Beneficial Holders of Class 4 and Class 5 Claims, which are discussed in Section IV below (and set forth in greater detail in the Solicitation Procedures Order). Each Ballot will also allow Holders of Claims in the Voting Classes to opt-out of the Third-Party Release set forth in section 10.6(b) of the Plan. Any Holder of Claims in the Voting Classes that opts out of the Third-Party Release will not receive a Debtor Release or a Third-Party Release from the Releasing Parties, subject to the terms of the Restructuring Support Agreement.

PLEASE REFER TO THE INSTRUCTIONS ATTACHED TO THE FIRST LIEN BALLOTS, BENEFICIAL HOLDER BALLOTS, OR MASTER BALLOTS THAT YOU HAVE RECEIVED FOR MORE DETAILED INFORMATION REGARDING THE VOTING REQUIREMENTS, RULES AND PROCEDURES APPLICABLE TO VOTING YOUR CLAIM.

To be counted as votes to accept or reject the Plan, all First Lien Ballots, pre-validated Beneficial Holder Ballots, Master Ballots, and GUC Ballots, as applicable (all of which will clearly indicate the appropriate return address), are required to be properly executed, completed, dated and delivered according to the instructions contained thereon, so that they are **actually received** on or before the Voting Deadline by the Solicitation Agent in the manner described in the Ballots.

4. Voting Procedures

Prior to the Solicitation Mailing Date, the Solicitation Agent will determine the Nominees holding Second Lien Notes or Subordinated Unsecured Notes on behalf of beneficial Holders of such Second Lien Notes or Subordinated Unsecured Notes as of the Voting Record Date and will distribute an appropriate number of Solicitation Packages to such Record Owners to allow them to forward one to each applicable beneficial holder.

Nominees who elect to pre-validate Beneficial Holder Ballots must deliver Solicitation Packages, including pre-validated Beneficial Holder Ballots, to beneficial Holders along with a pre-addressed return envelope addressed to the Solicitation Agent. Beneficial Holders who receive pre-validated Beneficial Holder Ballots must complete, date, execute and deliver such Beneficial Holder Ballots directly to the Solicitation Agent so they are actually received on or before the Voting Deadline.

Nominees who do not elect to pre-validate Beneficial Holder Ballots must deliver to the beneficial holders the Solicitation Materials, including Beneficial Holder Ballots and pre-addressed return envelopes addressed to the Record Owners. Upon the return of completed Beneficial Holder Ballots, such Nominees will summarize and compile the votes cast and/or other relevant

information onto the Master Ballots and date and return the Master Ballot(s) so that they are actually received on or before the Voting Deadline by the Solicitation Agent.

5. Tabulation of Votes

THE FOLLOWING IS IMPORTANT INFORMATION REGARDING VOTING THAT SHOULD BE READ CAREFULLY BY ALL HOLDERS OF CLAIMS IN THE VOTING CLASSES. PLEASE REFER TO THE SOLICITATION PROCEDURES ORDER AND ALL EXHIBITS ATTACHED THERETO, INCLUDING THE BALLOTS, FOR MORE DETAILED INFORMATION.

- FOR YOUR VOTE TO BE COUNTED, YOUR FIRST LIEN BALLOT, PRE-VALIDATED BENEFICIAL HOLDER BALLOT, MASTER BALLOT, OR GUC BALLOT, AS APPLICABLE, MUST BE PROPERLY EXECUTED, COMPLETED, DATED AND DELIVERED SUCH THAT IT IS **ACTUALLY RECEIVED** ON OR BEFORE THE VOTING DEADLINE BY THE SOLICITATION AGENT.

- A HOLDER OF A CLAIM MAY CAST ONLY ONE VOTE PER EACH CLAIM SO HELD. BY SIGNING AND RETURNING A FIRST LIEN BALLOT, BENEFICIAL HOLDER BALLOT, MASTER BALLOT, OR GUC BALLOT, EACH HOLDER OF A CLAIM WILL CERTIFY TO THE BANKRUPTCY COURT AND THE DEBTORS THAT NO OTHER FIRST LIEN BALLOTS, BENEFICIAL HOLDER BALLOTS, MASTER BALLOTS, OR GUC BALLOTS WITH RESPECT TO SUCH CLAIM HAS BEEN CAST OR, IF ANY OTHER FIRST LIEN BALLOT, BENEFICIAL HOLDER BALLOTS, MASTER BALLOTS, OR GUC BALLOTS HAVE BEEN CAST WITH RESPECT TO SUCH CLAIM, SUCH EARLIER FIRST LIEN BALLOT, BENEFICIAL HOLDER BALLOTS, MASTER BALLOTS, OR GUC BALLOTS ARE THEREBY SUPERSEDED.

- **ANY FIRST LIEN BALLOT, BENEFICIAL HOLDER BALLOT, MASTER BALLOT, OR GUC BALLOT THAT IS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED TOWARD CONFIRMATION OF THE PLAN UNLESS THE DEBTORS HAVE GRANTED AN EXTENSION OF THE VOTING DEADLINE IN WRITING WITH RESPECT TO SUCH FIRST LIEN BALLOT, BENEFICIAL HOLDER BALLOT, MASTER BALLOT, OR GUC BALLOT.**

- **ADDITIONALLY, THE FOLLOWING FIRST LIEN BALLOTS, BENEFICIAL HOLDER BALLOTS, MASTER BALLOTS, AND GUC BALLOTS WILL NOT BE COUNTED:**

  - any Ballot received after the Voting Deadline unless the Debtors have granted an extension of the Voting Deadline in writing (email being sufficient) with respect to such Ballot;

  - any Ballot that is illegible or contains insufficient information to permit the identification of the claimant;

- any Ballot cast by or on behalf of an entity that does not hold a Claim in a Voting Class;
- any Ballot that is otherwise properly completed, executed and timely returned to the Solicitation Agent, but that (a) does not indicate an acceptance or rejection of the Plan, (b) indicates both an acceptance and rejection of the Plan, or (c) partially accepts and partially rejects the Plan;
- any Ballot submitted by telecopy, facsimile, email, or other electronic means except for the Solicitation Agent's online balloting portal;
- any unsigned Ballot;
- in the event (a) a Ballot, (b) a group of Ballots within a Voting Class received from a single creditor, or (c) a group of Ballots received from the various Holders of multiple portions of a single Claim partially reject and partially accept the Plan, such Ballots may not be counted in the Debtors' discretion;
- any Ballot sent to the Debtors, the Debtors' agents/representatives (other than the Solicitation Agent), or the Debtors' financial or legal advisors; and
- any Ballot not cast in accordance with the procedures approved in the Solicitation Procedures Order.

E. Confirmation of the Plan

1. The Confirmation Hearing

The Confirmation Hearing will commence at 9:00 a.m. prevailing Central Time on December 8, 2025, before the Honorable Alfredo R. Perez, United States Bankruptcy Judge, in the United States Bankruptcy Court for Southern District of Texas, Houston Division, located at 515 Rusk Street, Houston, Texas 77002. The Confirmation Hearing may be continued from time to time by the Bankruptcy Court or the Debtors without further notice other than by such adjournment being announced in open court or by a notice of adjournment filed with the Bankruptcy Court and served on such parties as the Bankruptcy Court may order. Moreover, the Plan may be modified or amended, if necessary, pursuant to section 1127 of the Bankruptcy Code and in accordance with the terms of the Restructuring Support Agreement, prior to, during, or as a result of the Confirmation Hearing, without further notice to parties in interest.

2. Objections to Confirmation

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to the confirmation of a plan of reorganization. **The deadline to object to the Plan is 4:00 p.m. prevailing Central Time on November 25, 2025**. Any objection to confirmation of the Plan must be in writing, must conform to the Bankruptcy Rules and the Bankruptcy Local Rules, must set forth the name of the objector, the nature and amount of Claims or Interests held or asserted by the

objector against the Debtors' estates or properties, the basis for the objection and the specific grounds therefore, and must be filed with the Bankruptcy Court.

UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY FILED, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

3. Effect of Confirmation of the Plan

Article X of the Plan contains certain provisions relating to: (a) the compromise and settlement of Claims, Interests, and Causes of Action; (b) the release of the Released Parties by the Debtors and certain Holders of Claims and Interests, and each of their respective Related Persons; (c) exculpation of certain parties; and (d) an injunction from taking actions in connection with the foregoing, each as more fully set forth in Article X of the Plan. **It is important to read such provisions carefully so that you understand the implications of these provisions with respect to your Claim such that you may cast your vote accordingly.**

THE PLAN WILL BIND ALL HOLDERS OF CLAIMS AND INTERESTS IN THE DEBTORS TO THE MAXIMUM EXTENT PERMMITTED BY APLICABLE LAW, NOTWITHSTANDING WHETHER OR NOT SUCH HOLDER (A) WILL RECEIVE OR RETAIN ANY PROPERTY, INTEREST IN PROPERTY, OR OTHER VALUE UNDER THE PLAN, (B) HAS FILED A PROOF OF CLAIM OR EQUITY IN THE CHAPTER 11 CASES, OR (C) FAILED TO VOTE TO ACCEPT OR REJECT THE PLAN OR VOTE TO REJECT THE PLAN.

F. Effectuation of the Plan

It will be a condition to effectuation of the Plan that all provisions, terms and conditions of the Plan are approved in the Confirmation Order unless otherwise satisfied or waived pursuant to the provisions of Article IX of the Plan. Following Confirmation, the Plan will become effective on the Effective Date.

G. Risk Factors

PRIOR TO DECIDING WHETHER AND HOW TO VOTE ON THE PLAN, EACH HOLDER OF A CLAIM IN A VOTING CLASS SHOULD CONSIDER CAREFULLY ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN SECTION X HEREIN TITLED, "CERTAIN RISK FACTORS TO BE CONSIDERED."

II.
BACKGROUND TO THE CHAPTER 11 CASES

A. OVERVIEW OF THE DEBTORS' BUSINESS OPERATIONS

ModivCare Inc. traces its roots back over thirty years, and certain of its business segments began providing non-emergency medical transportation ("***NEMT***") services to government-sponsored healthcare programs in the 1980s. Since its founding, ModivCare has grown into a leading technology-enabled healthcare services company, connecting members to essential care through NEMT, personal care services ("***PCS***"), and remote patient monitoring ("***RPM***"). The Company's corporate segment includes general corporate services as well as the Company's virtual care and community-based monitoring innovation programs; additionally, the Company's ownership stake and minority interest in a national provider network of community-based clinicians delivering in-home and on-site services ("***Corporate***," and together with NEMT, PCS, and RPM, the "***Business Segments***"). Over the past decade, ModivCare has transformed into one of the nation's largest providers of supportive care solutions, serving millions of members annually across 48 states and the District of Columbia through a workforce of approximately 23,675 employees and thousands of contracted third-party transportation providers and their respective drivers who are employed by the Debtors and their non-Debtor affiliates.

ModivCare's services are engrained in the everyday lives of vulnerable populations. For example, ModivCare coordinates millions of annual rides to and from doctors' offices, dialysis centers, and hospitals for Medicaid and Medicare members; provides in-home personal care services that allow seniors and persons with disabilities to live independently; and offers connected-care monitoring and digital engagement tools that promote preventive health and reduce avoidable hospitalizations, often in rural settings. Through these services, ModivCare plays a critical role in supporting healthcare access and addressing social determinants of health for some of the nation's most at-risk communities.

B. History and Formation

Founded in 1996 as The Providence Services Corporation, ModivCare concentrates on connecting people to their healthcare providers to improve outcomes and overall patient health. ModivCare became publicly traded in 2003 through an initial public offering and, until recently, traded on the NASDAQ under the ticker MODV. The Company has grown from a stand-alone non-emergency medical transportation provider to a multi-faceted supportive care solutions provider. The Company has expanded organically and by acquiring several businesses, including: (a) Charter LCI Corporation, the parent company of LogistiCare, Inc. (which is now ModivCare Solutions, LLC) in 2007; (b) Matrix Medical Network ("***Matrix***") in 2014 (which ModivCare later sold the majority interest to Frazier Healthcare Partners); (c) Circulation, Inc. in 2018; (d) National MedTrans, LLC in 2020; (e) OEP AM, Inc. (d/b/a Simplura Health Group) in 2020; (f) WellRyde in 2021; (g) Care Finders Total Care in 2021; (h) VRI Intermediate Holdings, LLC in 2021; and (i) Guardian Medical Monitoring in 2022.

The Company's headquarters are located in Denver, Colorado.

C. Current Business Operations

ModivCare's four Business Segments—NEMT, PCS, RPM, and Corporate—provide patient-centric services to its customers. These Business Segments roll up into centralized and standardized operations, which enable the Company to cultivate best practices and efficiencies. Through these processes, the Company generally seeks to have a positive impact by closing certain health gaps and addressing the social determinants of health by serving those in need. The Business Segments are designed to achieve these goals, improve access to care, and adapt to the ever changing healthcare industry, which must prepare for and react to anticipated shifts in the demographic dynamics of the United States, including an aging population with increased life expectancies (which is expected to increase general demand for healthcare services), an increasing prevalence in chronic illness (which require active and ongoing monitoring of patient health and data), an increasing demand for value-based versus fee-for-service care, and an increasing demand for in-home care.[7]

i. *NEMT*

Through NEMT, the Company provides non-emergency medical transportation to members of public and private insurance providers, including the state Medicaid and Medicare agencies, and managed care organizations ("***MCOs***"). The Company's primary customers are typically Medicaid or Medicare eligible members whose limited mobility or financial resources impede their ability to access necessary healthcare and social services. The Company applies its proprietary technology platform to a network of approximately 4,100 transportation resources, including on-demand transportation network companies, mass transit entities, mileage reimbursement programs, taxis, and county-based emergency service providers. Through these partnerships, ModivCare has become one of the nation's largest managers of non-emergency medical transportation for state governments and MCOs. In 2024, the Company managed approximately 36.8 million trips for approximately 29.5 million average monthly members.

The Company's NEMT business depends in large part on contracts awarded by MCOs and state and other governmental entities, many of which are subject to competitive request for proposal ("***RFP***") processes. In the ordinary course of business, the Company has experienced certain non-renewals of existing contracts and has not been awarded contracts under some RFPs, though it has appealed a number of those adverse determinations. Thus far in 2025, the aggregate financial impact of such non-renewals and unsuccessful RFP outcomes is approximately $438 million in annualized lost revenue (primarily caused by the non-renewal of the UHC Agreement, as described and defined below), which is reflected in the financial projections attached hereto as **Exhibit D**. While these outcomes have presented challenges, the Company maintains a diversified customer base across multiple jurisdictions, which helps mitigate the impact of any single contract loss.

In addition to these challenges, the Company has also achieved meaningful successes in recent competitive processes, securing new contracts and renewals that are expected to generate approximately $86 million in annualized revenue. These contract wins reflect the NEMT business' strong operating capabilities, proven service record, and ability to meet evolving

[7] A complete March 2025 Investor Presentation is available at https://investors.modivcare.com/events-presentations/default.aspx.

customer and regulatory requirements. The Company believes these new engagements will not only offset a portion of the revenue impact from non-renewals and unsuccessful RFPs but also strengthen its long-term customer relationships and reinforce its position as a trusted provider across multiple jurisdictions.

ii. *PCS*

Through PCS, the Company provides in-home personal care services to customers by placing non-medical personal care assistants, home health aides, and skilled nurses in the home setting. The Company places these in-home resources with Medicaid patients in need of assistance, including senior citizens and disabled adults. ModivCare's PCS segment payors include government agencies, MCOs, commercial insurers and private individuals. In 2024, ModivCare had approximately 14,000 caregivers throughout seven states who provided approximately 28 million hours of patient care.

iii. *RPM*

Through RPM, the Company provides in-home monitoring services to support patient self-management and care management operations. The RPM business segment enables seniors, the chronically ill, and people with disabilities to maintain their long-term independence by avoiding moves to long-term care facilities and preventable emergency room visits and hospitalizations. ModivCare provides a variety of services that leverage personal emergency response systems, monitoring devices, relationship-based care and data-driven patient engagement solutions. In 2024, the Company served approximately 247,000 members of government insurance programs, members of healthcare provider organizations, and private individuals through RPM.

iv. *Corporate*

Through Corporate, the Company's subsidiary, Higi Care LLC, provides data-driven personal health technologies through the placement of health monitoring systems at certain third-party brick and mortar stores, and community health monitoring services (under a management services organization "friendly PC" model). Corporate also includes the Company's revenue from its non-controlling interest in a joint venture that maintains a national network of community-based clinicians who provide in-home and on-location services. Finally, Corporate includes the Company's activities related to accounting, finance, internal audit and tax, and key corporate development functions.

v. *Revenue Breakdown*

The Company's revenue streams are primarily driven by the NEMT segment and complemented by the PCS, RPM, and Corporate segments, as shown below:

Segment	Year Ended December 31, 2023[8]	Year Ended December 31, 2024	Quarter Ended March 31, 2025
NEMT	$1,951,447	$1,957,275	$449,007
PCS	$715,615	$745,299	$181,787
RPM	$77,941	$77,739	$18,125
Corporate and Other	$6,167	$7,273	$1,735
Consolidated ModivCare	**$2,751,170**	**$2,787,586**	**$650,654**

[8] Excludes $5,037k of grant income for the year ended December 31, 2023.

III.
CORPORATE AND CAPITAL STRUCTURE

A. Corporate Structure

The Debtors consist of ModivCare and its domestic wholly-owned subsidiaries, totaling 70 entities formed under the laws of, among other places, Delaware, New York, and Texas. A chart illustrating the Company's organizational structure as at the Petition Date is attached hereto as **Exhibit B**.

B. Corporate Governance

i. *Board of Directors and Special Committees*

ModivCare is governed by its board of directors. On June 17, 2025, ModivCare held its annual meeting of shareholders, during which its Board was elected.

The current Board consists of seven directors, as shown below:

Name	Position	Notable Experience
Todd J. Carter	Director	Mr. Carter is the Co-President and Chief Executive Officer of GCA Savvian Advisors, a global independent investment banking firm. Mr. Carter has served on a number of company, advisory, and non-profit boards of directors.
Alec Cunningham	Director	Mr. Cunningham has significant experience with publicly-funded, national healthcare programs. Mr. Carter has served as Chief Executive Officer of Wellcare and Chief Operating Officer of Aetna.
David Mounts Gonzales	Director	Mr. Mounts Gonzales is a General Partner of the AI Catalyst Fund, a significant shareholder in the Company. Mr. Mounts Gonzales is an experienced chief executive and public company director, having served as Chief Executive Officer of Inmar Intelligence, a data-driven commerce and analytics platform.
Leslie V. Norwalk	Director, Chairperson of the Board	Ms. Norwalk is a director on the public company boards of NuVasiv Inc. and Endologix, Inc. Ms. Norwalk previously served as both the Acting Administrator and Deputy Administrator of the Centers for Medicare & Medicaid Services in the George W. Bush Administration.

Name	Position	Notable Experience
Erin L. Russell	Director	Ms. Russell has extensive experience as an investment professional and as a board member. Ms. Russell has previously sat on the boards of prominent healthcare companies including eHealth, Inc (Nasdaq: EHTH), Tivity Health Inc., and Devilbiss Healthcare.
L. Heath Sampson	Director and CEO	Mr. Sampson has over thirty years of leadership experience, having previously served as the Chief Executive Officer of Advanced Emissions Solutions, and serving in key leadership roles at Square Two Financial and First Data Corporation.
Daniel B. Silvers	Director	Mr. Silvers currently serves as the managing member of Matthews Lane Capital Partners LLC, an investment firm. Mr. Silvers has extensive experience as a board member, having served on numerous boards across numerous industries.

In connection with the terms of the Fifth Amendment (as defined and described below), the Company was required by the terms of its debt documents to appoint three independent directors from a list of directors provided by the First Lien Lenders. The final of these new independent directors was seated on April 24, 2025. The candidate list was highly negotiated with the Debtors and each independent director candidate had to have requisite expertise (including serving on public companies and within the healthcare industry) and independence. The Board also established a committee comprised of three directors to oversee sales and marketing processes for the PCS and RPM segments (the "***Strategic Alternatives Committee***"). Since April 2025, the members of the Strategic Alternatives Committee have been Alec Cunningham, Erin L. Russell (Chairperson), and Daniel B. Silvers.

In addition, on June 20, 2025, the Board established a special committee of the Board (the "***Capital Structure Committee***") to investigate, review, evaluate, analyze, negotiate, and make recommendations to the Board to approve or reject, any changes to the Company's capital structure including all restructuring matters. The members of the Capital Structure Committee are Todd J. Carter, Alec Cunningham, David Mounts Gonzales, Erin L. Russell, and Daniel B. Silvers (Chairperson). In the lead up to the Chapter 11 Cases, each of the Strategic Alternatives Committee and the Capital Structure Committee met at least weekly and have been coordinating amongst each other to discuss the various issues facing the Company and to explore all available options, including out-of-court options, sale, processes, and in-court processes, for the Company to address its financial challenges and maximize value.

The Board also has three other committees: (a) a committee to oversee management's conduct of the Company's financial reporting process (the "***Audit Committee***"); (b) a committee to assist the Board in discharging its responsibilities relating to executive compensation (the "***Compensation Committee***"); and (c) a committee to establish criteria for selecting new directors, to recommend a slate of nominees for election at the annual shareholder meeting, and to oversee healthcare compliance. All directors, regardless of whether such director is a member of a committee of the Board, are invited to attend meetings of the various committees of the Board.

ii. ***Management***

ModivCare is managed by its executive leadership team, which consists of the following persons.

Name	Position
L. Heath Sampson	President and CEO
Jeffrey Bennett	Chief Strategy and Innovation Officer
Chelsey Berstler	Executive Vice President of PCS
Scott Kern	Vice President, Head of Corporate Development
Kenneth Shepard	Senior Vice President, Finance
Rebecca Orcutt	Senior Vice President, Chief Accounting Officer
Faisal Khan	Senior Vice President, General Counsel and Secretary
Chad Shandler	Chief Transformation Officer

iii. ***Employees***

As of the Petition Date, the Debtors have approximately 20,160 employees and an additional 1,620 contract workers and temporary staff. Certain of those employees are covered by the Debtors' two unexpired collective bargaining agreements (the "***CBAs***"). The Debtors currently intend to assume the CBAs, and any agreements, documents, or instruments relating thereto.

(a) Executive and Employee Compensation

Prior to the Petition Date, and in the ordinary course of business, the Debtors utilized incentive plans to drive performance from senior executives and certain key employees. Specifically, the Debtors historically utilized, among other things, a single enterprise-wide short term incentive plan ("***STIP***") pursuant to which eligible employees received an annual cash award based on the

Company's and the relevant employee's performance, and the 2006 Long Term Incentive Plan ("***LTIP***"), pursuant to which employees and non-employee directors were eligible to receive an annual grant of restricted stock units or performance restricted stock units. These plans were essential components of the Debtors' historical compensation packages. These were designed to incentivize future performance, align management incentives with the Debtors' business objectives, and provide key management employees with competitive, market-based compensation.

In fiscal year 2025, the Compensation Committee concluded that the grant of equity-based awards was not appropriate because of limited availability of equity under the incentive plans. Accordingly, the Debtors, in their business judgment, determined that the compensation initiatives were insufficient to motivate key employees. Consequently, the Compensation Committee and the Debtors' advisors, in consultation with Meridian Compensation Partners, LLC ("***Meridian***"), the Debtors' independent third-party compensation consultant, discussed strategies on how best to incentivize senior executives and other key employees to align their interests with the strategic goals of the Debtors during a potential restructuring.

The Compensation Committee determined, in consultation with Meridian and the Company's advisors, that it was prudent to: (a) redesign the STIP; (b) change the compensation package for non-employee directors so that they would receive an annual cash award, in lieu of annual restricted stock units; (c) implement a key employee retention program ("***KERP***"); and (d) implement an incentive program for certain employees involved in the sale efforts for the Higi business unit ("***Higi Incentives***").

On August 14, 2025, the Compensation Committee recommended to the Board that such compensation initiatives be approved, following which the Board agreed and resolved to approve each of them.

(b) STIP Goals and Performance Metrics

Under the redesigned STIP, awards are partially determined by reference to an adjusted EBITDA metric, and the remainder by segment-based operational and quality metrics. For example, in the NEMT business segment, participants are rewarded for the retention of existing, or the award of new, NEMT contracts. In the PCS business segment, metrics include total billed hours across all PCS markets and certain compliance scores.

(c) KERP

As noted above, the Board approved the KERP on August 14, 2025. Under the KERP, six participants were prepaid their retention bonuses on or about August 17, 2025. Those bonuses are subject to continued employment through July 31, 2026, unless the participant's employment is terminated by the Company prior to that date without cause or by reason of death or disability (subject to execution, delivery and non-revocation of a general release of claims). There are approximately sixty other participants in the KERP program that will receive their retention bonuses in two installments, the first being on December 5, 2025, and the second on July 31, 2026. Each installment of those bonuses is generally subject to continued employment through the corresponding payment date, unless the participant's employment is terminated by the Company

prior to that date without cause or by reason of death or disability (subject to execution, delivery and non-revocation of a general release of claims). Further, if the participant's employment is not assumed in connection with a sale of assets or a business division of the Company, or a change in control of the Company, the remaining portions of those bonuses would be accelerated and paid in full upon the closing of such sale or change in control, subject to continued employment through such closing date.

(d) Higi Incentives

As noted above, the Board approved the Higi Incentives on August 14, 2025. One participant was prepaid their Higi Incentive on or about August 17, 2025. That bonus is subject to continued employment through July 31, 2026, unless the participant's employment is terminated by the Company prior to that date without cause or by reason of death or disability, or a sale of the Higi business division is completed prior to that date (subject to execution, delivery and non-revocation of a general release of claims). There are four other participants under the Higi Incentives that will receive their incentive award upon the occurrence of a sale of the Higi business division. Those incentive awards are subject to continued employment through the date of such sale of the Higi business division, unless the participant's employment is terminated by the Company prior to that date by reason of death or disability (subject to execution, delivery and non-revocation of a general release of claims). The participants in the Higi Incentives, as well as the amounts paid or to be paid under the Higi Incentives, shall be set forth as an exhibit to the Plan Supplement.

C. Capital Structure

The Debtors have both secured and unsecured funded debt claims. A summary of the approximate outstanding principal amounts of the Debtors' funded debt obligations as of the Petition Date is set forth below.

Facility	Outstanding Principal Balance	Maturity	Rate
Incremental 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 1, 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**		
Subordinated Unsecured Notes	$228.8 million	October 1, 2029	5.0%
Total Funded Debt	**$1,416.7 million**		

i. *First Lien Facility*

ModivCare is party to that certain *Credit Agreement*, dated as of February 3, 2022 (as amended by (a) the *Amendment No. 1 to Credit Agreement*, dated as of June 26, 2023, (b) the *Amendment No. 2 to Credit Agreement*, dated as of February 22, 2024, (c), the *Amendment No. 3 to Credit Agreement*, dated as of July 1, 2024, (d) the *Amendment No. 4 to the Credit Agreement*, dated as of September 30, 2024, and (e) the *Amendment No. 5 to Credit Agreement*, dated as of January 9, 2025 (the "***Fifth Amendment***"), and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the Petition Date, the "***First Lien Credit Agreement***"), with, among other parties, JPMorgan Chase Bank, N.A., as administrative agent (including any successor thereto,[9] the "***First Lien Agent***"), and the other lenders party thereto (collectively, the "***First Lien Lenders***"), and certain subsidiaries of ModivCare from time to time party thereto as guarantors. The First Lien Credit Agreement is secured by a first priority lien on substantially all of the property and assets of ModivCare and its guarantor subsidiaries.

As of the Petition Date, the Company has approximately $871.7 million outstanding under the First Lien Credit Agreement, comprising (a) $270.7 million in unpaid principal amount of revolving loans, plus accrued and unpaid interest, fees, costs (the "***First Lien RCF Facility***"), (b) $522.2 million in unpaid principal amount of term loans, plus accrued and unpaid interest, fees, costs, and expenses due July 2031 (the "***First Lien Term Loans***"), and (c) $78.8 million in unpaid principal amount of term loans, plus accrued and unpaid interest, fees, costs, and expenses due January 2026 (the "***First Lien Incremental***" and together with the First Lien RCF Facility, and the First Lien Term Loans, the "***First Lien Facility***"). The First Lien Incremental was provided to the Company pursuant to the Fifth Amendment.

ii. *Second Lien Notes*

As described more fully in paragraph (iii) below, ModivCare is party to a Subordinated Unsecured Notes Indenture (as defined below). Pursuant to the Fifth Amendment, ModivCare entered into an exchange agreement (the "***Exchange Agreement***"), dated January 9, 2025. As required by the Exchange Agreement, certain of the Subordinated Unsecured Notes (as defined below) were exchanged pursuant to certain *Second Lien Senior Secured PIK Toggle Notes due October 1, 2029* (the "***Second Lien Notes***"), issued by ModivCare and pursuant to that certain *Second Lien Senior Secured PIK Toggle Notes Indenture*, dated as of March 7, 2025 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the Petition Date, the "***Second Lien Notes Indenture***"), by and between ModivCare, as issuer, Ankura Trust Company, LLC, as trustee and notes collateral agent, the subsidiaries of ModivCare from time to time party thereto as guarantors, and holders of Second Lien Notes (the "***Second Lien Noteholders***"). The Second Lien Notes are secured by a second priority lien substantially all of the property and assets of ModivCare and its guarantor subsidiaries. As of the Petition Date, the principal amount under the Second Lien Notes is approximately $316.2 million.

[9] JPMorgan Chase Bank, N.A. has provided notice of intention to resign as First Lien Agent and will be replaced by Wilmington Trust, National Association.

iii. *Subordinated Unsecured Notes*

ModivCare is the issuer of certain *5.000% Senior Unsecured Notes due October 1, 2029* (the "***Subordinated Unsecured Notes***") issued pursuant to that certain *Senior Notes Indenture*, dated August 24, 2021 (as amended prior to the date hereof, the "***Subordinated Unsecured Notes Indenture***"), by and between ModivCare, as issuer, and Wilmington Saving Fund Society, FSB (as successor to The Bank of New York Mellon Trust Company, N.A.) as trustee, and the subsidiaries of ModivCare from time to time party thereto as guarantors. In connection with the Exchange Agreement, the requisite holders of Subordinated Unsecured Notes entered into that certain Fifth Supplemental Indenture, dated as of March 7, 2025, which, among other things, released all the guarantors of their guarantees under the Subordinated Unsecured Notes Indenture. Accordingly, the Subordinated Unsecured Notes are only an obligation of ModivCare, as issuer under the Subordinated Unsecured Notes Indenture. In addition, the Subordinated Unsecured Notes are subordinated in right of payment to the First Lien Term Loans and the Second Lien Notes. Pursuant to the Subordination Agreement, no payment or distribution may be made on the Subordinated Unsecured Notes, subject to limited exceptions, until the First Lien Term Loans and the Second Lien Notes are paid in full in cash. Any payment or distribution received by any Holder of the Subordinated Unsecured Notes is required to be turned over to the First Lien Agent or the Second Lien Trustee, as applicable. The remaining balance of these Subordinated Unsecured Notes are those that were not exchanged pursuant to the Exchange Agreement. As of the Petition Date, the principal amount under the Subordinated Unsecured Notes is approximately $228.8 million.

iv. *Other Non-Funded Debtor Obligations*

1. Trade Claims

In the ordinary course of business, the Debtors utilize certain vendors and service providers (the "***Trade Creditors***"). As at the Petition Date, the Debtors estimate that the aggregate amount of trade claims outstanding is approximately $190.4 million, the majority of which is owed to transportation providers. These transportation providers, and certain other Trade Creditors, are a vital part of the Company's ability to continue providing much needed services to the Debtors' customers and patients. Any interruption, even briefly, in the flow of goods and services from such creditors would have an immediate and adverse impact on the Debtors' ability to continue operating in the ordinary course. Accordingly, as noted below, the Debtors' requested relief from the Bankruptcy Court to pay prepetition amounts owed to those Trade Creditors who are critical to the Debtors' business. Such relief was granted on an interim basis on August 21, 2025 [Docket No. 64], and on a final basis on September 30, 2025 [Docket No. 394]. The relief granted under the interim order was subject to a cap that did not prove to be sufficient to timely pay outstanding prepetition claims of Trade Creditors. Accordingly, the Debtors also sought and obtained relief from the Bankruptcy Court to pay such amounts in excess of the cap [Docket No. 334].

2. Other General Unsecured Claims

As at the Petition Date, the Debtors anticipate approximately $25 million on account of claims against the Debtors (other than the Subordinated Unsecured Notes, intercompany claims and

claims of Trade Creditors described herein) as of the Petition Date that are neither secured by collateral nor entitled to priority under the Bankruptcy Code.

IV.
KEY EVENTS LEADING TO COMMENCEMENT OF CHAPTER 11 CASES

A. Challenges Facing Debtors' Business

The need to commence the Chapter 11 Cases was a result of a number of factors, including an unsustainable capital structure, rapidly deteriorating liquidity, negative industry trends, and customer de-risking by reducing exposure with ModivCare. In an attempt to preserve and maximize value, ModivCare and its management team have been, and continue to seek to, implement turnaround initiatives to assure that the Company is operating at an optimal level despite the challenging capital structure.

i. *Financial Challenges*

The Debtors' financial challenges date back to prior to the Fifth Amendment. As of the twelve-month period ending March 2025, the Company's funded debt is approximately $1.4 billion and adjusted EBITDA is $162 million. The Debtors' current balance sheet has had a corresponding negative and restrictive impact on the Debtors' liquidity and growth prospects. The Debtors' unhedged annual cash interest expense for fiscal year 2025 under the prepetition capital structure would be in excess of $100 million at current interest rates.[10]

ii. *Persistent Negative Industry Trends*

The non-emergency medical transportation and personal care services industries have faced persistent headwinds over the past several years. Demographic shifts, evolving government reimbursement models, and tightening regulatory oversight have created sustained pressures on both cost structures and margins. In particular, state Medicaid programs and MCOs—the Company's primary customers—have steadily increased their focus on cost containment, frequently driving reimbursement rates downward while simultaneously raising service quality expectations. At the same time, the broader healthcare industry has experienced significant wage inflation, particularly for caregivers and transportation providers, as labor shortages and competition for skilled workers have intensified.

Further compounding these challenges, companies like ModivCare must navigate heightened insurance premiums and dynamic reimbursement and regulatory requirements tied to evolving federal and state regulatory frameworks. In addition, the industry has seen mounting competitive pressures from smaller, more nimble regional operators and technology-driven entrants seeking to capture market share through lower-cost models, but without the same geographic range and scale. The net effect has been a highly competitive pricing environment in which customers prioritize cost savings, while providers struggle to absorb rising operating expenses.

Historically, ModivCare has sought to address these industry headwinds through investment in technology, strategic acquisitions, and efforts to achieve economies of scale and operational efficiencies. However, the Company's ability to fully mitigate the impact of these structural

[10] Assumes all cash interest and no PIK is elected.

industry changes has been constrained by its capital structure and liquidity profile. As a result, persistent adverse industry dynamics, combined with escalating operating costs and pricing pressures, have materially impacted ModivCare's revenues, margins, and financial flexibility.

iii. *Changes in the Regulatory Landscape*

In addition to the aforementioned challenges, the Debtors are also responding to certain regulatory challenges. The Debtors' significant customers are anticipating or have already begun implementing various state budget cuts, largely arising from: (a) the One Big Beautiful Bill Act (the "***BBB***"), which marks a sizeable regulatory change in the healthcare industry and imposes significant reductions in the funding of and services covered by the Medicaid program, as well as the number of persons enrolled in Medicaid; and (b) the Budget Control Act of 2011 (the "***BCA***") and American Rescue Plan Act of 2021 (the "***ARPA***" and, together with the BBB and BCA, the "***Acts***"), which have resulted or will result in additional Medicare payment reductions, and thus a reduction in supplemental benefits (including NEMT services) offered by Medicare Advantage plans.[11] Because many, if not all, of the Debtors' most significant customers are implementing, and/or considering the implementation of, budget cuts in response to the Acts, the Debtors anticipate adverse effects on their businesses and revenues in 2026.

Further, it is difficult to predict whether, when or what other deficit reduction initiatives may be proposed by Congress. The Company anticipates that the federal budget deficit will continue to place pressures on government healthcare programs and impose additional spending reductions. These pressures have increased uncertainty in the healthcare industry, and this uncertainty has affected government agencies, companies operating in the industry (including the Debtors), and patients.

iv. *Emergency Funding and the Fifth Amendment*

The growth of ModivCare's services through the acquisitions has required substantial investment of capital, and the service of debt associated with the acquisitions has placed substantial stress on the Debtors. Recognizing the potential risks relating to the Company's indebtedness, the Company began the process of evaluating strategic alternatives in the second half of 2024. The Company hired FTI and Moelis to assist with this process and to help rationalize its business, reduce discretionary capital expenditures, and preserve liquidity. The Company also sought to raise funds in the public markets, including from its existing lenders, to provide additional liquidity and address leverage concerns.

Ultimately, in January 2025, the Company undertook a series of capital structure initiatives designed to bolster liquidity and stabilize operations. These initiatives included entering into the Fifth Amendment, which infused $75 million of new liquidity into the Company. In March 2025, the Company consummated two transactions pursuant to which it issued $30 million of new Second Lien Notes and exchanged approximately $271 million of existing Subordinated Unsecured Notes for additional Second Lien Notes. Together, these transactions raised over $105 million in new financing and facilitated broad-based support across the Company's capital

[11] The ARPA was to take effect in January 2022. However, Congress delayed implementation of the reduction until 2025 and has yet to take action related to the ARPA payment reduction for 2025 or 2026.

structure. Absent the Fifth Amendment and Second Lien Notes and their incremental critical liquidity, the Company may have been forced to commence the Chapter 11 Cases at that time. In exchange, the First Lien Lenders limited certain baskets and imposed certain covenants on the Debtors.

v. *Rapidly Deteriorating Liquidity, Cash Calls from Surety Bond Providers & Operational Challenges*

While the aforementioned actions provided important near-term liquidity, they ultimately proved insufficient to overcome persistent industry headwinds and the Company's overall leverage profile. During the first half of 2025, and through July of 2025, the Company has continued to experience operational challenges, including delays in key customer repricing, increased volume of per-member rides under shared- risk contracts, and the Debtors' failure to transition to fee-for-service contracts. These developments further intensified the Company's already difficult situation and raised broader concerns about its ability to maintain and grow its commercial relationships.

The Company has also faced challenges in retaining certain customers, further exacerbating the Company's operational challenges. In the months preceding the Petition Date, United Healthcare Insurance Company ("***UHC***"), which is the Company's largest customer as measured by revenue, and one other customer informed the Company of their decision to not renew their customer contracts with the Company. In addition, the Company recognized the legitimate risk that additional customers—many of whom have contracts terminable for convenience—could choose to disengage and terminate their respective contracts. As a result, customer derisking and stabilization became a central focus and legitimate concern for the Company and its stakeholders.[12]

The Company's precarious financial condition also heightened concerns with its surety providers, whom the Company has entered into agreements with to satisfy its obligations owing to certain of the Company's customers. These customers require financial assurance in the form of letters of credit or surety bonds, which is customary in the Company's industry. Depending on the terms of each surety bond arrangement, the sureties may require the Company to post significant cash collateral to secure their exposure under the outstanding surety bonds. Historically, certain sureties have required some level of collateral, typically a letter of credit, to support performance obligations and could demand additional collateral in light of the Company's deteriorating financial position. Any additional demands would further strain liquidity, which has been the case in 2025. In January 2025, the Company had no posted collateral. As of June 30, 2025, however, with no ability to provide further letters of credit, the Company has posted $38.3 million of cash collateral relating to $76.5 million outstanding surety bonds. The Company had no choice but to meet the demands for collateral because if the Company were unable to satisfy these collateral requirements, it could be deemed in breach of certain customer contracts, potentially leading to contract terminations and a downward spiral that would further destabilize the business.

[12] As described in Section VI, the Debtors and UHC have entered into an agreement relating to the winddown of their commercial relationship and have filed a motion with the Bankruptcy Court seeking approval of such agreement.

In addition to these ongoing operational issues, the Company recognized that it would be unable to satisfy certain financial conditions and covenants under the First Lien Credit Agreement, especially if the Company were to repay the Incremental Facility upon its maturity in January 2026. Given these mounting pressures, the Company refocused on potential strategic alternatives, including a potential third-party equity investment, an out-of-court restructuring, and an in-court restructuring process.

B. Prepetition Restructuring Efforts

In the months leading up to the Petition Date, the Debtors and their advisors engaged in a thorough and good-faith process to evaluate and pursue a range of strategic alternatives. These efforts included incremental amendments, potential equity infusions, junior capital solutions, and targeted asset sales, alongside extensive negotiations with key creditor constituencies. Although the Debtors explored each of these paths with diligence, none proved actionable on the required timeline or adequate to address the Company's capital structure and liquidity challenges. The Debtors ultimately determined that a comprehensive, court-supervised restructuring represented the best and only viable path forward.

While the Debtors had hoped the Fifth Amendment and incremental Second Lien Notes would give them the liquidity and time to holistically address, they ultimately determined that commencing the Chapter 11 Cases was necessary to implement a comprehensive deleveraging and strengthen their financial position. In evaluating their options, the Debtors also considered whether incremental amendments, extensions, or covenant relief could provide a bridge solution, but these measures proved inadequate to resolve the Company's structural balance sheet challenges. Accordingly, the Debtors initiated these cases to effectuate a restructuring that will: (a) reduce funded debt (including accrued but unpaid interest) by approximately $1.1 billion; (b) lower annual cash interest expense in light of the reduced funded debt; and (c) enable the Company to continue operating with a substantially improved balance sheet and liquidity profile.

In early July 2025, the Debtors executed non-disclosure agreements with a group of First Lien Lenders and Second Lien Noteholders that ultimately became the Consenting Creditors to explore strategic alternatives. As an initial step, the Debtors sought to elicit a proposal that would provide additional liquidity to address near-term maturities and covenant pressure, but those efforts did not yield a viable solution given the lenders lack of interest in providing out-of-court financing so soon after the Incremental Facility. The Debtors also analyzed a potential out-of-court junior investment, which was presented by the Debtors and their advisors, together with certain members of the Board, to the lenders and their advisors. None of these proposals gained traction. Following these efforts, the Debtors and their advisors commenced protracted, arm's-length negotiations with the Consenting Creditors regarding a comprehensive restructuring transaction.

At the same time, the Debtors pursued other strategic options, including potential equity investments and sales of PCS and RPM. In the weeks leading up to the Petition Date, the Debtors executed non-disclosure agreements with two existing equity holders expressing interest in a potential investment and with over 15 potential strategic and financial bidders who expressed interest in acquiring PCS and RPM from the Debtors. The Debtors carefully evaluated these alternatives with their advisors but concluded that neither the existing equity holders nor the

contemplated asset sales proposed actionable transactions to address the Company's liquidity and debt burdens.

After weeks of negotiations with the Consenting Creditors and discussions with potential equity investors and potential bidders, the Debtors, with the assistance of the Advisors, determined that the proposed Restructuring with the Consenting Creditors was the only actionable option and the best path forward. The process involved weeks of intense, arm's-length negotiations, including the exchange of multiple iterations of term sheets addressing both the Restructuring and the DIP Financing. Having exhausted other strategic alternatives, these negotiations culminated in the agreement now before the Court, which the Debtors believe provides the most viable path to maximize value and ensure the Company's long-term stability.

C. Restructuring Support Agreement and Plan

On August 20, 2025, following extensive, good faith, arms' length negotiations, the Debtors entered into the Restructuring Support Agreement with the Consenting Creditors. Pursuant to the Restructuring Support Agreement (as amended), the Consenting Creditors agreed to support the Restructuring by, among other things:

- providing $100 million in DIP financing to fund the Chapter 11 Cases and agreeing to roll such claims into an Exit Term Loan Facility;
- agreeing to exchange First Lien Claims for up to $200 million of an Exit Term Loan Facility and 98% of the pro forma equity of the Company, subject to dilution;
- agreeing to exchange Second Lien Claims for the remainder of pro forma equity of the Company, shared ratably with the Holders of other General Unsecured Claims, and subject to dilution;
- providing the opportunity for certain holders of Subordinated Unsecured Notes to participate in an equity rights offering of up to $200 million (shared ratably with certain Holders of General Unsecured Claims); and
- permitting the Reorganized Debtors to enter into up to a $250 million Exit Revolver Credit Agreement, which provides for a letter of credit sublimit of up to $150 million.

Upon its full implementation, the Plan will effect a significant deleveraging of the Debtors' capital structure by reducing the Company's total funded debt (including accrued but unpaid interest) by approximately $1.1 billion. The Restructuring Support Agreement and the Restructuring Term Sheet annexed thereto establish, among other things, the treatment of each the Classes set out in Section I above, and the following key terms:

DIP Loan & Exit Loan Facilities; Rights Offering

- The Chapter 11 Cases will be financed by the $100 million DIP Facility.

- On the Effective Date, the Reorganized Debtors will enter into (i) the Exit Facility Term Loan, which will refinance and replace the DIP Facility and a portion of the prepetition First Lien Claims, and (ii) the Exit Revolving Facility.

- The Debtors will conduct an Equity Rights Offering of up to $200 million, which will be open to all Eligible Holders of Allowed General Unsecured Claims and Allowed Subordinated Unsecured Notes Claims. Under the Equity Rights Offering, the New Common Interests will be issued at a valuation equal to the amount at which Holders of First Lien Claims would recover 100% on account of their Allowed First Lien Claims.

Other Terms

- The composition of the new board of directors of the Reorganized Parent will be determined by a committee consisting of certain holders comprising the Required Consenting First Lien Lenders, in consultation with the Debtors, and disclosed prior to emergence under section 1129(a)(5) of the Bankruptcy Code.

- The Plan will contain customary releases, exculpations, and injunctions among the parties to the Restructuring Support Agreement and certain other parties in interest.

V.
PENDING AND FUTURE LITIGATION

In the ordinary course of business, from time to time, the Company is the subject of complaints or litigation from shareholders, tort claimants, or other parties and or inquiries or investigations by government officials. The Company may also be subject to employee claims based on, among other things, alleged discrimination, harassment, wrongful termination claims, wage and labor, and other claims brought by patients and customers. The Company is currently subject to ongoing litigation that may result in potential Claims for monetary damages. That risk will remain for so long as such litigation remains unresolved. The Company cannot predict with certainty the outcome or disposition of these lawsuits, legal proceedings, and claims.

On January 29, 2025, a securities class action complaint was filed against Modivcare Inc., L. Heath Sampson, Kenneth Shepard, and Barbara Gutierrez (Kalera v. Modivcare, Inc., et al.), alleging federal securities fraud claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. The plaintiff alleges that the defendants made false and misleading statements about how shared-risk Mobility contracts affected ModivCare's free cash flow. The plaintiff claims that ModivCare had to renegotiate its contracts and provide pricing accommodations which harmed EBITDA, the Company had insufficient liquidity, and positive statements about ModivCare's business and operations were false or misleading. The Debtors and individually named defendants dispute these allegations. Securities class actions are governed by the Private Securities Litigation Reform Act, which requires that the Parties and the court follow a specific procedural process at the outset of the lawsuit to appoint a lead plaintiff to represent the class. On March 31, 2025, four shareholders filed motions seeking to be appointed lead plaintiff. Two of those plaintiffs filed notices of non-opposition, acknowledging that other plaintiffs were better positioned to serve as lead plaintiffs. Two plaintiffs remain under consideration for appointment as lead plaintiff. Briefing on the lead plaintiff motions was completed on May 5, 2025, and the parties are waiting for a ruling from the court. Once a lead plaintiff is appointed, he or she will likely file an amended complaint. As noted above, the Debtors believe the complaint is without merit and that the defendants have strong defenses to the allegations contained in the complaint. The Debtors are, however, subject to customary document retention obligations as a result of this class action complaint.

Additionally, there is a risk of future litigation. Pending litigation or future litigation could result in a material judgment against the Debtors or the Reorganized Debtors. Such litigation, and any judgment in connection therewith, could have a material negative effect on the Debtors or the Reorganized Debtors.

With certain exceptions, the filing of the Chapter 11 Cases operates as a stay with respect to the commencement or continuation of litigation against the Debtors that was or could have been commenced before the commencement of the Chapter 11 Cases. The Debtors' liability with respect to litigation stayed by the commencement of the Chapter 11 Cases is subject to discharge, settlement, and release upon confirmation of a plan under chapter 11, with certain exceptions. Therefore, certain litigation claims against the Debtors may be subject to discharge in connection with the Chapter 11 Cases. This may reduce the Debtors' exposure to losses in connection with the adverse determination of such litigation.

VI.
EVENTS DURING CHAPTER 11 CASES

A. First Day Motions and Certain Related Relief

The Debtors have continued their operations in the ordinary course during the pendency of the Chapter 11 Cases. To facilitate the efficient and expeditious implementation of the Plan through the Chapter 11 Cases, the Debtors have devoted substantial efforts to stabilizing their operations and preserving and restoring their relationships with, among others, vendors, customers, employees and utility providers. As a result of these efforts, the Debtors were able to minimize, as much as practicable, the negative impacts of the commencement of the Chapter 11 Cases.

1. Substantive Motions

On the Petition Date, the Debtors filed a number of motions (collectively referred to herein as "***First Day Motions***") with the Bankruptcy Court. At a hearing conducted on August 21, 2025, the Bankruptcy Court entered several orders (the "***First Day Orders***") granting the substantive relief requested in the First Day Motions. The First Day Orders enabled the Debtors to, among other things: (a) prevent interruptions to the Debtors' businesses'; (b) ease the strain on the Debtors' relationships with certain essential constituents, including employees, vendors, customers and utility providers; and (c) provide access to critical financing and capital.

2. Procedural Motions

To facilitate a smooth and efficient administration of the Chapter 11 Cases, the Bankruptcy Court entered certain "procedural" First Day Orders, by which the Bankruptcy Court (a) approved the joint administration (for procedural purposes only) of the Debtors' Chapter 11 Cases, (b) authorized the Debtors to file a consolidated list of creditors in lieu of submitting a separate mailing matrix for each Debtor, (c) approved an extension of time to file the Debtors' Schedules, and (d) established Bar Dates and related procedures for filing Proofs of Claim.

3. Stabilizing Operations

Recognizing that any interruption of the Debtors' businesses, even for a brief period of time, would negatively impact their operations, relationships with their vendors, revenue and profits, the Debtors filed a number of First Day Motions to facilitate the stabilization of their operations and effectuate, as much as possible, a smooth transition into operations as debtors in possession. Specifically, in addition to certain orders discussed in greater detail below, the Debtors sought and obtained First Day Orders authorizing the Debtors to:

- pay prepetition wages, salaries, other compensation, reimbursable employee expenses and employee benefits [Docket No. 65];
- pay prepetition obligations on account of amounts owing to critical vendors, including transportation providers, and other potential lienholders [Docket Nos. 64 and 394];

- determine adequate assurance for future utility service and establish procedures for utility to object to such assurance [Docket No. 56];
- continue insurance coverage and a bonding program, and enter into new insurance policies and purchase new surety bonds or letters of credit, if necessary [Docket No. 57];
- maintain the existing cash management system [Docket Nos. 59 and 388]; and
- remit and pay certain taxes and fees [Docket No. 58].

In addition to the foregoing relief, to prevent the imposition of the automatic stay from disrupting their businesses and to ensure continued deliveries and services on favorable credit terms, the Debtors sought and obtained Bankruptcy Court approval to pay the prepetition claims of a substantial number of vendors and third-party service providers who the Debtors believe are essential to the ongoing operation of their businesses. The Debtors' ability to pay the claims of these vendors and service providers was and remains critical to their ongoing business operations and ultimate success in the Chapter 11 Cases.

4. Claims Bar Date Order

On August 21, 2025, the Bankruptcy Court entered the *Order Establishing (A) Bar Dates and Related Procedures for Filing Proofs of Claim, (B) Approving the Form and Manner of Notice Thereof, and (C) Granting Related Relief* [Docket No. 66], setting the deadline for filing a Proof of Claim in the Chapter 11 Cases as (a) October 1, 2025 at 5:00 p.m. (Prevailing Central Time) for all parties other than governmental units, and (b) February 16, 2026 at 5:00 p.m. (Prevailing Central Time) for governmental units.

Because the resolution process for the Claims is ongoing, the Claims figures identified in this Disclosure Statement represent estimates only and are subject to material change.

B. Debtor in Possession Financing and Use of Cash Collateral

The Debtors also filed a motion to approve, on an interim basis, the DIP Facilities and the use of cash collateral (the "***DIP Motion***"). Through the DIP Motion, the Debtors sought permission from the Bankruptcy Court to, among other things, (i) obtain secured postpetition financing in the form of a multi-draw DIP Facility, (ii) grant liens and superpriority administrative expense status on account thereof, (iii) utilize the cash collateral of prepetition secured parties, and (iv) modify the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary.

Following the hearing held on August 21, 2025, the Bankruptcy Court entered an order on August 21, 2025, approving the Debtors' DIP Motion on an interim basis and giving the Debtors access to up to $62.5 million [Docket Nos. 52 & 106].

Access to postpetition financing, coupled with the use of cash collateral, has allowed, and will continue to allow, the Debtors to, among other things: (i) continue their businesses in an orderly manner; (ii) maintain their valuable relationships with vendors, suppliers, customers and employees; and (iii) support their working capital, general corporate and overall operational needs.

On September 23, 2025, the Committee (as defined below) filed an objection to the final approval of the DIP Motion [Docket No. 346]. That objection argued, among other things, that the terms of the DIP were not fair and reasonable because: (a) the Backstop Premium is too large; (b) the case milestones imposed by the DIP Facility are unrealistic; and (c) the fee cap for the Committee is unduly restrictive.

The Debtors then filed a reply to the Committee's objection on September 29, 2025, requesting, among other things, that the Bankruptcy Court (a) overrule the Committee's objection, (b) approve the Debtors' DIP Motion on a final basis, and (c) give the Debtors access to up the remaining $37.5 million of the DIP Facility [Docket No. 377].

On September 30, 2025 and October 3, 2025, the Bankruptcy Court held a hearing to determine whether to approve the DIP Motion on a final basis. The Bankruptcy Court granted the relief sought by the Debtors and overruled the objection of the Committee. The Bankruptcy Court conditionally approved the DIP Facility on a final basis on October 3, 2025.

C. Appointment of Creditors' Committee

On September 5, 2025, an official committee of unsecured creditors was appointed by the United States Trustee for the Southern District of Texas (the "***Committee***") pursuant to section 1102 of the Bankruptcy Code [Docket No. 124]. The Committee is comprised of the following seven members: (a) Wilmington Savings Fund Society, FSB (in its capacity as trustee under the Subordinated Unsecured Notes Indenture); (b) Madison Avenue International LP; (c) Jupiter Asset Management; (d) Uber Health, LLC; (e) MedEx Medical Transport Service, Inc.; (f) Randstad North America; and (g) Marquis Hines. The Committee subsequently retained White & Case LLP as its proposed counsel and AlixPartners LLP as its proposed financial advisor.

D. Filing of the Schedules

On August 21, 2025, the Bankruptcy Court entered the *Order (A) Extending the Time to File Schedules and Statements and 2015.3 Reports; (B) Modifying the Requirements of Bankruptcy Local Rule 2015-3; and (C) Granting Related Relief* [Docket No. 54], setting September 17, 2025 as the deadline by which the Debtors must file their schedules. On September 17, 2025, the Debtors filed their Schedules.

E. Plan Investigations

Prior to the commencement of the Chapter 11 Cases, the Board empowered and authorized one of its independent directors, Daniel B. Silvers (the "***Independent Director***"), being the most recent appointee to the Board, to investigate potential claims that the Debtors might hold against their directors, officers, employees, lenders, stockholders, or advisors; review any proposed releases including, most notably, the releases proposed to be given under the Plan; and make a recommendation to the Board in connection therewith (the "***Investigation***"). Latham & Watkins LLP ("***Latham***") initially assisted the Independent Director in the Investigation. Because Latham formerly represented the First Lien Agent, the Independent Director prefers to have separate counsel investigate the validity of liens held by the First Lien Agent (and the First Lien Lenders) and any potential estate causes of action against those parties. Given the foregoing, the Debtors subsequently retained Quinn Emanuel Urquhart & Sullivan LLP ("***Quinn Emanuel***") to assist

with the Investigation. Though Quinn Emanuel and Latham could have divided the Investigation between each other, the Independent Director prefers to have one single counsel (Quinn Emanuel) conduct the entire Investigation to increase efficiency and minimize duplication of work, time, and efforts.

The Investigation is focused on numerous types of claims, including, without limitation, the following: potential fraudulent conveyances, preferences, negligence, corporate mismanagement, or waste, and breaches of fiduciary duty. In connection with the Investigation, and at the direction of the Independent Director, Quinn Emanuel is reviewing thousands of pages of documents from the period preceding the Petition Date and conducting interviews with Company representatives and advisors.

Quinn Emanuel's investigation includes analyzing the viability of claims arising out of, among other things, the Fifth Amendment, including potential claims for (a) breach of fiduciary duty, (b) breach of contract, (c) breach of the covenant of good faith and fair dealing, and (d) avoidance actions under the Bankruptcy Code.

F. Hotline Investigations

Shortly prior to the commencement of the Chapter 11 Cases, the Audit Committee directed Latham to undertake an investigation with respect to compliance hotline allegations, including matters related to the Company's culture (the "***Hotline Investigation***"). The Company publicly disclosed the investigation in the Form 12b-25, NT 10-Q, filed with the SEC on August 12, 2025. The Hotline Investigation has continued since the commencement of the Chapter 11 Cases. The Company anticipates that it will publicly disclose additional information about the Hotline Investigation once it has concluded.

G. Committee Investigation

Upon being appointed, the Committee immediately commenced an extensive and thorough investigation into whether the Debtors' estates hold claims and causes of action that could constitute a source of value for unsecured creditors (the "***Committee Investigation***"). To facilitate the Committee Investigation, the Debtors and their advisors have produced approximately 2,500 documents in a data room to the Committee's financial advisor, nearly 4,000 additional documents including email communications and Board materials to the Committee's counsel, and Debtor witnesses to testify in two depositions. The Debtors expect to produce further documents to the Committee on a rolling basis during the pendency of the Chapter 11 Cases as well as further depositions in connection with the confirmation hearing. The Committee Investigation is ongoing.

H. Lease Rejections

On September 18, 2025, the Debtors filed a motion to reject ten unexpired leases and abandon certain remaining personal property in connection therewith. This was the culmination of an extensive analysis conducted by the Debtors through which it was determined that certain of their leases were surplus to needs, and that others were unduly burdensome. The Debtors continue to review and analyze their lease portfolio and may reject additional leases in the Chapter 11 Cases.

I. Settlement between UHC and ModivCare

As described above in Section IV, the Debtors received notice from UHC, prior to the petition date, of their intention to not renew that certain Network Access Agreement dated as of March 15, 2009, and the addenda thereto (each, as amended from time to time, "the ***UHC Agreement***"). The UHC Agreement governs the terms pursuant to which Debtor ModivCare Solutions LLC provides NEMT services to UHC's members in exchange for service fees. Pursuant to the notice, non-renewal of the UHC Agreement would take effect in January 2026 for certain regions and in March 2026 for the remaining regions.

The amount of and method of payment under the UHC Agreement differs depending on where and what services are provided. However, generally, such fees are paid in advance on a monthly basis and are subject to an annual review and reconciliation process. As part of such reconciliation process, the parties review the detailed encounter data from the previous year to "true-up" any shortfalls or over-payments. As of the Petition Date, the Debtors estimated that they were entitled to a "true-up" payment in excess of $25 million for the period between January 2025 and June 2025; however, such reconciliation process will not begin until March 2026. Therefore, if the Debtors continued to provide the same volume of service to UHC at the same contracted rates until the end of 2025, the Debtors believe that the amount to be reconciled will grow to over $50 million.

To avoid potential disputes over the substantial reconciliation payments that have and will continue to accrue under the UHC Agreement, the Debtors and UHC negotiated a settlement that was memorialized in an amendment to the UHC Agreement (the "***UHC Amendment***"), dated September 5, 2025.

On October 3, 2025, the Debtors filed a motion seeking an order pursuant to Bankruptcy Rule 9019 to, among other things, authorize the Debtors to enter into, execute, deliver, and implement the terms of the UHC Amendment [Docket No. 440]. The terms of the UHC Amendment are more fully set forth in that motion, but in summary, the UHC Amendment provides for: (a) immediate payment of $25 million to the Debtors on account of services rendered to UHC from January through June 2025; (b) higher contracted payment rates starting in July 2025 and running through the end of the contract term; and (c) certain transition and reporting obligations to ensure continuity of service for those UHC members that rely on ModivCare's NEMT services.

J. Retention Applications and Compensation of Professionals

The Debtors have filed various applications to retain professionals during these Chapter 11 Cases, as is common in chapter 11 cases of similar size and complexity, including applications for the entry of orders authorizing the retention of:

- Latham & Watkins LLP as bankruptcy counsel [Docket No. 342];
- Hunton Andrews Kurth LLP as bankruptcy co-counsel [Docket No. 339];
- Moelis & Company LLC as investment banker and placement agent [Docket No. 340];
- FTI Consulting, Inc, as financial advisor [Docket No. 341];

- Ernst & Young LLP as tax, consulting, accounting and valuation services provider [Docket No. 342];
- Quinn Emanuel Urquhart & Sullivan LLP as counsel to the special committee of the Board [Docket No. 362]; and
- Kurtzman Carson Consultants LLC d/b/a Verita Global as Claims, Noticing, and Solicitation Agent [Docket No. 3], which the Bankruptcy Court approved on August 21, 2025 [Docket No. 30].

The Debtors have also filed a motion to establish the procedures by which these professionals, and the professionals retained by the Consenting Creditors and the Committee, can be paid or have their fees objected to [Docket No. 335].

In addition to the above professionals, all of whom have been retained for the purposes of the bankruptcy, the Debtors have requested Court authorization to continue retaining, and to retain new, professionals in the ordinary course of business [Docket No. 336]. Such professionals assist the Debtors with, among other things, audits, tax returns, general corporate services, regulatory matters, and litigation.

K. Plan Exclusivity

The Debtors have the exclusive right to file a chapter 11 plan until December 18, 2025. This date can be extended by an order of the Bankruptcy Court. The Debtors do not currently anticipate that they will require an extension, though if the need arises, the Debtors may make an application to the Bankruptcy Court seeking such an extension under section 1121 of the Bankruptcy Code.

VII.
SUMMARY OF THE PLAN

THE TERMS OF THE PLAN, A COPY OF WHICH IS ATTACHED AS EXHIBIT A TO THIS DISCLOSURE STATEMENT, ARE INCORPORATED BY REFERENCE HEREIN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN THE DOCUMENTS REFERENCED THEREIN, WHICH ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN (AS WELL AS THE EXHIBITS THERETO AND DEFINITIONS THEREIN).

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO THEREIN, AND REFERENCE IS MADE TO THE PLAN AND TO SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENT OF SUCH TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO THEREIN. HOLDERS OF CLAIMS AGAINST, AND INTERESTS IN, THE DEBTORS AND OTHER INTERESTED PARTIES ARE URGED TO READ THE PLAN AND THE EXHIBITS THERETO IN THEIR ENTIRETY SO THAT THEY MAY MAKE AN INFORMED JUDGMENT CONCERNING THE PLAN.

A. Classification and Treatment of Claims and Interests under the Plan

The provisions of Article III of the Plan govern Claims against and Interests in the Debtors. For all purposes under the Plan, each Class will exist for each of the Debtors; *provided*, that any Class that is vacant as to a particular Debtor will be treated in accordance with Article 3.5 of the Plan. In accordance with section 1123(a)(1) of the Bankruptcy Code, the Debtors have not classified Administrative Claims, DIP Claims, Priority Tax Claims, Claims for the Premiums and Fees, and Professional Fee Claims as described in Article II of the Plan.

The categories of Claims and Interests listed below classify Claims and Interests for all purposes, including voting, Confirmation and distribution pursuant to the Plan and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. The Plan deems a Claim or Interest to be classified in a particular Class only to the extent that such Claim or Interest qualifies within the description of that Class and will be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class. A Claim or an Interest is in a particular Class only to the extent that any such Claim or Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date.

Summary of Classification and Treatment of Claims and Interests

Class	Claim	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Presumed to Accept
2	Other Priority Claims	Unimpaired	Presumed to Accept
3	***First Lien Claims***	***Impaired***	***Entitled to Vote***
4	***General Unsecured Claims***	***Impaired***	***Entitled to Vote***
5	***Subordinated Unsecured Notes Claims***	***Impaired***	***Entitled to Vote***
6	Intercompany Claims	Unimpaired	Presumed to Accept
7	Subordinated Claims	Impaired	Deemed to Reject
8	Intercompany Interests	Unimpaired	Presumed to Accept
9	Existing Parent Equity Interests	Impaired	Deemed to Reject

B. Acceptance or Rejection of the Plan; Effect of Rejection of the Plan

1. Presumed Acceptance of Plan

If a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Plan shall be presumed accepted by such Class.

Class 1 and Class 2 are Unimpaired under the Plan. Therefore, the Holders of Claims or Interests in such Classes are deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan. Accordingly, the votes of such Holders shall not be solicited. Notwithstanding their non-voting status, Holders of such Claims shall receive a Release Opt-Out Form solely for purposes of providing such Holders with the opportunity to opt out of the Third-Party Release.

2. Voting Classes

Classes 3, 4, and 5 are Impaired under the Plan. The Holders of Claims in such Classes as of the Voting Record Date are entitled to vote to accept or reject the Plan, including by acting through a

voting Representative. For purposes of determining acceptance and rejection of the Plan, votes shall be tabulated on a Debtor-by-Debtor basis.

Pursuant to section 1126(c) of the Bankruptcy Code, an impaired class of claims shall have accepted the plan if (a) the holders, including holders acting through a voting representative, of at least two-thirds (2/3) in amount of claims actually voting in such class have voted to accept the plan and (b) the holders, including holders acting through a voting representative, of more than one-half (1/2) in number of claims actually voting in such class have voted to accept the plan. Holders of Claims in the Voting Classes (or, if applicable, the voting Representatives of such Holders) shall receive Ballots containing detailed voting instructions. For the avoidance of doubt, each Claim in the Classes entitled to vote to accept or reject the Plan that is not Allowed pursuant to the Plan, and in each case, is wholly contingent, unliquidated, or Disputed, in each case, shall be accorded one (1) vote and valued at one dollar ($1.00) for voting purposes only, and not for purposes of allowance or distribution.

3. Deemed Rejection of the Plan

Classes 7 and 9 are Impaired and Holders of Subordinated Claims and Existing Parent Equity Interests in such Classes shall receive no distribution under the Plan on account of such Claims or Interests, as applicable. Therefore, the Holders of Subordinated Claims and Existing Parent Equity Interests are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan. Such Holders will, however, receive a Release Opt-Out Form to allow such Holders to affirmatively opt-out of the Third-Party Release.

4. Confirmation Pursuant to Section 1129(a)(10) and 1129(b) of the Bankruptcy Code

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by any of the Voting Classes. The Debtors request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code with respect to any Impaired Class that does not accept the Plan pursuant to section 1126 of the Bankruptcy Code. The Debtors reserve the right to modify the Plan or any Exhibit or the Plan Supplement in order to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary, including by modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and Bankruptcy Rules.

5. Subordinated Claims

The allowance, classification, and treatment of all Allowed Claims and Interests, and the respective distributions and treatments under the Plan, shall take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, sections 509 or 510 of the Bankruptcy Code, or otherwise; *provided*, that notwithstanding the foregoing, such Allowed Claims or Interests and their respective treatments set forth herein shall not be subject to setoff, demand, recharacterization, turnover, disgorgement, avoidance, or other similar rights of recovery asserted by any Person. Pursuant to section 510 of the Bankruptcy Code, except where otherwise provided herein, the Reorganized

Debtors reserve the right to re-classify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination rights relating thereto. The Debtors or Reorganized Debtors, as applicable, reserve the right to seek a ruling from the Bankruptcy Court determining whether any Claim should be subordinated pursuant to section 510(b) of the Bankruptcy Code and treated under the Plan as a Class 7 Subordinated Claim.

6. Special Provision Governing Unimpaired Claims

Except as otherwise provided therein, nothing under the Plan shall affect or limit the Debtors' or the Reorganized Debtors' rights and defenses (whether legal or equitable) in respect of any Unimpaired Claims, including, all rights in respect of legal and equitable defenses to, or setoffs or recoupments against, any such Unimpaired Claims.

7. Vacant and Abstaining Classes

Any Class of Claims or Interests that, as of the commencement of the Confirmation Hearing does not have at least one Holder of a Claim or Interest that is Allowed, or temporarily Allowed under Bankruptcy Rule 3018, in an amount greater than zero for voting purposes shall be considered vacant, deemed eliminated from the Plan for purposes of determining acceptance or rejection of the Plan pursuant to section 1129(a)(8) of the Bankruptcy Code with respect to that Class.

8. Controversy Concerning Impairment

If a controversy arises as to whether any Claim or Interest (or any Class of Claims or Interests) is Impaired under the Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date, absent consensual resolution of such controversy consistent with the Restructuring Support Agreement among the Debtors and the complaining Entity or Entities.

9. Intercompany Interests and Intercompany Claims

To the extent Intercompany Interests and Intercompany Claims are Reinstated under the Plan, distributions on account of such Intercompany Interests and Intercompany Claims are not being received by Holders of such Intercompany Interests or Intercompany Claims on account of their Intercompany Interests or Intercompany Claims, but for the purposes of administrative convenience and to maintain the Debtors' (and their Affiliates') corporate structure, for the ultimate benefit of the Holders of New Common Interests, to preserve ordinary course intercompany operations, and in exchange for the Debtors' and Reorganized Debtors' agreement under the Plan to make certain distributions to the Holders of Allowed Claims. Holders of Intercompany Interests and Intercompany are not entitled to vote to accept or reject the Plan, as such Holders will be Unimpaired and conclusively be presumed to accept the Plan.

C. Means of Implementation of the Plan

Article V of the Plan governs and describes the means of implementation of the Plan.

Article 5.1 ("***Restructuring Transactions***") of the Plan provides that, without limiting any rights and remedies of the Debtors or Reorganized Debtors under the Plan or applicable law, but in all

cases subject to the terms and conditions of the Definitive Documents and any consents or approvals thereunder, the entry of the Confirmation Order shall constitute authorization for the Reorganized Debtors to take, or to cause to be taken, together with any other transaction that may be necessary or appropriate to effect any transaction described in the Restructuring Support Agreement, or described in, approved by, contemplated by, or necessary to effectuate the Plan, including: (a) the execution and delivery of any appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, formation, organization, dissolution, or liquidation containing terms that are consistent with the terms of the Plan, and that satisfy the requirements of applicable law and any other terms to which the applicable Persons may agree, including the documents comprising the Plan Supplement; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any Asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable Persons agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, amalgamation, consolidation, conversion, or dissolution pursuant to applicable state law or the filing of any elections; (d) such other transactions that are required to effectuate the Restructuring Transactions, including any mergers, consolidations, restructurings, conversions, elections, dispositions, transfers, formations, organizations, dissolutions, or liquidations; (e) the execution, delivery, and Filing, if applicable, of the Definitive Documents; (f) the issuance of Plan Securities, all of which shall be authorized and approved in all respects, in each case, without further action being required under applicable law, regulation, order or rule; and (g) all other actions that the applicable Persons determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law (collectively, the "***Restructuring Transactions***").

Article 5.2 ("***Compromise and Settlement of Claims, Interests, and Controversies***") of the Plan provides that, in consideration for the classification, distribution, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute an integrated, good faith compromise and settlement of all Claims, Interests, and controversies relating to the contractual, legal, equitable, and subordination rights that a Claim or an Interest Holder may have with respect to any Allowed Claim or Allowed Interest or any distribution to be made on account of such Allowed Claim or Allowed Interest. The Plan shall be deemed a motion to approve the good-faith compromises and settlements of all Claims, Interests, Causes of Action, and controversies pursuant to Bankruptcy Rule 9019. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromises, settlements, and transactions under Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such compromises, settlements, and transactions are in the best interests of the Debtors, their Estates, and Holders of Allowed Claims and Allowed Interests, and each such compromise, settlement, and transaction, is far, equitable, and within the range of reasonableness. Subject to the provisions of the Plan governing distributions, all distributions made to Holders of Allowed Claims and Allowed Interests in any Class are intended to be and shall be final. As consideration for, among other things, the Releases provided pursuant to the Plan, the Consenting Creditors have agreed pursuant to the Restructuring Support Agreement, for the benefit of the Debtors and the Debtors' Estates, to make contributions to enable the implementation of the Plan, such contributions being fundamentally necessary to the implementation of the Plan, and without consideration, including the Releases, the Consenting Creditors would not have agreed to make the contributions reflected therein. The compromises and settlements described under the Plan shall be non-severable from each other and from all other terms of the Plan.

Article 5.3 ("***Administrative Consolidation for Voting and Distribution Purposes Only***") of the Plan provides that, other than with respect to Debtor ModivCare, the Plan is premised upon the substantive consolidation of the Debtors solely for the purposes of voting, determining which Class or Classes have accepted the Plan, confirming the Plan, and the resulting treatment of all Claims and Interests and Plan distributions. Each Debtor shall continue to maintain its separate corporate existence for all purposes other than the treatment of Claims and Interests under the Plan. On the Effective Date, and except as otherwise expressly provided in the Plan, solely for voting, confirmation, and distribution purposes with respect to each Class of Claims or Interests, other than with respect to Debtor ModivCare: (a) all Claims or Interests in each respective Class shall be deemed merged or consolidated and treated as Claims or Interests against the Debtors on a consolidated basis; (b) each Claim or Interest in each respective Class will be deemed a single Claim against, or Interest in, the consolidated Debtors; (c) any Claim in a given Class based on a guaranty by any Debtor of the obligations of any other Debtor shall be deemed eliminated and extinguished, so that any Claim against any Debtor and any guarantee thereof by any other Debtor, and any joint or several liability of any of the Debtors, shall be deemed to be one obligation of the consolidated Debtors; and (d) each Holder of any Allowed Claim or Interest in a given Class shall be entitled to a single recovery on account of such Claim or Interest, in accordance with the treatment provided under the Plan for such Class, regardless of whether such Holder filed Proofs of Claim against multiple Debtors or has Claims against multiple Debtors based on the same or similar debt.

Article 5.3 of the Plan further provides that such substantive consolidation is solely for voting, confirmation and distribution purposes with respect to each Class and shall not constitute a transfer of Assets or liabilities between the Debtors for any other purpose. Moreover, the Plan's treatment shall not affect any subordination provisions set forth in any agreement relating to any Claim or Interest or the ability of the post-Effective Date Debtors or to seek to have any Claim subordinated in accordance with section 510 of the Bankruptcy Code or other applicable law. Pursuant to section 510 of the Bankruptcy Code, the Debtors expressly reserve the right to reclassify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto. Except as provided in the Plan, all subordination rights that a Holder of a Claim may have with respect to any distribution to be made pursuant to the Plan shall be discharged and terminated, and all actions related to the enforcement of such subordination rights shall be permanently enjoined.

Article 5.11 ("***Cancellation of Existing Agreements Securities and Agreements***") provides that, except for the purpose of evidencing a right to a distribution under the Plan and except as otherwise set forth in the Plan, including with respect to Executory Contracts or Unexpired Leases that shall be assumed by the Reorganized Debtors, or any contract, instrument, or other agreement or document created in connection with the Plan, on the Effective Date, all agreements, instruments, notes, certificates, mortgages, security documents, Prepetition Funded Debt Documents, and any other documents evidencing any Claim or Interest (other than Intercompany Claims and Intercompany Interests that are not modified by the Plan) and any rights of any Holder in respect thereof shall be deemed canceled, discharged, and of no further force or effect, without any further act or action of any person under any applicable agreement, instrument, document, law, regulation, order, or rule, and the obligations of the Debtors thereunder shall be deemed automatically fully satisfied, released, and discharged, and each of the Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent, and their respective agents, successors and

assigns shall each be automatically and fully released and discharged of and from all duties and obligations thereunder. Notwithstanding such cancellation and discharge on the Effective Date and the release of the Second Lien Notes Trustee and the First Lien Agent from their respective duties thereunder, the First Lien Credit Agreement, the Second Lien Notes Indenture, and the Subordinated Unsecured Notes Indenture shall continue in effect solely (a) to the extent necessary to allow the Holders of First Lien Claims, Second Lien Claims, and Subordinated Unsecured Notes Claims to receive distributions under the Plan in accordance therewith; (b) to the extent necessary to allow the Debtors, the Reorganized Debtors, and/or the Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent each to make post-Effective Date distributions in accordance with the Plan at the expense of the Reorganized Debtors, subject to their respective rights as Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent under the First Lien Credit Agreement, the Second Lien Notes Indenture, and the Subordinated Unsecured Notes Indenture, as applicable, or take such other action expressly authorized by the Plan on account of Allowed First Lien Claims, Second Lien Claims, and Subordinated Unsecured Notes Claims; (c) to allow the Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent to appear in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court or any other court, including to enforce the respective obligations owed to each of them under the Plan and to enforce any respective obligations owed to each of them under the Plan in accordance with the respective Prepetition Funded Debt Documents; (d) to allow the Second Lien Notes Trustee to exercise its Second Lien Notes Trustee Charging Lien against distributions to Holders of Second Lien Claims, as applicable; (e) to preserve all rights, remedies, indemnities, powers, and protections, including rights of enforcement, of the Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent against any person or entity (including, without limitation, with respect to any indemnification or contribution under the respective Prepetition Funded Debt Documents) or any exculpations of the Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent, pursuant to and subject to the terms of the respective Prepetition Funded Debt Documents to the extent such rights, remedies, indemnities, powers, and protections are still enforceable and are not cancelled by the Plan; and (f) to permit the Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent to perform any functions that are necessary to effectuate the foregoing, *provided*, that nothing in the foregoing shall affect the discharge of Claims pursuant to the Bankruptcy Code, the Confirmation Order, or the Plan or result in any liability or expense to the Reorganized Debtors. Nothing contained herein shall be deemed to cancel, terminate, release, or discharge the obligation of the Debtors or any of their counterparties under any Executory Contract or Unexpired Lease to the extent such Executory Contract or Unexpired Lease has been assumed by the Debtors pursuant to a Final Order of the Bankruptcy Court or hereunder. For the avoidance of doubt, the Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent shall have no ongoing duties to the Holders of the First Lien Claims, the Second Lien Claims, and the Subordinated Unsecured Notes Claims under any of the canceled and discharged First Lien Credit Agreement, Second Lien Notes Indenture, Subordinated Unsecured Notes Indenture, and Prepetition Funded Debt Documents following the Effective Date other than as expressly set forth in the Plan or Confirmation Order.

Article 5.15 ("***First Lien Claim Equity Option***") of the Plan provides that, prior to the Effective Date, each Holder of an Allowed First Lien Claim shall have the opportunity to irrevocably elect to receive (subject to the limitations set forth in the Election Procedures)

(a) additional New Common Interests in lieu of receiving some or all of their pro rata share Exit Term Loans (the "***Equity Option***") or (b) additional Exit Term Loans in lieu of receiving some or all of their portion of the New Common Interests. New Common Interests distributed pursuant to the Equity Option shall not reduce the aggregate amount of Exit Term Loans available for distribution. The (a) New Common Interests distributed on account of the Equity Option shall reduce, on a ratable basis and at a ratio to be set forth in the Election Procedures, the amount of New Common Interests issued to each Holder of the Allowed First Lien Claims that elects to receive additional Exit Term Loans (to the extent available) in lieu of its pro rata portion of the New Common Interests and (b) the Exit Term Loans distributed on account of the Equity Option shall reduce, on a ratable basis and at a ratio to be set forth in the Election Procedures, the amount of Exit Term Loans issued to each Holder of the Allowed First Lien Claims that elects to receive additional New Common Interests in lieu of its pro rata portion of the Exit Term Loans. Holders shall have the opportunity to make such election pursuant to the Election Procedures.

Article 5.16 ("***Issuance of New Common Interests and Deregistration***") of the Plan provides that, on the Effective Date, Reorganized Parent shall issue and deliver or reserve for issuance, as applicable, all of the New Common Interests issuable in accordance with the terms of the Plan and the other Definitive Documents. The issuance and delivery or reservation for issuance, as applicable, of such New Common Interests is authorized without the need for further corporate or other action or any consent or approval of any national securities exchange upon which the New Common Interests may be listed on or immediately following the Effective Date. All of the New Common Interests issuable under the Plan and the other Definitive Documents shall, when so issued in accordance with the Plan and/or any other applicable Definitive Documents, be duly authorized, validly issued, fully paid, and non-assessable. Each Holder of New Common Interests shall be deemed, without further notice or action, to have agreed to be bound by the New Corporate Governance Documents, as the same may be amended from time to time following the Effective Date in accordance with their terms. The New Corporate Governance Documents shall be binding on all Entities receiving New Common Interests (and their respective successors and permitted assigns), whether received pursuant to the Plan or otherwise and regardless of whether such Entity executes or delivers a signature page to any New Corporate Governance Document. The issuance and delivery or reservation for issuance, as applicable, of the New Common Interests in accordance with the Plan and the other Definitive Documents are authorized without the need for any further limited liability company or corporate action and without any further action by any Holder of a Claim or Interest.

The Plan further provides that Reorganized Parent shall not be obligated to effect or maintain any listing of the New Common Interests for trading on any national securities exchange (within the meaning of the Exchange Act) and it has no current intention of maintaining or obtaining such listing. The New Common Interests are expected to be delivered via book-entry transfer by the Distribution Agent in accordance with the Plan and the other Definitive Documents, rather than through the facilities of DTC; however, in the event the New Common Interests are DTC eligible on the Effective Date, delivery thereof may be made via DTC. Upon the Effective Date, after giving effect to the Restructuring Transactions, the New Common Interests shall be that number of shares or membership interests as may be designated in the New Corporate Governance Documents. On and after the Effective Date, transfers of New Common Interests shall be made in accordance with applicable United States law, United States securities laws (as applicable), and the New Corporate Governance Documents.

As promptly as reasonably practicable following the Effective Date, Reorganized Parent shall take all necessary steps in accordance with and to the extent permitted by the Exchange Act and Securities Act to terminate the registration of all Securities under the Exchange Act and Securities Act, including to de-register its Existing Parent Equity Interests, and to terminate its reporting obligations under sections 12, 13, and 15(d) of the Exchange Act, including by (1) filing, or causing any applicable national securities exchange to file, a Form 25 with the SEC under the Exchange Act, and (2) filing a Form 15 with the SEC under the Exchange Act.

Article 5.17 ("***Effectuating Documents; Further Transactions***") of the Plan provides that before, on, and after the Effective Date, the Debtors, the Reorganized Debtors, and the directors, managers, officers, authorized persons, and members of the boards of directors or managers and directors or managers of the foregoing, are authorized to and may issue, execute, deliver, file, or record such contracts, securities, notes, instruments, certificates, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and provisions of the Plan, the New Corporate Governance Documents, the Exit Facilities Documents, and any Securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, actions, or consents except for those expressly required pursuant to the Plan.

Article 5.18 ("***Authority of the Debtors***") of the Plan provides that, effective on the Confirmation Date, the Debtors and the Reorganized Debtors, as applicable, will be empowered and authorized to take or cause to be taken, before the Effective Date, all actions necessary or appropriate to achieve the Effective Date and enable the Reorganized Debtors to implement effectively the provisions of the Plan, the Confirmation Order, the Definitive Documents, and the Restructuring Transactions.

Article 5.19 ("***Continuing Effectiveness of Final Orders***") of the Plan provides that payment authorization granted to the Debtors under any prior Final Order entered by the Bankruptcy Court will continue in effect after the Effective Date, and that the Debtors or the Reorganized Debtors may pay or otherwise satisfy any Claim to the extent permitted by, and subject to, the applicable Final Order without regard to the treatment that would otherwise be applicable to such Claim under the Plan.

Finally, as set forth more fully in the Plan, Article V of the Plan provides, among other things, that the Reorganized Debtors shall enter into agreements and amend their Corporate Governance Documents to the extent necessary to implement the terms and provisions of the Plan (Article 5.5).

D. Treatment of Executory Contracts and Unexpired Leases; Employee Benefits; and Insurance Policies

Article VIII of the Plan governs the treatment of the Debtors' Executory Contracts and Unexpired Leases, among other things.

Article 8.1 ("***Assumption of Executory Contracts and Unexpired Leases***") of the Plan provides that, on the Effective Date, all Executory Contracts and Unexpired Leases of the Debtors, including, but not limited to, employee contracts and offer letters (other than any individual employee contract or offer letter for which the parties separately agree to different treatment),

which have not expired by their own terms on or prior to the Confirmation Date will be deemed assumed by the Debtors in accordance with, and subject to, the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, except for those Executory Contracts and Unexpired Leases that, in each case:

(i) have been assumed and assigned, or rejected by the Debtors by prior order of the Bankruptcy Court;

(ii) are the subject of a motion to reject Filed by the Debtors pending on the Effective Date;

(iii) are identified as rejected Executory Contracts and Unexpired Leases by the Debtors on the Schedule of Rejected Executory Contracts and Unexpired Leases to be Filed in the Plan Supplement, which may be amended by the Debtors up to and through the Effective Date to add or remove Executory Contracts and Unexpired Leases by Filing with the Bankruptcy Court a subsequent Plan Supplement and serving it on the affected non-Debtor contract parties prior to the Effective Date;

(iv) are rejected or terminated pursuant to the terms of the Plan; or

(v) are the subject of a pending Cure dispute.

Article 8.1 further provides that, without amending or altering any prior order of the Bankruptcy Court approving the assumption or rejection of any Executory Contract or Unexpired Lease, the Confirmation Order shall constitute an order of the Bankruptcy Court approving such assumptions, assumptions and assignments, and the rejection of Executory Contracts and Unexpired Leases set forth in the Schedule of Rejected Executory Contracts and Unexpired Leases provided for in the Plan pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date.

The Plan further provides that, to the extent any provision in any Executory Contract or Unexpired Lease assumed or assumed and assigned (as applicable) pursuant to the Plan or any prior order of the Bankruptcy Court (including, without limitation, any "change of control" provision, "change of control" provision, or provision with words of similar import) prohibits, restricts or conditions, or purports to prohibit, restrict or condition, or is modified, breached or terminated, or deemed modified, breached or terminated by, (i) the commencement of the Chapter 11 Cases or the insolvency or financial condition of any Debtor at any time before the closing of its respective Chapter 11 Case, (ii) any Debtor's or any Reorganized Debtor's assumption or assumption and assignment (as applicable) of such Executory Contract or Unexpired Lease or (iii) the Confirmation or consummation of the Plan, then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to modify or terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights or remedies with respect thereto, and any required consent under any such contract or lease shall be deemed satisfied by the Confirmation of the Plan.

In addition, each Executory Contract and Unexpired Lease assumed and/or assigned pursuant to the Plan shall revest in and be fully enforceable by the applicable Reorganized Debtor or the applicable assignee in accordance with its terms and conditions, except as modified by the

provisions of the Plan, any order of the Bankruptcy Court approving its assumption and/or assignment, or applicable law.

The Debtors reserve the right, on or before the Effective Date, to amend the Schedule of Rejected Executory Contracts and Unexpired Leases and/or to add or remove any Executory Contract and Unexpired Lease; *provided*, the Debtors or Reorganized Debtors, as applicable, may (with the prior written consent of the Required Consenting First Lien Lenders) amend the Schedule of Rejected Executory Contracts or Unexpired Leases to add or delete any Executory Contracts or Unexpired Leases after such date to the extent agreed to by the relevant counterparties or approved by an order of the Bankruptcy Court.

The Plan further provides that, the inclusion or exclusion of a contract or lease on any schedule or exhibit will not constitute an admission by any Debtor that such contract or lease is an Executory Contract or Unexpired Lease or that any Debtor has any liability thereunder.

Article 8.2 ("***Payments Related to Assumption of Executory Contracts and Unexpired Leases***") of the Plan provides that any monetary defaults under each Executory Contract and Unexpired Lease to be assumed, or assumed and assigned, pursuant to the Plan will be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the amount of the Cure Claim in Cash on the Effective Date or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree.

The Plan further provides that in the event of a dispute regarding (a) the amount of any Cure Claim, (b) the ability of the Reorganized Debtors to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code), if applicable, under the Executory Contract or the Unexpired Lease to be assumed or (c) any other matter pertaining to assumption, the Cure Claims will be paid following the entry of a Final Order resolving the dispute and approving the assumption of such Executory Contracts or Unexpired Leases; *provided*, that the Debtors or the Reorganized Debtors, as applicable, may settle any dispute regarding the amount of any Cure Claim without any further notice to or action, order or approval of the Bankruptcy Court.

Article 8.3 ("***Claims on Account of the Rejection of Executory Contracts or Unexpired Leases***") of the Plan provides that all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to the Plan or the Confirmation Order, if any, must be Filed with the Bankruptcy Court within twenty-one (21) days after service of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection. Any Claim arising from the rejection of Executory Contracts or Unexpired Leases that becomes an Allowed Claim is classified and shall be treated as a General Unsecured Claim.

The Plan further provides that any Person or Entity that is required to File a Proof of Claim arising from the rejection of an Executory Contract or an Unexpired Lease that fails to timely do so will be forever barred, estopped and enjoined from asserting such Claim, and such Claim will not be enforceable, against the Debtors, the Reorganized Debtors or the Estates, and the Debtors, the Reorganized Debtors, and their Estates and their respective Assets and property will be forever discharged from any and all indebtedness and liability with respect to such Claim unless otherwise ordered by the Bankruptcy Court or as otherwise provided in the Plan. Further, all such Claims

will, as of the Effective Date, be subject to the permanent injunction set forth in Article X, Section 10.5 of the Plan.

Article 8.4 ("***Survival of the Debtors' Indemnification Obligations***") of the Plan provides that, except as otherwise provided in the Plan or the Confirmation Order, and subject to the Schedule of Retained Causes of Action, to the fullest extent permitted by applicable law, the Indemnification Obligations shall not be discharged, impaired, or otherwise affected by the Plan; *provided*, that the Debtors or the applicable Reorganized Debtors, as applicable, shall not indemnify any such officers, directors, agents, or employees of the Debtors for any Claims or Causes of Action arising out of or relating to any act or omission for which indemnification is barred under applicable law or that is excluded under the terms of the foregoing organizational documents or applicable agreements governing the Debtors' Indemnification Obligations. Except as otherwise provided in the Plan, all such Indemnification Obligations shall be deemed and treated as Executory Contracts that are assumed by the Debtors under the Plan.

Article 8.5 ("***Employee Plans***") of the Plan concerns the Debtors' Compensation and Benefit Programs and the Debtors' Workers' Compensation Contracts.

Article 8.5(a) provides that all Employee Plans that exist as of the Petition Date shall be assumed on the Effective Date as Executory Contracts pursuant to sections 365 and 1123 of the Bankruptcy Code, and that the assumption of any Employee Plans shall not trigger any applicable change of control, immediate vesting, termination, or similar provisions therein, including any right to severance pay in connection with a change in control.

The Plan further provides that, unless expressly agreed to in writing between the Debtors and the Required Consenting First Lien Lenders (except as provided in the Restructuring Support Agreement) if an Employee Plan provides in part for an award or potential award of Interests or consideration based on the value of Interests that have not vested into Existing Parent Equity Interests as of the Petition Date, such Employee Plan shall be assumed in all respects other than the provisions of such agreement relating to Interest awards, which interest awards shall be canceled and discharged.

Article 8.5(b) provides that, as of the Effective Date, the Debtors and the Reorganized Debtors shall continue to honor their obligations under all applicable workers' compensation programs and in accordance with all applicable workers' compensation Laws in states in which the Reorganized Debtors operate. Any Claims arising under workers' compensation programs shall be deemed withdrawn once satisfied without any further notice to or action, order, or approval of the Bankruptcy Court; *provided*, that nothing in the Plan shall limit, diminish, or otherwise alter the Debtors' or Reorganized Debtors' defenses, Causes of Action, or other rights under applicable law, including non-bankruptcy Law, with respect to any such workers' compensation programs; *provided further*, that nothing therein shall be deemed to impose any obligations on the Debtors in addition to what is provided for under applicable state Law.

Article 8.6 ("***Insurance Policies***") of the Plan provides that all insurance policies to which any Debtor is a party as of the Effective Date, shall be deemed to be and treated as Executory Contracts and shall be assumed by the applicable Debtors or the Reorganized Debtors and shall continue in full force and effect thereafter in accordance with their respective terms and shall survive

unimpaired under the Plan, and all such insurance policies shall vest in the Reorganized Debtors. Coverage for defense and indemnity under the D&O Policies shall remain available to all individuals within the definition of "Insured" in any D&O Policy.

In addition, after the Effective Date, all officers, directors, agents, or employees who served in such capacity at any time before the Effective Date shall be entitled to the full benefits of any D&O Policy (including any "tail" policy) for the full term of such policy regardless of whether such officers, directors, agents, and/or employees remain in such positions after the Effective Date, in each case, to the extent set forth in such policies and on terms no less favorable than the Debtors' existing policies.

In addition, after the Effective Date, the Reorganized Debtors shall not terminate or otherwise reduce the coverage under any D&O Policy (including any "tail policy") in effect as of the Petition Date, and any current and former directors, officers, members, managers, agents or employees of any of the Debtors who served in such capacity at any time prior to the Effective Date shall be entitled to the full benefits of any such D&O Policy for the full term of such policy regardless of whether such members, managers, directors, and/or officers remain in such positions after the Effective Date to the extent set forth in such policies.

In the event that the Debtors determine that an Allowed Claim is covered in full or in part under one of the Debtors' insurance policies, no distributions under the Plan shall be made on account of such Allowed Claim unless and until, and solely to the extent that, (i) the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy, and (ii) an insurer authorized to issue a coverage position under such insurance policy, or the agent of such insurer, issues a formal determination, which the Debtors in their sole discretion do not contest, that coverage under such insurance policy is excluded or otherwise unavailable for losses arising from such Allowed Claim. Any proceeds available pursuant to one of the Debtors' insurance policies shall reduce the Allowed amount of a Claim on a dollar-for-dollar basis. To the extent that one or more of the Debtors' insurers agrees to satisfy a Claim in full or in part (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without a Claim objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court. If an applicable insurance policy has a SIR, the Holder of an Insured Claim shall have an Allowed General Unsecured Claim or a Subordinated Claim, as applicable, solely up to the amount of the SIR that may be established upon the liquidation of the Insured Claim. Such SIR shall be considered satisfied pursuant to the Plan through allowance of the General Unsecured Claim or Subordinated Claim, as applicable, solely in the amount of the applicable SIR, if any; *provided*, that nothing herein obligates the Debtors or the Reorganized Debtors to otherwise satisfy any SIR under any insurance policy. Any recovery on account of the Insured Claim in excess of the SIR established upon the liquidation of the Claim shall be recovered solely from the Debtors' insurance coverage, if any, and only to the extent of available insurance coverage and any proceeds thereof. Nothing in the Plan shall be construed to limit, extinguish, or diminish the insurance coverage that may exist or shall be construed as a finding that liquidated any Claim payable pursuant to an insurance policy.

Article 8.9 ("***Reservation of Rights***") of the Plan provides that neither the exclusion nor inclusion of any contract or lease by the Debtors on any exhibit, schedule, or other annex to the Plan or in

the Plan Supplement, nor anything contained in the Plan, will constitute an admission by the Debtors that any contract or lease is or is not in fact an Executory Contract or Unexpired Lease or that the Debtors or the Reorganized Debtor or their respective Affiliates has any liability thereunder.

Article 8.9 further provides that, except as otherwise provided in the Plan, nothing in the Plan will waive, excuse, limit, diminish, or otherwise alter any of the defenses, claims, Causes of Action, or other rights of the Debtors and the Reorganized Debtors under any executory or non-Executory Contract or any Unexpired Lease or expired lease. Further, nothing in the Plan will increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtors or the Reorganized Debtors under any executory or non-Executory Contract or any Unexpired Lease or expired lease.

If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption, the Debtors or Reorganized Debtors, as applicable, will have sixty (60) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease by Filing a notice indicating such altered treatment.

E. Provisions Governing Distributions

Article VI of the Plan sets forth the mechanics by which Plan distributions will be made.

Article 6.1 ("***Distributions Generally***") of the Plan provides that the Distribution Agent shall make all distributions under the Plan to the appropriate Holders of Allowed Claims in accordance with the terms of the Plan, provided that initial Plan distributions shall be made to or at the direction of the Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent, as applicable, for further distribution in accordance with the Prepetition Funded Debt Documents, respectively.

If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII of the Plan. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to postpetition interest, dividends, or accruals on the distributions provided for herein, regardless of whether such distributions are delivered on or at any time after the Effective Date.

Article 6.3 ("***Distribution Record Date***") of the Plan provides that, as of the close of business on the Distribution Record Date, the various transfer registers for each of the Classes of Claims or Interests as maintained by the Debtors or their respective agents, shall be deemed closed, and there shall be no further changes in the record Holders of any of the Claims or Interests. It further provides that the Debtors or the Reorganized Debtors shall have no obligation to recognize any transfer of the Claims or Interests occurring on or after the Distribution Record Date, and that with respect to payment of any Cure Claims or disputes over any Cure Claims, neither the Debtors nor the Distribution Agent shall have any obligation to recognize or deal with any party other than the non-Debtor party to the applicable Executory Contract or Unexpired Lease as of the Distribution Record Date, even if such non-Debtor party has sold, assigned, or otherwise transferred its Cure Claim. Notwithstanding the foregoing, the Distribution Record Date shall not apply to distributions in respect of the Second Lien Notes or any securities deposited with DTC, the Holders

of which will receive distributions, if any, in accordance with the customary exchange procedures of DTC or the Plan. For the avoidance of doubt, in connection with a distribution through the facilities of DTC (if any), DTC will be considered a single Holder for purposes of distributions.

Article 6.4 ("***Date of Distributions***") of the Plan provides that, except as otherwise provided in the Plan (including payments made in the ordinary course of the Debtors' business) or as paid pursuant to a prior Bankruptcy Court order, on the Effective Date or, if a Claim or Interest is not Allowed on the Effective Date, on the date that such Claim or Interest becomes Allowed, or, in each case, as soon as reasonably practicable thereafter, or as otherwise determined in accordance with the Plan and the Confirmation Order, including the treatment provisions of Article IV of the Plan, each Holder of an Allowed Claim shall receive the full amount of the distributions that such Holder of an Allowed Claim is entitled to under the Plan; *provided*, that the Reorganized Debtors may implement periodic distribution dates to the extent they determine them to be appropriate (but subject in all respects to the Definitive Documents); *provided further*, that the Reorganized Debtors may make distributions of Plan Securities following the Effective Date, including to Holders of Disputed Claims that become Allowed Claims; *provided further*, that any Holder participating in the Equity Rights Offering may inform the Distribution Agent pursuant to the Equity Rights Offering Procedures that the distributions in respect of such Holder's Allowed Claims shall be made to one or more of its Affiliates, designees or Related Funds. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII of the Plan; *provided*, that any Plan Security that is issuable to Holders of Allowed Claims but is withheld from distribution on account of a Holder of a Disputed Claim shall not be issued until such time such Disputed Claim is resolved and the Plan Securities are to be distributed. Except as specifically provided in the Plan, Holders of Allowed Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

Article 6.4 of the Plan further provides that, for all purposes associated with distributions under the Plan, all guarantees by any Debtor of the obligations of any other Debtor, as well as any joint and several liability of any Debtor with respect to any other Debtor, shall be deemed eliminated so that any obligation that could otherwise be asserted against more than one Debtor shall result in a single distribution under the Plan; *provided*, that Claims held by a single entity against different Debtors that are not based on guarantees or joint and several liability shall be entitled to the applicable distribution for each such Claim against each applicable Debtor. Any such Claims shall be released pursuant to Article X of the Plan and shall be subject to all potential objections, defenses, and counterclaims, and to estimation pursuant to section 502(c) of the Bankruptcy Code. For the avoidance of doubt, this shall not affect the obligation of each and every Debtor to pay fees payable pursuant to section 1930(a) of the Judicial Code until such time as a particular Chapter 11 Case is closed, dismissed, or converted, whichever occurs first.

Article 6.13 ("***Unclaimed Property***") of the Plan provides that, one year from the later of (a) the Effective Date and (b) the date that is ten (10) Business Days after the date of a distribution on an Allowed Claim, all distributions payable on account of such Claim that are undeliverable or otherwise unclaimed shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and shall automatically, without need for any further action by or approval of any Person, including, without limitation, the Bankruptcy Court, revert to the Reorganized Debtors or their

successors or assigns, and all Claims of any other person (including the Holder of a Claim in the same Class) to such distribution shall be discharged and forever barred. The Reorganized Debtors and the Distribution Agent shall have no obligation to attempt to locate any Holder of an Allowed Claim other than by reviewing the Debtors' books and records and the Bankruptcy Court's Filings.

Article 6.19 ("***Setoffs***") of the Plan provides that, (a) the Debtors and the Reorganized Debtors, or such Entity's designee as instructed by such Debtor or Reorganized Debtor, as applicable, may, but shall not be required to, set off or recoup against any Claim, and any distribution to be made pursuant to the Plan on account of such Claim, any and all Claims, rights, and Causes of Action of any nature whatsoever that the Debtors or the Reorganized Debtors or their successors may have against the Holder of such Claim pursuant to the Bankruptcy Code or applicable non-bankruptcy law; *provided*, that neither the failure to do so nor the allowance of any Claim thereunder shall constitute a waiver or release by a Debtor or a Reorganized Debtor or its successor of any claims, rights, or Causes of Action that a Debtor or Reorganized Debtor or its successor or assign may possess against the Holder of such Claim, and (b) in no event shall any Holder of Claims be entitled to set off any such Claim against any claim, right, or Cause of Action of the Debtor or Reorganized Debtor, unless (i) the Debtors or the Reorganized Debtors, as applicable, have consented or (ii) such Holder has Filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date, and notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise. Notwithstanding the foregoing, this does not create any new rights to setoff or recoupment that did not exist under any applicable law or agreement in existence prior to the Effective Date.

Finally, as set forth more fully in the Plan, Article VI of the Plan provides, among other things, that: (a) to the extent applicable, the Reorganized Debtors will comply with all tax withholding and reporting requirements, and all distributions pursuant to the Plan will be subject to such requirements (6.22); (b) except as otherwise provided in the Plan or as otherwise required by law, distributions with respect to an Allowed Claim will be allocated first to the principal portion of such Allowed Claim (as determined for United States federal income tax purposes) and, thereafter, to the remaining portion of such Allowed Claim, if any (6.20); (c) unless otherwise specifically provided for in the Plan, any other Definitive Document, the Confirmation Order, or any other Final Order of the Bankruptcy Court, or required by applicable bankruptcy law (including as required pursuant to section 506(b) or section 511 of the Bankruptcy Code), postpetition interest will not accrue or be paid on any Claims and no Holder of a Claim or Interest will be entitled to interest accruing on or after the Petition Date on any Claim (6.10); and (d) the Distribution Agent shall not be required to make any distribution of Cash less than one hundred dollars ($100) to any Holder of an Allowed Claim; *provided*, that if any distribution is not made pursuant to Article VI, Section 6.18, such distribution shall be added to any subsequent distribution to be made on behalf of the Holder's Allowed Claim (6.18).

F. Procedures for Resolving Disputed, Contingent, and Unliquidated Claims or Interests

As noted in Section VI of this Disclosure Statement, the Bar Date Order established (i) October 1, 2025, at 5:00 p.m. (prevailing Central Time) as the deadline for any entity to file a proof of claim based on a prepetition claim against any Debtor and (ii) February 16, 2026 at

5:00 p.m. (prevailing Central Time) as the deadline for any governmental unit to file a proof of claim against an Debtor.

Article 7.1(a) ("***Allowance and Disallowance of Claims***") of the Plan provides that, after the Effective Date, and except as otherwise provided in the Plan, the Reorganized Debtors will have and will retain any and all available rights and defenses that the Debtors had with respect to any Claim immediately before the Effective Date, including the right to assert any objection to Claims based on the limitations imposed by section 502 of the Bankruptcy Code. The Debtors and the Reorganized Debtors may, but are not required to, contest the amount and validity of any Disputed Claim or contingent or unliquidated Claim in the ordinary course of business in the manner and venue in which such Claim would have been determined, resolved or adjudicated if the Chapter 11 Cases had not been commenced.

All Claims and Interests of any Entity from which property is sought by the Debtors under sections 542, 543, 550, or 553 of the Bankruptcy Code or that the Debtors or the Reorganized Debtors allege is a transferee of a transfer that is avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code will be disallowed if: (a) the Entity, on the one hand, and the Debtors or the Reorganized Debtors, as applicable, on the other hand, agree or the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turn over any property or monies under any of the aforementioned sections of the Bankruptcy Code; and (b) such Entity or transferee has failed to turn over such property by the date set forth in such agreement or Final Order.

Article 7.2 ("***Claims Administration Responsibilities***") of the Plan provides that except as otherwise specifically provided in the Plan, after the Effective Date, the Reorganized Debtors will have the sole authority: (a) to File, withdraw, or litigate to judgment, objections to Claims or Interests; (b) to settle or compromise any Disputed Claim or Interest without any further notice to or action, order, or approval by the Bankruptcy Court; and (c) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court. For the avoidance of doubt, except as otherwise provided in the Plan, from and after the Effective Date, each Reorganized Debtor will have and retain any and all rights and defenses such Debtor had immediately before the Effective Date with respect to any Disputed Claim or Interest, including the Causes of Action retained pursuant to the Plan.

Article 7.3 ("***Adjustments to Claims or Interests Without Objection***") of the Plan provides that any duplicate Claim or Interest or any Claim or Interest that has been paid, satisfied, amended, or superseded may be adjusted or expunged on the claims register by the Reorganized Debtors without the Reorganized Debtors having to File an application, motion, complaint, objection, or any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Bankruptcy Court.

Article 7.4 ("***No Distributions Pending Allowance***") of the Plan provides that if any portion of a Claim is Disputed, no payment or distribution provided hereunder will be made on account of such Claim unless and until such Claim becomes an Allowed Claim; *provided* that if only a portion of a Claim is Disputed, such Claim will be deemed Allowed in the amount not Disputed and payment or distribution will be made on account of such undisputed amount.

Section 7.5 ("***Distributions After Allowance***") of the Plan provides that to the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) will be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Reorganized Debtors will provide to the Holder of such Claim the distribution (if any) to which such Holder is entitled under the Plan as of the Effective Date, without any postpetition interest to be paid on account of such Claim.

G. Conditions Precedent to the Occurrence of the Effective Date

Article IX of the Plan sets forth the conditions precedent to the Effective Date, and related matters. The conditions precedent set forth at Article 9.1(b) of the Plan ("***Conditions Precedent to the Occurrence of the Effective Date***") include:

(i) the Restructuring Support Agreement shall not have been terminated as to the Required Consenting First Lien Lenders or the Required Consenting Second Lien Noteholders, and shall be in full force and effect;

(ii) the Bankruptcy Court shall have entered the Final DIP Order, which order shall not have been reversed, stayed, amended, modified, dismissed, vacated, or reconsidered;

(iii) the Bankruptcy Court shall have entered the Confirmation Order, and such Confirmation Order shall not have been reversed, stayed, amended, modified, dismissed, vacated, or reconsidered;

(iv) the Exit Facilities Document shall have been entered into by the Reorganized Debtors, and all conditions precedent to the effectiveness of the Exit Facilities Documents, other than the occurrence of the Effective Date, shall have been satisfied or waived in accordance with the terms thereof, such that the Exit Facilities Documents will be in full force and effect on the occurrence of the Effective Date;

(v) all Restructuring Fees and Expenses shall have been paid in full in Cash in accordance with the terms of the Plan and the Restructuring Support Agreement;

(vi) the Definitive Documents shall (a) be consistent with the Restructuring Term Sheet and the Restructuring Support Agreement and otherwise approved by the applicable parties thereto consistent with their respective consent and approval rights as set forth in the Restructuring Support Agreement, (b) shall have been executed or deemed executed and delivered by each party thereto, and any conditions precedent related thereto shall have been satisfied or waived by the applicable party, and (c) to the extent applicable, shall be adopted by the applicable Entity on terms consistent with the Restructuring Support Agreement and the Restructuring Term Sheet;

(vii) all governmental and third-party approvals and consents necessary, if any, in connection with the transactions contemplated by the Restructuring Term Sheet and the Restructuring Support Agreement shall have been obtained, not subject to unfulfilled conditions, and be in full force and effect, and all applicable waiting

periods shall have expired without action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose materially adverse conditions on such transactions;

(viii) the Debtors shall have implemented the Restructuring Transactions and all transactions contemplated by the Plan; and

(ix) the Professional Fee Escrow shall have been established and funded in full in Cash.

Article 9.2 ("***Timing of Conditions Precedent***") of the Plan provides that, notwithstanding when a Condition Precedent to the Effective Date occurs, for the purposes of the Plan, such Condition Precedent shall be deemed to have occurred simultaneously upon the completion of the Conditions Precedent to the Effective Date; *provided*, that to the extent a Condition Precedent (the "***Prerequisite Condition***") may be required to occur prior to another Condition Precedent (a "***Subsequent Condition***") then, for purposes of the Plan, the Prerequisite Condition shall be deemed to have occurred immediately prior to the applicable Subsequent Condition regardless of when such Prerequisite Condition or Subsequent Condition shall have occurred.

Article 9.3 ("***Waiver of Conditions Precedent***") provides that each of the conditions precedent of the Plan may be waived in writing by the Debtors and the Required Consenting First Lien Lenders (except as otherwise provided in the Restructuring Support Agreement); *provided*, that the waiver of the Conditions Precedent in Article IX, Section 9.1(b)(ix) shall require the consent of the affected Professionals; *provided*, *further*, that the waiver of the Condition Precedent in Article IX, Section 9.1(b)(v) shall require the consent of the affected First Lien Agent or Second Lien Notes Trustee, as applicable and each with respect to payment of their Restructuring Expenses.

Article 9.3 further provides that the stay of the Confirmation Order pursuant to Bankruptcy Rule 3020(c) shall be deemed waived by and upon the entry of the Confirmation Order, and the Confirmation Order shall take effect immediately upon its entry.

Article 9.4 ("***Effect of Non-Occurrence of the Effective Date***") of the Plan addresses the effect of non-occurrence of the Effective Date. It provides that if the Effective Date does not occur Plan will be null and void in all respects and nothing contained in the Plan or this Disclosure Statement shall: (a) constitute a waiver or release of any claims by or Claims against or Interests in the Debtors; (b) prejudice in any manner the rights of any Entity; or (c) constitute an admission, acknowledgement, offer, or undertaking by the Debtors, any of the Consenting Creditors, or any other Entity.

H. Discharge, Release, Injunction, and Related Provisions

Article X of the Plan addresses releases, injunctions, exculpatory provisions and related provisions as follows: *Discharge of Claims and Termination of Interests* (10.3); *Releases by the*

Debtors (10.6(a)); *Releases by Holders of Claims and Interests* (10.6(b)); *Exculpation* (10.7); and *Permanent Injunction* (10.5).[13]

Article 10.6(b) of the Plan contains a Third-Party Release by all Releasing Parties. Pursuant to Article 10.6(b) of the Plan, the following are the Releasing Parties: (a) each Debtor; (b) each Reorganized Debtor; (c) the Consenting Creditors; (d) the First Lien Agent; (e) the DIP Lenders; (f) the DIP Backstop Commitment Parties; (g) the DIP Agent; (h) the Second Lien Notes Trustee; (i) [reserved]; (j) each Holder of a Claim in a Voting Class that does not affirmatively elect to "opt out" of the Third-Party Release as provided on its respective ballot; (k) each Holder of a Claim or Interest in a Non-Voting Class that does not affirmatively elect to "opt out" of the Third-Party Release as provided on its respective Release Opt-Out Form; (l) each Related Party of each Entity in clauses (a) through (k), solely to the extent such Related Party (I) would be obligated to grant a release under principles of agency if it were so directed by the Entity in the foregoing clauses (a) through (k) to whom they are related or (II) may assert Claims or Causes of Action on behalf of or in a derivative capacity by or through an Entity in clause (a) through (i); *provided*, that, any Holder of a Claim or Interest that timely objects to the Third-Party Release, either through (i) a formal objection Filed on the docket of the Chapter 11 Cases or (ii) an informal objection provided to the Debtors by electronic mail, and such objection is not withdrawn on the docket of the Chapter 11 Cases or via electronic mail, as applicable, before the Confirmation Hearing, shall not be a "Releasing Party;" *provided, further,* that the Second Lien Notes Trustee and the First Lien Agent shall be Releasing Parties solely in their respective capacities as Second Lien Notes Trustee and the First Lien Agent and not individually or in any other capacity.

I. Definitions Relating to Releases

The following definitions are important to understanding the scope of the releases being given under the Plan:

"***Exculpated Parties***" means each of the following in their capacities as such and, in each case, to the maximum extent permitted by law: (a) the Debtors and their Estates; (b) each independent director of the Debtors; and (c) the Committee and each member of the Committee.

"***Released Parties***" means, collectively, each of: (a) the Debtors; (b) the Reorganized Debtors; (c) the Consenting Creditors, (d) the First Lien Agent; (e) the DIP Lenders; (f) the DIP Backstop Commitment Parties; (g) the DIP Agent; (h) the Second Lien Notes Trustee; (i) each Holder of a Claim in a Voting Class that does not affirmatively elect to "opt out" of the Third-Party Releases as provided on its respective ballot; (j) each Holder of a Claim or Interest in a Non-Voting Class that does affirmatively elect to "opt out" of the Third-Party Releases as provided on its respective Release Opt-Out Form; and (k) with respect to each of the foregoing persons in clauses (a) through (j), each Related Party, solely to the extent such Related Party would be liable whether directly or under principles of agency for any such Claims or Causes of Action asserted against the applicable Entity in the foregoing clauses (a) through (j) to whom they are related. Notwithstanding the foregoing, any Person that opts out of the releases set forth in the Plan shall not be deemed a "Released Party" thereunder; *provided*, that any Holder of a Claim or Interest that timely objects

[13] The Debtors and their Estates are continuing their ongoing internal investigation. Nothing herein will constitute or be deemed a waiver of any rights related to such internal investigation.

to the Third-Party Release, either through (i) a formal objection Filed on the docket of the Chapter 11 Cases, or (ii) an informal objection provided to the Debtors by electronic mail, and such objection is not withdrawn on the docket of the Chapter 11 Cases or via electronic mail, as applicable, before or at the Confirmation Hearing (and in the case of the latter on the record), shall not be a "Released Party" thereunder; *provided, further*, any Person or Entity (and each such Person or Entity's Related Parties) that files an objection with the Bankruptcy Court to any substantive pleading in the Chapter 11 Cases, including to approval of the DIP Facility or the confirmation of the Plan, or commences any Cause of Action in the Bankruptcy Court or any other court of competent jurisdiction against any director of the Debtors, or against any Consenting Creditor relating to such Consenting Creditor's secured Claims, shall not be a Released Party.

"***Releasing Parties***" means, collectively, each of, and in each case in its capacity as such: (a) each Debtor; (b) each Reorganized Debtor; (c) the Consenting Creditors; (d) the First Lien Agent; (e) the DIP Lenders; (f) the DIP Backstop Commitment Parties; (g) the DIP Agent; (h) the Second Lien Notes Trustee; (i) [reserved]; (j) each Holder of a Claim in a Voting Class that does not affirmatively elect to "opt out" of the Third-Party Release as provided on its respective ballot; (k) each Holder of a Claim or Interest in a Non-Voting Class that does not affirmatively elect to "opt out" of the Third-Party Release as provided on its respective Release Opt-Out Form; (l) each Related Party of each Entity in clauses (a) through (k), solely to the extent such Related Party (I) would be obligated to grant a release under principles of agency if it were so directed by the Entity in the foregoing clauses (a) through (k) to whom they are related or (II) may assert Claims or Causes of Action on behalf of or in a derivative capacity by or through an Entity in clause (a) through (i); *provided*, that, any Holder of a Claim or Interest that timely objects to the Third-Party Release, either through (i) a formal objection Filed on the docket of the Chapter 11 Cases or (ii) an informal objection provided to the Debtors by electronic mail, and such objection is not withdrawn on the docket of the Chapter 11 Cases or via electronic mail, as applicable, before the Confirmation Hearing, shall not be a "Releasing Party;" *provided, further,* that the Second Lien Notes Trustee and the First Lien Agent shall be Releasing Parties solely in their respective capacities as Second Lien Notes Trustee and the First Lien Agent and not individually or in any other capacity.

1. Releases, Exculpation and Injunction

i. ***Releases by the Debtors (10.6(a))***

To the fullest extent permitted by applicable law and approved by the Bankruptcy Court, and except as otherwise expressly set forth in the Plan or the Confirmation Order, pursuant to section 1123(b) of the Bankruptcy Code, as of the Effective Date, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, each of Debtors, Reorganized Debtors, Reorganized Parent, and the Estates, in each case on behalf of itself and its respective successors, assigns, and Representatives, and any and all other Persons who may purport to assert any Claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Persons, has and is deemed to have, forever and unconditionally released, and absolved each Released Party from any and all Claims, obligations, rights, suits, damages, and Causes of Action, remedies, and liabilities whatsoever whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims asserted or assertable on behalf of the

Debtors, the Estates, Reorganized Parent, or the Reorganized Debtors, that such Entity would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, including (i) the governance, management, transactions, ownership, or operation of the Debtors or the Non-Debtor Affiliates, (ii) the purchase, acquisition, sale, merger or rescission of any business line, Assets, or Security of the Debtors or the Non-Debtor Affiliates, (iii) the subject matter of, or the transactions, events, circumstances, acts or omissions giving rise to, any Claim or Interest that is treated in the Restructuring Transactions, including the negotiation, formulation, or preparation of the Restructuring Transactions, (iv) the business or contractual arrangements between any Debtor or Non-Debtor Affiliate and any other Entity (including Consenting Creditors), (v) the Prepetition Funded Debt Documents, (vi) the Debtors' and Non-Debtor Affiliates' in- or out-of-court restructuring efforts, (vii) intercompany transactions, (viii) the formulation, preparation, dissemination, negotiation, solicitation, entry into, Filing, or consummation of the Plan, the Plan Supplement the Disclosure Statement, the Restructuring Support Agreement and related prepetition transactions, the Definitive Documents, the Equity Rights Offering Documents, the Corporate Governance Documents, the New Corporate Governance Documents, the Chapter 11 Cases, or any Restructuring Transaction, (ix) any contract, instrument, release, or other agreement or document created or entered into in connection with the Plan, the Plan Supplement, the Disclosure Statement, the Restructuring Support Agreement, the Definitive Documents, the Equity Rights Offering Documents, the Corporate Governance Documents, the New Corporate Governance Documents, the Chapter 11 Cases, the pursuit of Confirmation and consummation of the Plan, the administration and implementation of the Plan or Confirmation Order, including the issuance or distribution of securities pursuant to the Plan, (x) the distribution, including any disbursements made by a Distribution Agent, of property under the Plan, or any other related agreement, or (xi) any other act or omission, transaction, agreement, event, or other occurrence related to any of the foregoing and taking place on or before the Effective Date; *provided*, that the Debtors do not release Claims or Causes of Action (1) that are of a commercial nature and arise in the ordinary course of business, such as accounts receivable and accounts payable on account of goods being sold and services being performed; (2) arising under an Executory Contract or Unexpired Lease that is assumed by the Debtors; or (3) arising out of, or related to, any act or omission of a Released Party that is determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction to have constituted actual fraud, gross negligence, or willful misconduct (it being agreed that any Released Parties' consideration, approval, or receipt of any distribution did not arise from or relate to actual fraud (but not, for the avoidance of doubt, fraudulent transfers),gross negligence, or willful misconduct). Notwithstanding anything to the contrary in the foregoing, the Releases set forth above do not release (1) any obligations of any Person under the Plan, the Confirmation Order, any other Definitive Document, any Restructuring Transaction, any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or any agreement, Claim, or obligation arising or assumed under the Plan or (2) any Causes of Action specifically retained by the Debtors pursuant to the Schedule of Retained Causes of Action.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (1) in exchange for the good and valuable consideration provided by each of the Released Parties, including the Released Parties' substantial contributions to facilitating the Restructuring Transactions and implementing the Plan; (2) a good-faith settlement and compromise of the Claims released by the Debtors; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors, the Reorganized Debtors, the Reorganized Parent or the Debtors' Estates asserting any Claim or Cause of Action released pursuant to the Debtor Release.

ii. ***Releases by Holders of Claims or Interests (10.6(b))***

To the fullest extent permitted by applicable law and approved by the Bankruptcy Court, and except as otherwise expressly set forth in the Plan or the Confirmation Order, as of the Effective Date, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, each Releasing Party, in each case on behalf of itself and its respective successors, assigns, and Representatives, and any and all other Persons who may purport to assert any Claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Persons, has and is deemed to have, forever and unconditionally, released, and absolved each Released Party from any and all Claims, obligations, rights, suits, damages, and Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims asserted or assertable on behalf of the Debtors, the Estates, the Reorganized Parent, or the Reorganized Debtors that such Person would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, including (i) the governance, management, transactions, ownership, or operation of the Debtors or the Non-Debtor Affiliates, (ii) the purchase, acquisition, sale, merger, or rescission of any business line, Assets, or Security of the Debtors or the Non-Debtor Affiliates, (iii) the subject matter of, or the transactions, events, circumstances, acts or omissions giving rise to, any Claim or Interest that is treated in the Restructuring Transactions, including the negotiation, formulation, or preparation of the Restructuring Transactions, (iv) the business or contractual arrangements between any Debtor or Non-Debtor Affiliate and any other Person (including Consenting Creditors), (v) the Prepetition Funded Debt Documents, (vi) the Debtors' and Non-Debtor Affiliates' in- or out-of-court restructuring efforts, (vii) intercompany transactions, (viii) the formulation, preparation, dissemination, negotiation, solicitation, entry into, Filing, or consummation of the Plan, the Plan Supplement the Disclosure Statement, the Restructuring Support Agreement and related prepetition transactions, the Definitive Documents, the Equity Rights Offering Documents, the Corporate Governance Documents, the New Corporate Governance Documents, the Chapter 11 Cases, or any Restructuring Transaction, (ix) any contract, instrument, release, or other agreement or document created or entered into in connection with the Plan, the Plan Supplement, the Disclosure Statement, the Restructuring Support Agreement, the

Definitive Documents, the Equity Rights Offering Documents, the Corporate Governance Documents, or the New Corporate Governance Documents, the Chapter 11 Cases, the pursuit of Confirmation and consummation of the Plan, the administration and implementation of the Plan or Confirmation Order, including the issuance or distribution of securities pursuant to the Plan, (x) the distribution, including any disbursements made by a Distribution Agent, of property under the Plan, or any other related agreement, or (xi) any other act or omission, transaction, agreement, event, or other occurrence related to any of the foregoing and taking place on or before the Effective Date; *provided*, that the Releasing Parties do not release Claims or Causes of Action (1) arising out of, or related to, any act or omission of a Released Party that is determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction to have constituted actual fraud (but not, for the avoidance of doubt, fraudulent transfers), gross negligence, or willful misconduct (it being agreed that any Released Parties' consideration, approval, or receipt of any distribution did not arise from or relate to actual fraud, gross negligence, or willful misconduct) or (2) against a Released Party arising from any obligations owed to the Releasing Party that are wholly unrelated to the Debtors, the Reorganized Parent, or the Reorganized Debtors. Notwithstanding anything to the contrary in the foregoing, the Releases set forth above do not release (1) any obligations of any Person under the Plan, the Confirmation Order, any other Definitive Document, any Restructuring Transaction, any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or any agreement, Claim, or obligation arising or assumed under the Plan or (2) any Causes of Action specifically retained by the Debtors pursuant to the Schedule of Retained Causes of Action.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in the Plan, and, further, shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (1) consensual; (2) given and made after due notice and opportunity for hearing; and (3) a bar to any of the Releasing Parties asserting any Claim or Cause of Action released pursuant to the Third-Party Release.

iii. *Exculpation (10.7)*

Effective as of the Effective Date, to the fullest extent permitted by law, the Exculpated Parties shall neither have nor incur any liability to any Person for any Claims or Causes of Action for any act taken or omitted to be taken between the Petition Date and the Effective Date in connection with, or related to, formulating, negotiating, preparing, disseminating, implementing, administering, confirming or effecting the Confirmation or consummation (as applicable) of the Plan, the Restructuring Support Agreement and related prepetition transactions, and the Disclosure Statement including any disbursements made by a Distribution Agent in connection with the Plan, the Disclosure Statement, the Definitive Documents, the Corporate Governance Documents, the Prepetition Funded Debt Documents, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Plan, or any other postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors, the approval of the Disclosure Statement or Confirmation or consummation of the Plan; *provided*, that the foregoing provisions of this exculpation shall

not operate to waive or release: (a) any Claims or Causes of Action arising from willful misconduct, gross negligence, or actual fraud (but not, for the avoidance of doubt, fraudulent transfers) of such applicable Exculpated Party as determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction; and/or (b) the rights of any Person to enforce the Plan. and the contracts, instruments, releases, indentures, and other agreements and documents delivered under or in connection with the Plan, or assumed pursuant to the Plan or Final Order of the Bankruptcy Court; *provided further*, that each Exculpated Party shall be entitled to rely upon the advice of counsel concerning its respective duties pursuant to, or in connection with, the above referenced documents, actions, or inactions.

The Exculpated Parties have, and upon consummation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

The foregoing exculpation shall be effective as of the Effective Date without further notice to or order of the Bankruptcy Court, act, or action under applicable law, regulation, order, or rule or the vote, consent, authorization, or approval of any Person. For the avoidance of doubt and notwithstanding anything else contained in the Plan, the foregoing exculpation shall be limited to Persons that served as Estate fiduciaries during the Chapter 11 Cases.

iv. *Permanent Injunction (10.5)*

Except as otherwise expressly provided in the Restructuring Support Agreement, the Plan or the Confirmation Order, from and after the Effective Date, all Persons are, to the fullest extent permitted under Section 524 and other applicable provisions of the Bankruptcy Code, permanently enjoined from (1) commencing or continuing, in any manner or in any place, any suit, action or other proceeding of any kind; (2) enforcing, attaching, collecting, or recovering in any manner or means any judgment, award, decree, or order; (3) creating, perfecting, or enforcing any Lien or encumbrance; (4) asserting a right of setoff or subrogation of any kind; or (5) commencing or continuing in any manner any action or other proceeding of any kind, in each case on account of or with respect to any Claim, demand, liability, obligation, debt, right, Cause of Action, Interest, or remedy released or to be released, exculpated or to be exculpated, settled or to be settled, or discharged or to be discharged pursuant to the Plan or the Confirmation Order against any Person so released, discharged, or exculpated (or the property or estate of any Person or Entity so released, discharged, or exculpated). All injunctions or stays provided for in the Chapter 11 Cases under Sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

No Person may commence or pursue a Claim or Cause of Action, as applicable, of any kind against the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties, as applicable, that relates to or is reasonably likely to relate to any act or omission in connection with, relating to, or arising out of a Claim or Cause of Action, as applicable,

subject to Article IX hereof, without the Bankruptcy Court (i) first determining, after notice and a hearing, that such Claim or Cause of Action, as applicable, represents a colorable Claim of any kind, and (ii) specifically authorizing such Person to bring such Claim or Cause of Action, as applicable, against any such Debtor, Reorganized Debtor, Exculpated Party, or Released Party, as applicable; *provided*, that the foregoing shall only apply to Claims or Causes of Action brought against a Released Party if such Person bringing such Claim or Cause of Action is a Releasing Party. At the hearing for the Bankruptcy Court to determine whether such Claim or Cause of Action represents a colorable Claim of any kind, the Bankruptcy Court may, or shall if any Debtor, Reorganized Debtor, Exculpated Party, Released Party, or other party in interest requests by motion (oral motion being sufficient), direct that such Person seeking to commence or pursue such Claim or Cause of Action File a proposed complaint with the Bankruptcy Court embodying such Claim or Cause of Action, such complaint satisfying the applicable Rules of Federal Procedure, including Rule 8 and Rule 9 (as applicable), which the Bankruptcy Court shall assess before making a determination. For the avoidance of doubt, any party that obtains such determination and authorization and subsequently wishes to amend the authorized complaint or petition to add any Claims or Causes of Action not explicitly included in the authorized complaint or petition must obtain authorization from the Bankruptcy Court before filing any such amendment in the court where such complaint or petition is pending. The Bankruptcy Court reserves jurisdiction to adjudicate any such claims to the maximum extent provided by the law.

v. *SEC Reservation of Rights (10.12)*

Notwithstanding any language to the contrary contained in this Disclosure Statement, the Plan, and/or the Confirmation Order, no provision of this Disclosure Statement, the Plan or the Confirmation Order shall (i) preclude the SEC from enforcing its police or regulatory powers; or (ii) enjoin, limit, impair, or delay the SEC from commencing or continuing any claims, causes of action, proceedings or investigations against any non-debtor person or entity in any forum.

vi. *No Governmental Releases (10.13)*

Except as expressly provided for in the Plan, nothing in the Plan, the Confirmation Order, or other related Plan documents shall affect a release or limit any Claim arising solely under the enforcement of the police powers or regulatory activities of the United States Government or any of its agencies, or any state and local authority.

VIII.
TRANSFER RESTRICTIONS AND CONSEQUENCES UNDER FEDERAL SECURITIES LAWS

The Reorganized Debtors believe that the offer and sale of New Common Interests (other than New Common Interests issued pursuant to the Equity Rights Offering) and the New Warrants (and the sale of New Common Interests upon exercise of the Warrants) under the Plan (collectively, the "***1145 Securities***") to each Person who is not deemed to be an "underwriter" as defined in section 1145(b) of the Bankruptcy Code will be exempt pursuant to section 1145(a) of the Bankruptcy Code, without further act or action by any Entity, from registration under (i) section 5 of the Securities Act, and all rules and regulations promulgated thereunder, and (ii) any state or local law requiring registration for the offer or sale of securities. To the extent section 1145(a) of the Bankruptcy Code is not applicable for the offer and sale of any Plan Securities (including the New Common Interests issued pursuant to the Equity Rights Offering), the Reorganized Debtors may rely upon other applicable exemptions from registration, including the exemptions provided by Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder.

The 1145 Securities offered or sold by the Reorganized Debtors under the Plan pursuant to section 1145(a) of the Bankruptcy Code will be unrestricted securities as set forth in section 1145(c) of the Bankruptcy Code and, generally, may be sold without registration under the Securities Act by the recipients thereof. Plan Securities that are not issued pursuant to section 1145 of the Bankruptcy Code will be considered "restricted securities" (within the meaning of Rule 144 under the Securities Act) and may not be transferred except pursuant to an effective registration statement or under an available exemption from the registration requirements of the Securities Act. Any transfers of Plan Securities will also be subject to (i) compliance with any applicable state or foreign securities laws, if any, and the rules and regulations of the SEC, if any, applicable at the time of any future transfer of such securities or instruments; (ii) the restrictions, if any, on the transferability of such securities under the terms of the Reorganized Debtors' organizational documents; and (iii) any other applicable regulatory approvals and requirements.

A. Section 1145 of the Bankruptcy Code Exemption and Subsequent Transfers

Section 1145(a) of the Bankruptcy Code generally exempts from registration under the Securities Act and state and local laws the offer or sale under a chapter 11 plan of a security of the debtor, of an affiliate participating in a joint plan with the debtor, or of a successor to the debtor under a plan, if such securities are offered or sold in exchange for a claim (including a claim for an administrative expense) against, or an interest in, the debtor or such affiliate, or principally in such exchange and partly for cash. Section 1145(a) of the Bankruptcy Code also exempts from registration (i) the offer of a security through any warrant, option, right to subscribe or conversion privilege that is sold in the manner provided in the prior sentence, and (ii) the sale of a security upon the exercise of such warrant, option, right or privilege. The Reorganized Debtors believe that, pursuant to section 1145(a) of the Bankruptcy Code, without further act or action by any Entity, the offer and sale of the 1145 Securities will be exempt from the registration requirements under (i) section 5 of the Securities Act, and all rules and regulations promulgated thereunder, and (ii) any state or local law requiring registration for the offer or sale of securities, in each case except for offers and sales to any Person who is deemed to be an "underwriter" as defined in section 1145(b) of the Bankruptcy Code.

Securities issued pursuant to section 1145(a) of the Bankruptcy Code generally may be resold without registration under the Securities Act unless the holder is an "underwriter" with respect to such securities, as that term is defined in section 1145(b) of the Bankruptcy Code. In addition, these securities generally may be resold without registration under state securities laws pursuant to various exemptions provided by the respective laws of the several states. To the extent that Persons who receive securities issued under the Plan are deemed to be "underwriters," resales by those Persons would not be exempted from registration under the Securities Act or other applicable law by section 1145 of the Bankruptcy Code. Persons deemed to be "underwriters" may, however, be permitted to sell such securities without registration pursuant to the provisions of Rule 144 under the Securities Act as described below.

Section 1145(b) of the Bankruptcy Code defines "underwriter" for purposes of the Securities Act as one who, except with respect to ordinary trading transactions, (i) purchases a claim against, interest in, or claim for an administrative expense in the case concerning, the debtor, if such purchase is with a view to distribution of any security received or to be received in exchange for such a claim or interest, (ii) offers to sell securities offered or sold under the plan of reorganization for the holder of such securities, (iii) offers to buy securities offered or sold under the plan of reorganization from the holder of such securities, if the offer to buy is with a view to distribution of such securities and under an agreement made in connection with the plan of reorganization, with the consummation of the plan of reorganization, or with the offer or sale of securities under the plan of reorganization, or (iv) is an issuer, as used in section 2(a)(11) of the Securities Act, with respect to such securities. The definition of an "issuer" for purposes of whether a person is an underwriter under section 1145(b)(1)(D) of the Bankruptcy Code, includes Persons directly or indirectly controlling, controlled by or under direct or indirect common control with the issuer. "Control," as defined in Rule 405 of the Securities Act, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. The legislative history of section 1145 of the Bankruptcy Code suggests that a creditor who owns ten percent (10%) or more of a class of voting securities of a reorganized debtor may be presumed to be a "controlling person" and, therefore, an underwriter. However, the staff of the SEC has not endorsed this view.

Whether or not any particular Person would be deemed to be an "underwriter" with respect to the 1145 Securities or any other security to be issued pursuant to the Plan depends upon various facts and circumstances applicable to that Person. Accordingly, the Debtors express no view as to whether any particular Person receiving 1145 Securities or any other securities under the Plan would be considered an "underwriter" under section 1145(b) of the Bankruptcy Code with respect to such securities.

B. Section 4(a)(2) of the Securities Act Exemption and Subsequent Transfers

Section 4(a)(2) of the Securities Act provides that the offer and sale of securities by an issuer in transactions not involving a public offering is exempt from the registration requirements under the Securities Act. Regulation D is a non-exclusive safe harbor from the registration requirements under the Securities Act promulgated by the SEC under section 4(a)(2) of the Securities Act. In reliance upon this exemption, Plan Securities other than the 1145 Securities will be offered and sold pursuant to section 4(a)(2) of the Securities Act or Regulation D thereunder and will be exempt from registration under the Securities Act. Such securities will be considered "restricted

securities" (within the meaning of Rule 144 under the Securities Act), will bear customary legends, and may not be transferred except pursuant to an effective registration statement or under an available exemption from the registration requirements of the Securities Act, such as, under certain circumstances, the resale provision of Rule 144 under the Securities Act.

Generally, Rule 144 under the Securities Act permits the public sale of securities if certain conditions are met, including a required holding period, certain current public information regarding the issuer being available, and compliance with applicable volume, manner of sale and notice requirements. If the issuer is not subject to the reporting requirements of section 13 or 15(d) of the Exchange Act, adequate current public information as specified under Rule 144 is available if certain company information is made publicly available, as specified in Rule 144(c)(2). As promptly as reasonably practicable following the Effective Date, Reorganized Parent expects to terminate the registration of all Securities under sections 13 and 15(d) of the Exchange Act and continue as a private company, and therefore there can be no assurance that current public information as specified in Rule 144 will be available.

To the extent certificated or issued by way of direct registration on the records of Reorganized Parent's transfer agent, each book entry position or certificate representing, or issued in exchange for or upon the transfer, sale or assignment of, any Plan Security that is not an 1145 Security shall, upon issuance, be deemed to contain or be stamped or otherwise imprinted, as applicable, with a restrictive legend in substantially the following form:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, OFFERED FOR SALE, OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND QUALIFICATION UNDER APPLICABLE STATE SECURITIES LAWS OR AN AVAILABLE EXEMPTION FROM REGISTRATION AND QUALIFICATION THEREUNDER."

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In any case, recipients of securities issued under the Plan are advised to consult with their own legal advisors as to the availability of any such exemption from registration requirements under state law in any given instance and as to any applicable requirements or conditions to such availability.

IX.
CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion is a summary of certain material U.S. federal income tax consequences of the implementation of the Plan to the Debtors and to certain Holders of Claims. The following summary does not address the U.S. federal income tax consequences to Holders of Claims who are unimpaired, deemed to accept or reject the Plan, or otherwise entitled to payment in full in Cash under the Plan. In addition, this discussion does not address any consideration that is received on account of a person's capacity other than as a Holder of such Claims or that is not described in Article IV. of the Plan (including the DIP Backstop Premium), except where expressly stated otherwise.

The discussion of U.S. federal income tax consequences below is based on the Internal Revenue Code of 1986, as amended (the "***Tax Code***"), regulations promulgated by the United States Department of the Treasury under the Tax Code (the "***Treasury Regulations***"), judicial authorities, published positions of the Internal Revenue Service ("***IRS***"), and other applicable authorities, all as in effect on the date of this Disclosure Statement, and all of which are subject to change or differing interpretations (possibly with retroactive effect). The U.S. federal income tax consequences of the contemplated transactions are complex and subject to significant uncertainties. The Debtors have not requested an opinion of counsel or a ruling from the IRS or any other taxing authority with respect to any of the tax aspects of the contemplated transactions, and the discussion below is not binding upon the IRS or any court. Accordingly, there can be no assurance that the IRS would not assert, or that a court would not sustain, a contrary position as to the U.S. federal income tax consequences described herein.

This summary does not address non-U.S., state, local, gift, or estate tax consequences of the Plan, nor does it purport to address all aspects of U.S. federal income taxation that may be relevant to a Holder in light of its individual circumstances, including the impact of the Medicare contribution tax on net investment income and any alternative minimum tax, or to a Holder that may be subject to special tax rules (such as persons who are related to any Debtor within the meaning of one of various provisions of the Tax Code; broker-dealers; banks; mutual funds; insurance companies; financial institutions; small business investment companies; real estate investment trusts; regulated investment companies; tax-exempt organizations; trusts; governmental authorities or agencies; dealers and traders in securities; retirement plans; individual retirement and other tax-deferred accounts; Holders that are, or hold Claims through, S corporations, partnerships or other pass-through entities for U.S. federal income tax purposes; persons whose functional currency is not the U.S. dollar; dealers in foreign currency; Holders who hold Claims as part of a straddle, hedge, conversion transaction or other integrated investment; Holders using a mark-to-market method of accounting; Holders of Claims who are themselves in bankruptcy; and Holders who are accrual method taxpayers that report income on an "applicable financial statement"). In addition, this discussion does not address U.S. federal taxes other than income taxes.

Furthermore, this discussion assumes that the various debt and other arrangements to which the Debtors are a party will be respected for U.S. federal income tax purposes in accordance with their form and that, except where otherwise indicated, the Claims are held as "capital assets" (generally, property held for investment) within the meaning of section 1221 of the Tax Code.

In accordance with the Restructuring Support Agreement and in connection with the implementation of the Plan, the Consenting Creditors were given the right to participate in providing the DIP Facility. A Consenting Creditor that participates in providing the DIP Facility will receive its allocable share of the DIP Backstop Premium in the form of New Common Interests equal to twenty percent (20%) of the aggregate New Common Interests, subject to dilution by the MIP, the New Warrants and the New Common Interests issued pursuant to the Equity Rights Offering. The U.S. federal income tax treatment of the receipt of the DIP Backstop Premium by a Consenting Creditor is uncertain, and it is possible that it may be considered for income tax purposes as value received by such Consenting Creditor in part as a recovery on its Claims under the Plan. Each Consenting Creditor is urged to consult its tax advisors regarding the tax treatment of the receipt of the DIP Backstop Premium.

The following summary of certain material U.S. federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon a Holder's individual circumstances. Each Holder of a Claim is urged to consult its tax advisor regarding the U.S. federal, state, local, non-U.S., and other tax consequences applicable under the Plan.

A. Consequences to Debtors

For U.S. federal income tax purposes, ModivCare is the common parent of an affiliated group of corporations that files a consolidated U.S. federal income tax return (the "***ModivCare Group***"), of which the other Debtors are members or are disregarded entities, directly or indirectly, wholly-owned by a member of the ModivCare Group. For the taxable year ending December 31, 2024, the ModivCare Group reported on its consolidated U.S. federal income tax return carryforwards of disallowed business interest expense of approximately $293 million, and the Debtors also possess certain other favorable tax attributes, including certain asset tax basis and state net operating losses (such tax attributes allocable to the Debtors or their subsidiaries, collectively, the "***Tax Attributes***"). The Debtors may also generate additional Tax Attributes in the 2025 taxable year, including during the pendency of the Chapter 11 Cases. The amount of any such Tax Attributes remains subject to further analysis of the Debtors and potential audit and adjustment by the IRS. Certain equity trading and the claiming of worthlessness deductions prior to the Effective Date could result in an ownership change of ModivCare independent of the Plan, which could adversely affect the ability to utilize the ModivCare Group's Tax Attributes. In an attempt to minimize the likelihood of such an ownership change occurring, the Debtors obtained at the inception of the Chapter 11 Cases an order from the Bankruptcy Court authorizing protective procedures with respect to certain equity trading and worthlessness deductions.

As discussed below, in connection with the implementation of the Plan, the Debtors expect that the amount of certain of the Tax Attributes, including a portion of their asset tax basis, will be reduced, and the subsequent utilization of their remaining Tax Attributes, including carryforwards of disallowed business interest expense, may be limited. Furthermore, the Debtors' analysis of the tax consequences of the Restructuring Transactions is ongoing, and the Debtors and Required Consenting First Lien Lenders have not yet determined the tax structure of the Restructuring Transactions. The Debtors are analyzing, among other alternatives, the potential benefits of certain internal restructuring steps undertaken before or after emergence, including the conversion or merger of one or more of the subsidiary Debtors into one or more limited liability companies, as

well as of a transaction structure commonly described as "Bruno's" transaction, which generally would constitute, for U.S. federal income tax purposes, a taxable transfer of the Debtors' assets to new entities. A "Bruno's" transaction might be pursued if it is determined that it would better preserve the Debtors' Tax Attributes and/or mitigate the adverse consequences of COD (as defined below) attribute reduction. The Debtors currently expect that upon completion of the analysis, the Debtors will file a Restructuring Transaction Steps Memorandum describing the steps of the Restructuring Transactions.

1. Cancellation of Debt

In general, absent an exception, a debtor will realize and recognize cancellation of debt ("***COD***") income upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied over (b) the sum of (i) the amount of cash paid, (ii) the fair market value of any consideration (including equity of a debtor or a party related to such debtor) given, and (iii) the issue price of any debt issued, in each case, in satisfaction, or as part of the discharge, of such indebtedness at the time of the exchange. However, COD income should not arise to the extent that payment of the indebtedness would have given rise to a deduction. The Plan provides that certain Holders of Claims will receive Exit Term Loans, New Common Interests or New Warrants in exchange for their Claims, so the amount of COD income for the ModivCare Group will depend in part on the issue price of the Exit Term Loans and the fair market value of the New Common Interests and New Warrants on the Effective Date. In addition, as discussed above, the receipt of the DIP Backstop Premium by Consenting Creditors may be treated as value received in part as a recovery on the Consenting Creditors' Claims. Accordingly, the estimated amount of COD income is uncertain at this time.

Under section 108 of the Tax Code, a taxpayer is not required to include COD in gross income (i) if the debtor is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding or (ii) to the extent that the taxpayer is insolvent immediately before the discharge. As a consequence of such an exclusion, a debtor generally must reduce its tax attributes by the amount of COD income that it excluded from gross income. In general, such tax attributes are reduced in the following order: (a) net operating losses ("***NOLs***"); (b) general business credit carryovers; (c) minimum tax credit carryovers; (d) capital loss carryovers; (e) tax basis in assets (but not below the amount of liabilities to which the taxpayer remains subject immediately after the cancellation of indebtedness); (f) passive activity loss and credit carryovers; and (g) foreign tax credit carryovers. Alternatively, a taxpayer with excluded COD may elect first to reduce the tax basis of its depreciable assets (a "***Section 108(b)(5) Election***"), in which case the limitation described in (e) does not apply to the reduction in tax basis of depreciable property and, following such reduction, any remaining COD income that is excluded from gross income reduces any remaining tax attributes in the order specified in the prior sentence. The reduction of the taxpayer's tax attributes occurs at the end of the taxable year for which the excluded COD income is realized, but only after the taxpayer's net income or loss for the taxable year of the debt discharge has been determined; in this way, the attribute reduction is generally effective as of the start of the taxable year following the discharge. If the amount of excluded COD income exceeds available tax attributes, the excess generally is not subject to U.S. federal income tax. Where a taxpayer joins in the filing of a consolidated U.S. federal income tax

return, applicable Treasury Regulations require, in certain circumstances, that certain tax attributes of other members of the group also be reduced.

In connection with the implementation of the Plan, the Debtors expect to realize a substantial amount of excluded COD income for U.S. federal income tax purposes. The Debtors currently do not intend to make a Section 108(b)(5) Election and expect that a portion of their stock and asset tax basis and potentially certain other Tax Attributes will be reduced as a result of the COD attribute reduction arising in connection with the Plan.

2. Limitation on Tax Attributes

Following the Effective Date, any carryforwards of disallowed business interest expense and certain other Tax Attributes, if any, allocable to tax periods or portions thereof ending on or prior to the Effective Date (collectively, "***Pre-Change Losses***") may be subject to certain limitations under sections 382 and 383 of the Tax Code. Any such limitations apply in addition to, and not in lieu of, the attribute reduction that results from the exclusion of COD income arising in connection with the Plan.

If a corporation or consolidated group undergoes an "ownership change" as defined under section 382 of the Tax Code, the amount of its "pre-change losses" that may be utilized to offset future taxable income generally is subject to an annual limitation. In general, an "ownership change" occurs if the percentage of the value of the loss corporation's stock owned by one or more direct or indirect "5-percent shareholders" increases by more than fifty (50) percentage points over the lowest percentage of value owned by the 5-percent shareholders at any time during the applicable testing period. The testing period generally is the shorter of (a) the three (3)-year period preceding the testing date and (b) the period of time since the most recent ownership change of the corporation. The Debtors anticipate that the distribution of the New Common Interests pursuant to the Plan will result in an ownership change of the Reorganized Debtors for these purposes, and that the Reorganized Debtors' use of their Pre-Change Losses will be subject to limitation unless an exception to the general rules of sections 382 and 383 of the Tax Code applies.

(a) <u>General Annual Limitation</u>

In general, the amount of the annual limitation to which a corporation or consolidated group that undergoes an ownership change would be subject is equal to the product of (a) the fair market value of the stock of the corporation (or parent of the consolidated group) immediately before the ownership change (with certain adjustments) and (b) the "long-term tax-exempt rate" (which is the highest of the adjusted federal long-term rates in effect for any month in the three (3)-calendar-month period ending with the calendar month in which the ownership change occurs, *e.g.*, 3.65% for ownership changes occurring in October 2025). For a corporation or consolidated group in bankruptcy that undergoes an ownership change pursuant to a confirmed bankruptcy plan, unless the special exception described below applies, the annual limitation is generally determined by reference to the fair market value of the stock of the corporation (or the parent of the consolidated group) immediately after (rather than before) the ownership change and after giving effect to the discharge of creditors' claims, subject to certain adjustments; in no event, however, can the stock value for this purpose exceed the pre-change gross value of the assets of the corporation. Any

portion of the annual limitation that is not used in a given year may be carried forward, thereby adding to the annual limitation for the subsequent taxable year.

Under certain circumstances, the annual limitation otherwise computed may be increased if the corporation or consolidated group has an overall built-in gain in its assets at the time of the ownership change. If a "loss corporation" (as defined in section 382(k)(1) of the Tax Code) or consolidated group has such "net unrealized built-in gain" ("***NUBIG***") at the time of an ownership change (taking into account most assets and items of "built-in" income, gain, loss, and deduction), any built-in gains recognized (or, according to a currently effective IRS notice, treated as recognized) during the following sixty (60)-month period (up to the amount of the original NUBIG) generally will increase the annual limitation in the year of such recognition, such that the loss corporation or consolidated group would be permitted to use its pre-change losses against such built-in gain income in addition to its otherwise applicable annual limitation. Alternatively, if a loss corporation or consolidated group has a "net unrealized built-in loss" ("***NUBIL***") at the time of an ownership change, then any built-in losses existing at such time that are recognized (including, but not limited to, amortization or depreciation deductions attributable to such built-in losses) during the sixty (60)-month period following the ownership change (up to the amount of the original NUBIL) will be treated as pre-change losses, the deductibility of which will be subject to the annual limitation. In general, the NUBIG or NUBIL will be deemed to be zero unless it is greater than the lesser of (a) $10 million or (b) fifteen percent (15%) of the fair market value of the corporation's or consolidated group's assets (with certain adjustments) before the ownership change. The Debtors have not determined at this time whether the ModivCare Group will have a NUBIG or a NUBIL as of the Effective Date.

If the corporation or consolidated group does not continue its historic business or use a significant portion of its historic assets in a new business for at least two (2) years after the ownership change, the annual limitation resulting from the ownership change is reduced to zero, thereby precluding any utilization of the corporation's or consolidated group's pre-change losses (subject to potential increase for recognized built-in gains in the manner described above if the corporation is in a NUBIG position at the time of the ownership change). As discussed above, the Debtors currently anticipate that a portion of their asset tax basis and potentially certain other Tax Attributes will be reduced as a result of the COD attribute reduction arising in connection with the consummation of the Plan. In addition, section 382 of the Tax Code may limit the subsequent utilization of the remaining Tax Attributes, such as the carryforwards of disallowed business interest expense allocable to the period through the Effective Date.

(b) Section 382(l)(5) Bankruptcy Exception

Under section 382(l)(5) of the Tax Code, an exception to the foregoing annual limitation rules generally applies when, among other requirements, so-called "qualified creditors" and shareholders of a debtor corporation in chapter 11 receive, in respect of their claims or equity interests, respectively, at least fifty percent (50%) of the vote and value of the stock of the reorganized debtor (or a controlling corporation if also in chapter 11) pursuant to a confirmed chapter 11 plan (the "***382(l)(5) Exception***"). The IRS has in private letter rulings applied the 382(l)(5) Exception on a consolidated basis where the parent corporation is in bankruptcy. Generally, qualified creditors are creditors who (a) held their claims continuously for at least eighteen (18) months at the time the bankruptcy petition is filed and continue to hold thereafter,

(b) hold claims incurred in the ordinary course of the debtor's business continuously since they were incurred, or (c) in certain cases, do not become five percent (5%) shareholders of the reorganized corporation.

Under the 382(l)(5) Exception, a debtor's pre-change losses are not subject to the annual limitation. However, if the 382(l)(5) Exception applies, the amount of the debtor's pre-change losses is re-determined as if no interest deductions were allowable during the three (3) taxable years preceding the taxable year that includes the effective date of the plan of reorganization, and during the part of the taxable year prior to and including the effective date of the plan of reorganization, in respect of all debt converted into stock in the reorganization. If the 382(l)(5) Exception applies and the debtor thereafter undergoes another ownership change within two (2) years after the effective date, the base limitation with respect to such later ownership change would be zero, effectively precluding the utilization of the debtor's pre-change losses at the time of such later ownership change against future income of the debtor. A debtor that qualifies for this exception may, if it so desires, elect not to have the 382(l)(5) Exception apply and instead remain subject to the annual limitation described above.

The Debtors have not yet determined whether the application of the 382(l)(5) Exception could result in significant future cash tax savings or whether the consummation of the Plan will satisfy all of the requirements of the 382(l)(5) Exception. Furthermore, even if the Plan satisfies the requirements of section 382(l)(5) of the Tax Code, Reorganized Parent may elect not to apply the 382(l)(5) Exception, in which case the ModivCare Group's Pre-Change Losses would be subject to an annual limitation pursuant to the rules described above.

B. Consequences to Holders of Claims

The summary below generally assumes that Holders of the applicable Claims will, each as a class, vote to accept the Plan. As used herein, the term "U.S. Holder" means a beneficial owner of First Lien Claims, General Unsecured Claims, Subordinated Unsecured Notes Claims, Exit Term Loans, New Common Interests, New Warrants or Subscriptions Rights (as defined below) that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a court within the United States is able to exercise primary jurisdiction over its administration and one or more United States persons have authority to control all of its substantial decisions, or if the trust has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

A "Non-U.S. Holder" is a beneficial owner of First Lien Claims, General Unsecured Claims, Subordinated Unsecured Notes Claims, Exit Term Loans, New Common Interests, New Warrants or Subscriptions Rights that is neither a U.S. Holder nor an entity or arrangement classified as a partnership for U.S. federal income tax purposes.

If a partnership or other entity or arrangement classified as a partnership for U.S. federal income tax purposes holds such First Lien Claims, General Unsecured Claims, Subordinated Unsecured Notes Claims, Exit Term Loans, New Common Interests, New Warrants or Subscriptions Rights, the tax treatment of a partner in such partnership generally will depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner-level. Each U.S. Holder that is a partnership or a partner in a partnership holding any of such instruments should consult its tax advisor.

1. U.S. Holders of First Lien Claims, General Unsecured Claims or Subordinated Unsecured Notes Claims

(a) U.S. Holders of First Lien Claims—Recognition of Gain or Loss

Pursuant to the Plan, a Holder of Allowed First Lien Claims will receive in satisfaction of its Claims its Pro Rata Share (subject to application of the Equity Option) of the Exit Term Loans, the New Common Interests and Cash from the proceeds of the Equity Rights Offering (if applicable), as more fully described in the Plan.

Under applicable Treasury Regulations, the modification of the terms of a debt instrument (including pursuant to an exchange of a new debt instrument for the existing debt instrument) generally is a significant modification if, based on all of the facts and circumstances and taking into account all modifications of the debt instrument, the legal rights or obligations that are altered and the degree to which they are altered is "economically significant." A modification that changes the timing of payments due under a debt instrument is a significant modification if it results in a material deferral of scheduled payments. However, a deferral of one or more scheduled payments is not a material deferral if it is within a safe-harbor period beginning on the original due date of the first scheduled payment that is deferred and extending for a period equal to the lesser of five (5) years and fifty percent (50%) of the original term of the instrument. A modification that changes the yield of a debt instrument is a significant modification if the yield of the modified instrument (as computed under the applicable Treasury Regulations) varies from the annual yield of the unmodified instrument (determined as of the date of the modification) by more than the greater of (i) twenty-five basis points (0.25%) or (ii) five percent (5%) of the annual yield of the unmodified instrument.

Whether the exchange of a particular Allowed First Lien Claim held by a Holder pursuant to the Plan constitutes for U.S. federal income tax purposes an "exchange" of such Claim in part for the Exit Term Loans depends, among other things, on the date on which such Claim arose and the maturity date of such Claim, the interest rate applicable to such Claim, and the extent (if any) to which a Holder exercises its Equity Option. Accordingly, each Holder is strongly urged to consult its tax advisors regarding whether an exchange of each particular Allowed Claim held by such Holder pursuant to the Plan constitutes an "exchange" for U.S. federal income tax purposes and regarding the consequences to such Holder of the receipt of the recovery pursuant to the Plan if

such an exchange does not constitute an "exchange" for U.S. federal income tax purposes. The following summary discusses certain U.S. federal income tax consequences if the exchange of an Allowed First Lien Claim pursuant to the Plan constitutes an "exchange" of such Claim for the Exit Term Loans, New Common Interests and Cash (if applicable) (and the DIP Backstop Premium to the extent it is treated as recovery on such Claim).

Each U.S. Holder of Allowed First Lien Claims should realize gain or loss in an amount equal to the difference, if any, between (i) the sum of the "issue price" of the Exit Term Loans, the fair market value of the New Common Interests and the amount of Cash, in each case, received in respect of the Claims (and the fair market value of the DIP Backstop Premium to the extent it is treated as a recovery) and (ii) the sum of the U.S. Holder's adjusted tax basis in the Claims exchanged therefor. Whether a U.S. Holder of Allowed First Lien Claims will recognize any such realized gain or loss will depend on whether the receipt of the Exit Term Loans in exchange for such Claims constitutes a taxable exchange or a tax-deferred (or partially tax-deferred) exchange for such U.S. Holder, which will in part depend on whether the Claims surrendered in the exchange constitute "securities" for U.S. federal income tax purposes.

The term "security" is not defined in the Tax Code or in the Treasury Regulations issued thereunder and has not been clearly defined by judicial decisions. The determination of whether a particular debt obligation constitutes a "security" depends on an overall evaluation of the nature of the debt, including whether the holder of such debt obligation is subject to a material level of entrepreneurial risk and whether a continuing proprietary interest is intended or not. One of the most significant factors considered in determining whether a particular debt obligation is a "security" is its original term. In general, debt obligations issued with a weighted average maturity at issuance of less than five (5) years do not constitute "securities," whereas debt obligations with a weighted average maturity at issuance of ten (10) years or more constitute "securities." Although not free from doubt, the Debtors currently intend to take the position that the Initial Term Loans (as defined in the First Lien Credit Agreement) and the Exit Term Loans constitute "securities." Each Holder of First Lien Claims is urged to consult its tax advisors regarding the appropriate status for U.S. federal income tax purposes of such Holder's First Lien Loans and of the Exit Term Loans.

If the exchange of Allowed First Lien Claims constitutes a tax-deferred transaction to a U.S. Holder, such U.S. Holder should not recognize any loss and should only recognize any gain equal to the lesser of (i) the amount of gain realized and (ii) the sum of the amount of Cash (if any) and the fair market value of any other "boot" received in exchange for such Claims. The Exit Term Loans, if they are not treated as "securities" for U.S. federal income tax purposes, may constitute "boot."

If the exchange of Allowed First Lien Claims constitutes a tax-deferred transaction to a U.S. Holder and the Exit Term Loans constitute "securities," such U.S. Holder will have an aggregate tax basis in the Exit Term Loans and New Common Interests (and the DIP Backstop Premium to the extent it is treated as a recovery) received in exchange for its Claims equal to the U.S. Holder's tax basis in such Claims, increased by the amount of any gain recognized in the exchange, and decreased by the amount of Cash received (if any). If the exchange of the Allowed First Lien Claims constitutes a tax-deferred transaction to a U.S. Holder but the Exit Term Loans do not constitute "securities," such U.S. Holder will have an aggregate tax basis in the New Common Interests (and the DIP Backstop Premium to the extent it is treated as a recovery) received in

exchange for its Claims equal to the U.S. Holder's tax basis in such Claims, increased by the amount of any gain recognized in the exchange, and decreased by the sum of the amount of Cash (if any) and the "issue price" of any of the Exit Term Loans received. The aggregate tax basis of a U.S. Holder would be allocated among the New Common Interests, the Exit Term Loans (to the extent not constituting "boot") and the DIP Backstop Premium (to the extent treated as a recovery) in proportion to their fair market values as of the Effective Date. The U.S Holder's tax basis in any "boot" received will be its fair market value.

The U.S. Holder's holding period in the New Common Interests and, to the extent not constituting "boot", the Exit Term Loans (and the DIP Backstop Premium to the extent it is treated as a recovery) received as part of the tax-deferred exchange generally should include the period the U.S. Holder held its First Lien Claims. The U.S Holder's holding period in any "boot" received generally will commence on the day following the Effective Date.

If the exchange of Allowed First Lien Claims constitutes a taxable transaction to a U.S. Holder, such U.S. Holder should recognize all realized gain or loss, will have a tax basis in the Exit Term Loans equal to the issue price of such instruments for U.S. federal income tax purposes and will have an aggregate tax basis in the New Common Interests (and the DIP Backstop Premium to the extent it is treated as a recovery) equal to their fair market value, and the holding period in the Exit Term Loans and New Common Interests (and the DIP Backstop Premium to the extent it is treated as a recovery) generally will commence on the day following the Effective Date.

For a discussion as to the possible recognition of accrued interest income and original issue discount ("***OID***") in connection with an exchange of Allowed First Lien Claims and related tax basis and holding period considerations, see "*—Distributions with Respect to Accrued But Unpaid Interest or OID*" below.

(b) U.S. Holders of General Unsecured Claims—Recognition of Gain or Loss

Pursuant to the Plan, a Holder of Allowed General Unsecured Claims will receive in satisfaction of its Claims its Pro Rata Share of New Common Interests, New Warrants and, if such Holder is an Eligible Holder, the right to purchase (determined on a *pro rata* basis with the Holder of Allowed General Unsecured Claims and Holders of Allowed Subordinated Unsecured Notes Claims) up to $200,000,000, in the aggregate, of New Common Interests (the "***Subscription Right***"), unless such a Holder elects to receive in lieu thereof its Pro Rata Share of the GUC Cashout Value, as more fully described in the Plan.

Each U.S. Holder of Allowed General Unsecured Claims will realize gain or loss in an amount equal to the difference, if any, between (i) the sum of the fair market values of the New Common Interests, New Warrants, and, if applicable, Subscription Rights or the amount of Cash, as the case may be, received in respect of the Claims and (ii) the sum of the U.S. Holder's adjusted tax basis in the Claims exchanged therefor. Whether a U.S. Holder of Allowed General Unsecured Claims will recognize any such realized gain or loss will depend on whether the receipt of the New Common Interests, New Warrants and, if applicable, Subscription Rights in exchange for such Claims constitutes a taxable exchange or a tax-deferred (or partially tax-deferred) exchange for such U.S. Holder, which will in part depend on whether the Claims surrendered in the exchange and, if applicable, the Subscription Rights constitute "securities" for U.S. federal income tax

purposes or, alternatively, on whether the exchange meets the requirements of Section 351 of the Tax Code (including that one or more persons transfer property to a corporation in exchange for stock in such corporation and, immediately after the transfer, such persons own at least 80% of the total combined voting power of all classes of stock entitled to vote and at least 80% of the total number of shares of all other classes of stock in the corporation (the "***Section 351 Requirements***")).

Unless otherwise indicated, the discussion below assumes that a Subscription Right will be treated for U.S. federal income tax purposes as an option to acquire New Common Interests, and see "——*Right to Participate in the Equity Rights Offering*" below for a more complete discussion. As discussed above, the term "security" is not defined in the Tax Code or in the Treasury Regulations issued thereunder and has not been clearly defined by judicial decisions. See "—*U.S. Holders of First Lien Claims—Recognition of Gain or Loss*" above. A right to acquire stock and, presumably, a right to acquire a "security" generally can also be treated as a "security." Unless otherwise indicated, the discussion herein assumes that the Subscription Rights are treated as "securities" for U.S. federal income tax purposes. Although not free from doubt, the Debtors currently intend to take the position that the Second Lien Notes do not constitute "securities," although it is possible that the Second Lien Notes acquired in exchange for Unsecured Notes (which, as discussed below, the Debtors currently intend to treat as "securities") will constitute "securities." Furthermore, the Debtors currently intend the Restructuring Transactions Steps Memorandum to provide for certain steps to be undertaken (or deemed to be undertaken) that will result in the exchange of Allowed General Unsecured Claims to not meet the Section 351 Requirements. Each Holder of General Unsecured Claims is urged to consult its tax advisors regarding the appropriate status for U.S. federal income tax purposes of such Holder's Claims, as well as the potential applicability of section 351 of the Tax Code to such Holder's exchange. The following discussion assumes that the exchange by a Holder of Allowed General Unsecured Claims pursuant to the Plan will not meet the Section 351 Requirements.

If the exchange of Allowed General Unsecured Claims constitutes a tax-deferred transaction to a U.S. Holder, such U.S. Holder should not recognize any loss and should only recognize any gain equal to the lesser of (i) the amount of gain realized and (ii) the fair market value of any "boot" received. The New Common Interests will and, although not free from doubt, the New Warrants and Subscription Rights should, be treated as "securities" for U.S. federal income tax purposes and, accordingly, the following discussion assumes that neither will constitute "boot" for such purposes. If the exchange of Allowed General Unsecured Claims constitutes a tax-deferred transaction to a U.S. Holder, such U.S. Holder will have an aggregate tax basis in the New Common Interests, New Warrants, and, if applicable, Subscription Rights received in exchange for its Claims equal to the U.S. Holder's tax basis in such Claims (allocated between the New Common Interests, New Warrants, and, if applicable, Subscription Rights in proportion to their fair market values as of the Effective Date). The U.S. Holder's holding period in the New Common Interests, New Warrants, and, if applicable, Subscription Rights received as part of the tax-deferred exchange generally should include the period the U.S. Holder held its General Unsecured Claims.

If the exchange of Allowed General Unsecured Claims constitutes a taxable transaction to a U.S. Holder, such U.S. Holder should recognize all realized gain or loss, will have an aggregate tax basis in the New Common Interests, New Warrants, and, if applicable, Subscription Rights equal to their fair market value on the Effective Date, and the holding period in the New Common

Interests, New Warrants, and, if applicable, Subscription Rights will commence on the day following the Effective Date.

For a discussion as to the possible recognition of accrued interest income and OID in connection with an exchange of Allowed General Unsecured Claims and related tax basis and holding period considerations, see "*—Distributions with Respect to Accrued But Unpaid Interest or OID*" below.

(c) U.S. Holders of Subordinated Unsecured Notes Claims—Recognition of Gain or Loss

Pursuant to the Plan, a Holder of Allowed Subordinated Unsecured Notes Claims will receive in satisfaction of its Claims either no distribution or, if such a Holder is an Eligible Holder, its Pro Rata Share of the Subscription Rights, as more fully described in the Plan.

Each U.S. Holder of Subordinated Unsecured Notes Claims who receives Subscription Rights pursuant to the Plan will realize gain or loss in an amount equal to the difference, if any, between (i) the fair market value of the Subscription Rights received in respect of the Claims and (ii) the sum of the U.S. Holder's adjusted tax basis in the Claims exchanged therefor. Each U.S. Holder of Subordinated Unsecured Notes Claims who receives no distribution generally will recognize loss in an amount equal to such U.S. Holder's adjusted tax basis in the Claims. Whether a U.S. Holder of Subordinated Unsecured Notes Claims who receives Subscription Rights will recognize any such realized gain or loss will depend on whether the receipt of the Subscription Rights in exchange for such Claims constitutes a taxable exchange or a tax-deferred (or partially tax-deferred) exchange for such U.S. Holder, which will in part depend on whether both the Claims surrendered and the Subscription Rights received in the exchange constitute "securities" for U.S. federal income tax purposes.

As discussed under "*—U.S. Holders of General Unsecured Claims—Recognition of Gain or Loss*" above, the discussion below assumes that a Subscription Right will be treated for U.S. federal income tax purposes as an option to acquire New Common Interests (and see "*——Right to Participate in the Equity Rights Offering*" below for a more complete discussion) and a "security" for U.S. federal income tax purposes. Although not free from doubt, the Debtors currently intend to take the position that the Unsecured Notes constitute "securities." Each Holder of Subordinated Unsecured Notes Claims is urged to consult its tax advisors regarding the appropriate status for U.S. federal income tax purposes of such Holder's Claims and of the Subscription Rights.

If the exchange of Subordinated Unsecured Notes Claims for Subscription Rights constitutes a tax-deferred transaction to a U.S. Holder, such U.S. Holder should not recognize any gain or loss and will have an aggregate tax basis in the Subscription Rights received in exchange for its Claims equal to the U.S. Holder's tax basis in such Claims, and the U.S. Holder's holding period in the Subscription Rights received as part of the tax-deferred exchange generally should include the period the U.S. Holder held its Subordinated Unsecured Notes Claims.

If the exchange of Subordinated Unsecured Notes Claims for Subscription Rights constitutes a taxable transaction to a U.S. Holder, such U.S. Holder should recognize all realized gain or loss, will have a tax basis in the Subscription Rights received equal to their fair market value on the

Effective Date, and the holding period in such Subscription Rights will commence on the day following the Effective Date.

For a discussion as to the possible recognition of accrued interest income and OID in connection with an exchange of Allowed Subordinated Unsecured Notes Claims and related tax basis and holding period considerations, see "*—Distributions with Respect to Accrued But Unpaid Interest or OID*" below.

(d) Ownership and Disposition of Exit Term Loans

The issue price of a debt instrument issued in exchange for another debt instrument depends on whether either debt instrument is considered "traded on an established market" ("publicly traded"). If the Exit Term Loans are treated as "publicly traded" for U.S. federal income tax purposes, the "issue price" of the Exit Term Loans will be the fair market value of the Exit Term Loans as of their issue date. If the applicable First Lien Loans are, but the Exit Term Loans exchanged therefor are not, treated as publicly traded for U.S. federal income tax purposes, then the issue price of the Exit Term Loans received in exchange for such First Lien Loans will be the fair market value of such First Lien Loans, as determined on the issue date of the Exit Term Loans. If neither the applicable First Lien Loans nor the Exit Term Loans exchanged therefor are treated as publicly traded, then the issue price of the Exit Term Loans issued in exchange for such First Lien Loans will be the principal amount of the Exit Term Loans.

The Exit Term Loans will be considered to be publicly traded if, at any time during the thirty-one (31)-day period ending fifteen (15) days after their issue date, such loans are traded on an "established market." The Exit Term Loans will be considered to trade on an established market if (i) there is a price for an executed purchase or sale of the Exit Term Loans that is reasonably available within a reasonable period of time after the sale, (ii) there is at least one price quote for the Exit Term Loans from at least one reasonably identifiable broker, dealer or pricing service, which price quote is substantially the same as the price for which the person receiving the quoted price could purchase or sell the Exit Term Loans (a "firm quote"), or (iii) there is at least one price quote for the Exit Term Loans, other than a firm quote, available from at least one such broker, dealer or pricing service.

Under the applicable Treasury Regulations, the Debtors may be required to make a determination as to whether the First Lien Loans or the Exit Term Loans are publicly traded and the "issue price" of the Exit Term Loans, and to make such determinations available to U.S. Holders in a commercially reasonable fashion, including by electronic publication, within ninety (90) days of the issue date of the Exit Term Loans. These Treasury Regulations provide that each of these determinations is binding on a holder unless the holder satisfies certain conditions. Because the relevant trading period for determining whether the Exit Term Loans are publicly traded and the issue price of the Exit Term Loans has not yet occurred, the Debtors are unable to determine the issue price of the Exit Term Loans at this time.

In addition, where a holder receives debt instruments and also receives other property in an exchange (such as an exchange of an old debt instrument for a new debt instrument and stock), the "investment unit" rules may apply to the determination of the issue price of any such debt instrument. If the exchange of a particular Allowed First Lien Claim by a U.S. Holder pursuant to

the Plan constitutes an "exchange" of such Claim for U.S. federal income tax purposes in part for the Exit Term Loans, the U.S. Holder will receive, in satisfaction of such Claim, a debt instrument (the Exit Term Loans) as well as other property (the New Common Interests and, to the extent treated as part of the recovery, the DIP Backstop Premium). Accordingly, the investment unit rules may apply to determine the issue price of the Exit Term Loans. In such a case, the issue price of the Exit Term Loans will depend, in part, on the issue price of the investment unit and the respective fair market values of the elements of consideration that comprise the investment unit. The issue price of an investment unit is generally determined in the same manner as the issue price of a debt instrument. If the investment unit is treated as publicly traded, although unlikely, the issue price of the investment unit will generally be equal to the fair market value of the investment unit. If the investment unit is not treated as publicly traded, but the First Lien Claims are treated as publicly traded, then the issue price of the investment unit will be determined based on the fair value of the First Lien Claims for which it is exchanged. Such issue price determined for the investment unit under the above rules is allocated among the elements of consideration comprising the investment unit (i.e., the Exit Term Loans and New Common Interests and, to the extent treated as part of the recovery, the DIP Backstop Premium) based on their relative fair market values, with such allocation determining the issue price of the Exit Term Loans. An issuer's allocation of the issue price of an investment unit is binding on all U.S. Holders of the investment unit unless a U.S. Holder explicitly discloses a different allocation on a timely filed income tax return for the taxable year that includes the acquisition date of the investment unit. Furthermore, the law is unclear on whether an investment unit is treated as publicly traded if some, but not all, elements of such investment unit are publicly traded. In such a case, it is unclear whether the issue price of the element of the investment that is publicly traded may be determined by reference to such element's fair market value or, instead, by the fair market value of the surrendered claims. In particular, if the Exit Term Loans are treated as publicly traded on an established market but the New Common Interests (and, to the extent treated as part of the recovery, the DIP Backstop Premium) are not, although not free from doubt, it may be the case that the trading value of the Exit Term Loans will ultimately determine their issue price notwithstanding the potential application of the investment unit rules. U.S. Holders are urged to consult their tax advisors regarding the consequences to them of the potential application of the investment unit rules to the consideration received pursuant to the Plan.

Payments of qualified stated interest on an Exit Term Loan generally will be taxable to a U.S. Holder as ordinary income at the time such interest is received or accrued, in accordance with such U.S. Holder's method of tax accounting for U.S. federal income tax purposes. Qualified stated interest generally means stated interest that is unconditionally payable in cash or in property (other than debt instruments of the issuer) at least annually at a single fixed rate or a single qualified floating rate. The stated interest on the Exit Term Loans is expected to be treated as qualified stated interest.

The Exit Term Loans will be treated as issued (or deemed reissued) with OID for U.S. federal income tax purposes if the "stated redemption price at maturity" exceeds their "issue price" by an amount equal to or more than a statutorily defined *de minimis* amount (generally, 0.0025 multiplied by the product of the stated redemption price at maturity and the number of complete years to maturity). The "stated redemption price at maturity" of the Exit Term Loans is the total of all payments to be made under the Exit Term Loans other than qualified stated interest.

If the Exit Term Loans were treated as having been issued (or deemed reissued) with more than *de minimis* OID, U.S. Holders would be required to include the OID in ordinary income on an annual basis under a constant yield accrual method regardless of such U.S. Holder's regular method of accounting for U.S. federal income tax purposes, subject to reduction in the case of any acquisition premium. A U.S. Holder must include in income in each taxable year the sum of the daily portions of OID for each day on which it held the Exit Term Loans during the taxable year. To determine the daily portions of OID, the amount of OID allocable to an accrual period is determined, and a ratable portion of such OID is allocated to each day in the accrual period. An accrual period may be of any length and the length of the accrual periods may vary over the life of the Exit Term Loans, provided that no accrual period may be longer than one (1) year and each scheduled payment of interest or principal on the Exit Term Loans must occur on either the first (1st) day or last day of an accrual period. The amount of OID allocable to an accrual period will equal (a) the product of (i) the Exit Term Loan's adjusted issue price at the beginning of the accrual period and (ii) the Exit Term Loan's yield to maturity (adjusted to reflect the length of the accrual period), less (b) any qualified stated interest allocable to the accrual period.

The Exit Term Loan's adjusted issue price at any time generally will be its original issue price, increased by the amount of OID on the Exit Term Loans accrued for each prior accrual period and decreased by the amount of payments on the Exit Term Loans other than payments of qualified stated interest. The Exit Term Loan's yield to maturity is the discount rate that, when used in computing the present value of all principal and interest payments to be made on the Exit Term Loans, produces an amount equal to the Exit Term Loans' original issue price.

A U.S. Holder of Exit Term Loans will recognize gain or loss upon the sale, redemption, retirement or other taxable disposition of the Exit Term Loans equal to the difference between the amount realized upon the disposition (less a portion allocable to any accrued interest that has not yet been included in income by the U.S. Holder, which generally will be taxable as ordinary income) and the U.S. Holder's adjusted tax basis in the Exit Term Loans. In general, a U.S. Holder's adjusted tax basis in an Exit Term Loan will be its initial tax basis in the Exit Term Loans, increased by any accrued OID previously included in the U.S. Holder's income with respect to the Exit Term Loan and reduced by any payments on the Exit Term Loan other than qualified stated interest. Any gain or loss on the sale, redemption, retirement or other taxable disposition of the Exit Term Loans generally will be capital gain or loss, and generally will be long-term capital gain or loss if the U.S. Holder has held the Exit Term Loans for more than one (1) year as of the date of disposition. The deductibility of capital losses is subject to limitations.

It is possible that the Exit Term Loans may be required to be treated as a contingent payment debt instrument (a "***CPDI***") that is subject to the regulations governing such instruments, which could significantly affect the amount, timing and character of income, gain or loss in respect of an investment in the Exit Term Loans. In particular, a U.S. Holder might be required to include OID in income at a different rate, and might recognize ordinary income or loss upon a taxable disposition of the Exit Term Loans. U.S. Holders should consult their tax advisors regarding the consequences of the treatment of the Exit Term Loans as CPDIs. The balance of this disclosure assumes that the Exit Term Loans will not be treated as CPDIs.

(e) Ownership and Disposition of New Common Interests

If Reorganized Parent makes cash distributions with respect to the New Common Interests, the distributions generally will be includible as ordinary dividend income on the day on which the dividends are actually or constructively received by a U.S. Holder to the extent of the Reorganized Parent's current and accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent the amount of any such distribution exceeds such current and accumulated earnings and profits, the excess will be treated as a non-taxable return of capital to the extent, and in reduction, of the U.S. Holder's adjusted tax basis in the New Common Interests, and as gain from the sale or exchange of such New Common Interests to the extent it exceeds the U.S. Holder's adjusted tax basis. Non-corporate U.S. Holders may be eligible for reduced rates of taxation on dividends. Dividends paid to corporate U.S. Holders that meet certain holding period and other requirements may be eligible for a dividends received deduction.

U.S. Holders generally will recognize gain or loss upon the sale or taxable disposition of the New Common Interests in an amount equal to the difference, if any, between (i) the U.S. Holder's adjusted tax basis in the New Common Interests exchanged and (ii) the sum of the cash and the fair market value of any property received in such disposition. Any such gain or loss generally should be long-term capital gain or loss if the U.S. Holder's holding period for its New Common Interests exceeds one (1) year at the time of the sale or exchange. A reduced tax rate on long-term capital gain may apply to non-corporate U.S. Holders. The deductibility of capital losses is subject to limitations.

In general, any gain recognized by a U.S. Holder upon a disposition of the New Common Interests received in exchange for an Allowed Claim will be treated as ordinary income for U.S. federal income tax purposes to the extent of (i) any ordinary loss deductions previously claimed as a result of the write-down of the Claim, decreased by any income (other than interest income) recognized by the U.S. Holder upon exchange of the Claim, and (ii) with respect to a cash-basis holder and in addition to clause (i) above, any amounts which would have been included in its gross income if the U.S. Holder's Claim had been satisfied in full but which was not included by reason of the cash method of accounting.

(f) Exercise and Disposition of New Warrants

A U.S. Holder generally will not recognize gain or loss when New Warrants are exercised for cash to acquire the underlying New Common Interests, and the U.S. Holder's aggregate tax basis in the New Common Interests acquired generally will be equal to the U.S. Holder's aggregate tax basis in the exercised New Warrants increased by the exercise price. It is unclear whether a U.S. Holder's holding period in the New Common Interests received upon exercise of a New Warrant will commence on the day of exercise of such New Warrant or the day following the exercise of such New Warrant. Upon the lapse of a New Warrant, a U.S. Holder generally will recognize loss equal to its tax basis in the New Warrant.

The U.S. federal income tax consequences of a cashless exercise of a New Warrant to a U.S. Holder are not clear under current tax law. A cashless exercise may, for example, be tax-free, either because the exercise is not a realization event or, if it is treated as a realization event, because the exercise is treated as a tax-deferred recapitalization, in which case a U.S. Holder's tax basis in

the New Common Interests received would be equal to the tax basis in the surrendered New Warrants. If the cashless exercise were treated as a recapitalization, the U.S. Holder's holding period in the New Common Interests received on exercise would include the holding period of the surrendered New Warrants. Alternatively, it is possible that a cashless exercise of a New Warrant would be treated as a taxable exchange in which gain or loss is recognized. In such event, a U.S. Holder could be deemed to have surrendered a number of New Warrants with a fair market value equal to the exercise price for the number of New Warrants deemed exercised. For this purpose, the number of New Warrants deemed exercised would be equal to the number of New Warrants that would entitle the U.S. Holder to receive upon exercise the number of New Common Interests issued pursuant to the cashless exercise of the New Warrants. In this situation, the U.S. Holder would recognize capital gain or loss in an amount equal to the difference between the fair market value of the New Warrants deemed surrendered to pay the exercise price and the U.S. Holder's tax basis in the New Warrants deemed surrendered.

Due to the absence of authority as to the U.S. federal income tax treatment of a cashless exercise, there can be no assurance which, if any, of the alternative tax consequences described above, or of other possible characterizations of a cashless exercise, would be adopted by the IRS or a court. Accordingly, U.S. Holders are urged to consult their tax advisors with respect to the tax consequences of making a cashless exercise of the New Warrants.

Unless a nonrecognition provision applies, U.S. Holders generally will recognize gain or loss upon the sale or exchange of the New Warrants in an amount equal to the difference, if any, between (i) the U.S. Holder's adjusted tax basis in the New Warrants exchanged and (ii) the sum of the cash and the fair market value of any property received in such disposition. Any such gain or loss generally should be long-term capital gain or loss if the U.S. Holder's holding period for its New Warrants exceeds one (1) year at the time of the sale or exchange. A reduced tax rate on long-term capital gain may apply to non-corporate U.S. Holders. The deductibility of capital loss is subject to limitations.

The exercise price of the New Warrants is subject to adjustment under certain circumstances. Treasury Regulations promulgated under section 305 of the Tax Code would treat a U.S. Holder of the New Warrants as having received a constructive distribution includible in such U.S. Holder's income if and to the extent that certain adjustments to the exercise price increase the proportionate interest of a U.S. Holder in the Reorganized Parent's assets or earnings and profits. For example, a reduction in the exercise price to reflect a taxable dividend to holders of Reorganized Parent's equity generally will give rise to a deemed taxable dividend to the Holders of the New Warrants to the extent of the Reorganized Debtor's current or accumulated earnings and profits. Thus, under certain circumstances, U.S. Holders may recognize income in the event of a constructive distribution even though they may not receive any cash or property. Adjustments to the exercise price made pursuant to a bona fide reasonable adjustment formula that has the effect of preventing dilution in the interest of the U.S. Holders of the New Warrants, however, generally will not be considered to result in a constructive dividend distribution.

(g) Character of Gain or Loss

Where gain or loss is recognized by a U.S. Holder in an exchange of Allowed Claims pursuant to the Plan, the character of such gain or loss as long-term or short-term capital gain or loss or as

ordinary income or loss will be determined by a number of factors, including the tax status of such U.S. Holder, whether the Claims constitute capital assets in the hands of such U.S. Holder and how long they have been held, whether the Claims were acquired at a market discount, and whether and to what extent the Holder previously claimed a worthlessness deduction with respect to the Claims. In general, any gain or loss generally should be long-term capital gain or loss if the U.S. Holder held the Claims, as applicable, as capital assets and such U.S. Holder's holding period in the Claims is more than one (1) year at the time of the relevant exchange. A reduced tax rate on long-term capital gain may apply to non-corporate U.S. Holders. The deductibility of capital losses is subject to limitations.

A U.S. Holder that purchased its Claims from a prior holder at a "market discount" (relative to the principal amount of the Claims at the time of acquisition) may be subject to the market discount rules of the Tax Code. In general, a debt instrument is considered to have been acquired with market discount if the holder's adjusted tax basis in the debt instrument is less than (i) its "stated redemption price at maturity" (which generally would be equal to the stated principal amount if all stated interest was required to be paid in cash or property at least annually) or (ii) in the case of a debt instrument issued with OID, its adjusted issue price, in each case, by more than a *de minimis* amount. Under these rules, any gain recognized on the exchange of Claims (which, as discussed below, does not include amounts received in respect of accrued but unpaid interest or OID, if any) generally will be treated as ordinary income to the extent of the market discount accrued (on a straight line basis or, at the election of the U.S. Holder, on a constant yield basis) during the U.S. Holder's period of ownership, unless such U.S. Holder elected to include the market discount in income as it accrued. If a U.S. Holder of Claims did not elect to include market discount in income as it accrued and, thus, under the market discount rules, was required to defer all or a portion of any deductions for interest on debt incurred or maintained to purchase or carry its Claims, such deferred amounts should become deductible at the time of the exchange. To the extent that Claims acquired with a market discount are exchanged in a tax-deferred transaction for other property, any market discount that accrued on such Claims but was not recognized by the U.S. Holder generally is carried over to the property received therefor, and any gain recognized on the subsequent sale or other disposition of the property may be treated as ordinary income to the extent of the accrued, but not recognized, market discount with respect to such Claims. U.S. Holders who acquired their Claims other than at original issuance should consult their tax advisors regarding the possible application of the market discount rules.

(h) Distributions with Respect to Accrued But Unpaid Interest or OID

In general, to the extent that any consideration received pursuant to the Plan by a U.S. Holder of Allowed Claims is received in satisfaction of interest accrued or OID accrued, in each case during such U.S. Holder's holding period, such amount will be taxable to the U.S. Holder as ordinary interest income (if not previously included in the U.S. Holder's gross income under such U.S. Holder's normal method of accounting). Conversely, a U.S. Holder may be entitled to recognize a loss to the extent any accrued interest or amortized OID was previously included in its gross income and is not paid in full. It is unclear whether a U.S. Holder would be required to recognize a capital loss, rather than an ordinary loss, with respect to previously included OID that is not paid in full. In addition, tax basis in the consideration received by a U.S. Holder pursuant to the Plan in satisfaction of interest accrued or OID accrued generally will be equal to the fair market value

of such consideration, and such U.S. Holder's holding period in such consideration should commence on the day following the Effective Date.

Article VI.20 of the Plan provides that distributions to U.S. Holders with respect to any Allowed Claim will, to the extent permitted by applicable law, be allocated first to the principal amount of such Allowed Claims, with any excess allocated to the remaining portion of such Allowed Claim. There is no assurance that the IRS will respect such allocation for U.S. federal income tax purposes.

Holders of Claims should consult their tax advisors regarding the proper allocation of the consideration received by them under the Plan, as well as the character of any loss claimed with respect to accrued but unpaid interest (including OID) previously included in income for U.S. federal income tax purposes.

(i) Right to Participate in the Equity Rights Offering

The characterization of a Subscription Right and its subsequent exercise for U.S. federal income tax purposes—as the exercise of an option to acquire New Common Interests or, alternatively, as an integrated transaction pursuant to which New Common Interests are acquired directly in partial satisfaction of a Holder's Claim—is uncertain. As indicated above, the discussion herein generally assumes that a Subscription Right is respected as an option to acquire New Common Interests.

Regardless of the characterization of a Subscription Right, a U.S. Holder of an Allowed General Unsecured Claim or an Allowed Subordinated Unsecured Notes Claims generally would not recognize any gain or loss upon the exercise of such right. A U.S. Holder's aggregate tax basis in the New Common Interests received upon exercise of a Subscription Right should be equal to the sum of (i) the amount paid for the New Common Interests and (ii) the Holder's tax basis, if any, in either (a) the Subscription Rights, or (b) under an integrated transaction analysis, any New Common Interests received pursuant to the exercise of a Subscription Right to the extent that they are treated as directly acquired in partial satisfaction of the Holder's Claim. A U.S. Holder's holding period in the New Common Interests received upon exercise of a Subscription Right (that is respected as an option) generally should commence the day following the Effective Date. Under an integrated transaction analysis, a U.S. Holder's holding period in the New Common Interests received in respect of its Claims would be determined as described under "——U.S. Holders of First Lien Claims," above, whereas the holding period for New Common Interests treated as purchased for Cash should commence on the day following the Effective Date.

It is uncertain whether a U.S. Holder that receives but does not exercise the Subscription Right should be treated as receiving anything of additional value in respect of its Claim. If the U.S. Holder is treated as having received a Subscription Right of value (despite its subsequent lapse), such that it obtains a tax basis in the right, the U.S. Holder generally would recognize a loss to the extent of the U.S. Holder's tax basis in the Subscription Right. In general, such loss would be a capital loss, long-term or short-term, depending upon whether the requisite holding period was satisfied (which in the case of an exchange for an Allowed General Unsecured Claim or an Allowed Subordinated Unsecured Notes Claims, as the case may be, that qualifies for reorganization treatment, even if the right goes unexercised, should include the holding period of the Claims exchanged therefor).

2. Non-U.S. Holders of First Lien Claims, General Unsecured Claims or Subordinated Unsecured Notes Claims

The following discussion includes only certain U.S. federal income tax consequences of the Plan to Non-U.S. Holders. The discussion does not include any non-U.S. tax considerations. The rules governing the U.S. federal income tax consequences to Non-U.S. Holders are complex. Non-U.S. Holders are urged to consult their tax advisors regarding the U.S. federal, state, and local and non-U.S. tax consequences of the consummation of the Plan to such Non-U.S. Holders and the ownership and disposition of any consideration received pursuant to or in connection with the Plan.

(a) Recognition of Gain or Loss

Whether a Non-U.S. Holder of First Lien Claims, General Unsecured Claims or Subordinated Unsecured Notes Claims recognizes gain or loss on the exchange of such Claims pursuant to the Plan or upon a subsequent disposition of the consideration received under the Plan, as well as the amount of such gain or loss, is determined in the same manner as set forth above in connection with U.S. Holders of the applicable Claims. See "—U.*S. Holders of First Lien Claims—Recognition of Gain or Loss*," "*—U.S. Holders of General Unsecured Claims—Recognition of Gain or Loss*," and "*U.S. Holders of Subordinated Unsecured Notes Claims—Recognition of Gain or Loss*" above. Any gain recognized (which, as discussed above, does not include amounts received in respect of accrued but unpaid interest or OID, if any) by a Non-U.S. Holder on the exchange of its Claims generally will not be subject to U.S. federal income taxation unless (i) the Non-U.S. Holder is an individual who was present in the United States for one hundred and eighty-three (183) days or more during the taxable year in which the gain is realized and certain other conditions are met, (ii) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, if required by an income tax treaty, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States), or (iii) solely with respect to the sale, exchange or other disposition of the New Common Interests and the New Warrants, such New Common Interests or New Warrants, as applicable, constitute U.S. real property interests ("***USRPIs***") by reason of Reorganized Parent's status as a "United States real property holding corporation" ("***USRPHC***") for U.S. federal income tax purposes at any time within the shorter of the five (5)-year period preceding such disposition or the period in which the Non-U.S. Holder held the New Common Interests or the New Warrants.

If the exception in clause (i) above applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of thirty percent (30%) (or such lower rate under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year. If the exception in clause (ii) above applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax in the same manner as a U.S. Holder with respect to such gain. In addition, if such a Non-U.S. Holder is a corporation for U.S. federal income tax purposes, it may be subject to a branch profits tax equal to thirty percent (30%) (or such lower rate provided by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

If the exception in clause (iii) above applied and certain other requirements were met, a Non-U.S. Holder generally would be subject to U.S. federal income tax on any gain recognized on the sale or disposition of all or a portion of its New Common Interests or New Warrants. The Debtors do

not believe that ModivCare is nor has been a USRPHC. Because the determination of whether ModivCare or Reorganized Parent is a USRPHC depends on the fair market value of its USRPIs relative to the fair market value of its non-U.S. real property interests and its other business assets, there can be no assurance that ModivCare or Reorganized Parent will not become a USRPHC in the future. Even if ModivCare or Reorganized Parent were to become a USRPHC, gain arising from the sale or other taxable disposition of New Common Interests or New Warrants by a Non-U.S. Holder will not be subject to U.S. federal income tax if the New Common Interests are "regularly traded," as defined by applicable Treasury Regulations, on an established securities market and such Non-U.S. Holder owned, actually and constructively, five percent (5%) or less of the New Common Interests (or, in the case of New Warrants, New Warrants of fair market value as of the date of their acquisition equal to the fair market value of five percent (5%) or less of the New Common Interests) throughout the shorter of the five (5)-year period ending on the date of the exchange or other taxable disposition and the Non-U.S. Holder's holding period.

(b) Ownership and Disposition of Exit Term Loans

Generally, payments to a Non-U.S. Holder that are attributable to interest on applicable Exit Term Loans (including, for purposes of this discussion of Non-U.S. Holders, any OID) that is not effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States generally will not be subject to U.S. federal income or withholding tax, provided that:

- the Non-U.S. Holder does not actually or constructively own ten percent (10%) or more of the total combined voting power of all classes of voting stock of Reorganized Parent;
- the Non-U.S. Holder is not a "controlled foreign corporation" that is a "related person" (each, within the meaning of the Tax Code) with respect to Reorganized Parent; and
- either (1) the Non-U.S. Holder certifies in a statement provided to the applicable withholding agent under penalties of perjury that it is not a United States person and provides its name and address; (2) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business and holds the Exit Term Loans on behalf of the Non-U.S. Holder certifies to the applicable withholding agent under penalties of perjury that it, or the financial institution between it and the Non-U.S. Holder, has received from the Non-U.S. Holder a statement under penalties of perjury that such holder is not a United States person and provides a copy of such statement to the applicable withholding agent; or (3) the Non-U.S. Holder holds the Exit Term Loans directly through a "qualified intermediary" (within the meaning of applicable Treasury Regulations) and certain conditions are satisfied.

A Non-U.S. Holder that does not qualify for the above exemption with respect to interest that is not effectively connected income generally will be subject to withholding of U.S. federal income tax on such interest at a thirty percent (30%) rate, unless such Non-U.S. Holder is entitled to a reduction in or exemption from withholding on such interest as a result of an applicable income tax treaty. To claim such entitlement, the Non-U.S. Holder generally must provide the applicable

withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) claiming a reduction in or exemption from withholding tax on such payments of interest under the benefit of an income tax treaty between the United States and the country in which the Non-U.S. Holder resides or is established. For purposes of providing a properly executed IRS Form W-8BEN or W-8BEN-E, special procedures are provided under applicable Treasury Regulations for payments through qualified foreign intermediaries or certain financial institutions that hold customers' securities in the ordinary course of their trade or business.

If interest paid to a Non-U.S. Holder is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and if required by an applicable income tax treaty, such interest is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States), the Non-U.S. Holder generally will not be subject to U.S. federal withholding tax but will be subject to U.S. federal income tax with respect to such interest in the same manner as a U.S. Holder under rules similar to those discussed above with respect to gain that is effectively connected with the conduct of a trade or business in the United States. See "*—Non-U.S. Holders of First Lien Claims, General Unsecured Claims or Subordinated Unsecured Notes Claims—Recognition of Gain or Loss*" above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that interest paid on the Exit Term Loans is not subject to withholding tax because it is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States.

For a discussion of the rules applicable to the recognition of gain or loss in connection with sale, redemption, retirement or other taxable disposition of Exit Term Loans by Non-U.S. Holders, see "*—Non-U.S. Holders of First Lien Claims, General Unsecured Claims or Subordinated Unsecured Notes Claims—Recognition of Gain or Loss*" above.

(c) Ownership and Disposition of New Common Interests

Distributions on New Common Interests will generally constitute dividends for U.S. federal income tax purposes to the extent of Reorganized Parent's current year earnings and profits and earnings and profits accumulated as of the end of the prior year, as determined under U.S. federal income tax principles. To the extent the amount of any such distribution exceeds such current and accumulated earnings and profits, the excess will be treated as a non-taxable return of capital to the extent, and in reduction, of the Non-U.S. Holder's adjusted tax basis in the New Common Interests and as gain from the sale or exchange of such New Common Interests to the extent such excess exceeds the U.S. Holder's adjusted tax basis. Dividends paid to a Non-U.S. Holder of New Common Interests will generally be subject to withholding of U.S. federal income tax at a thirty percent (30%) rate or such lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business by the Non-U.S. Holder within the United States (and, if an income tax treaty applies, are attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) are not subject to withholding, provided certain certification and disclosure requirements are satisfied. Instead, such dividends are generally subject to U.S. federal income tax on a net income basis in the same manner as if the Non-U.S. Holder were a U.S. Holder. Any such effectively connected dividends received by a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may be subject to an additional branch profits tax at a thirty percent (30%) rate or such lower rate as may be specified by an applicable income tax treaty.

A Non-U.S. Holder of New Common Interests who wishes to claim the benefit of an applicable income tax treaty and avoid backup withholding, as discussed below, for dividends, will be required (a) to complete the applicable IRS Form W-8BEN or Form W-8BEN-E (or other applicable documentation) and certify under penalty of perjury that such holder is not a United States person and is eligible for treaty benefits or (b) if such New Common Interests are held through certain intermediaries, to satisfy the relevant certification requirements of applicable Treasury Regulations. Special certification and other requirements apply to certain Non-U.S. Holders that are passthrough entities or arrangements rather than corporations or individuals. A Non-U.S. Holder of New Common Interests eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

For a discussion of the rules applicable to the recognition of gain or loss in connection with sales, exchanges or other dispositions of New Common Interests by Non-U.S. Holders, see "*—Non-U.S. Holders of First Lien Claims, General Unsecured Claims or Subordinated Unsecured Notes Claims—Recognition of Gain or Loss*" above.

(d) Exercise and Disposition of New Warrants

Whether a Non-U.S. Holder recognizes gain or loss on the exercise, lapse, sale, exchange or other disposition of, or otherwise incurs income in connection with the adjustment of the exercise price of, New Warrants, and the amount of any such gain, loss or income, is determined in the same manner as set forth above in connection with U.S. Holders. See "*—U.S. Holders of First Lien Claims, General Unsecured Claims or Subordinated Unsecured Notes Claims—Exercise and Disposition of New Warrants*" above. For a discussion of the rules applicable to the recognition of any such gain, loss or income, see "*—Non-U.S. Holders of First Lien Claims, General Unsecured Claims or Subordinated Unsecured Notes Claims—Recognition of Gain or Loss*" above.

3. Information Reporting and Backup Withholding

All distributions to Holders of Allowed Claims under the Plan are subject to any applicable tax withholding and information reporting requirements. Under U.S. federal income tax law, interest, dividends and other reportable payments may, under certain circumstances, be subject to "backup withholding" (currently at a rate of twenty-four percent (24%)) if a recipient of those payments fails to furnish to the payor certain identifying information, fails properly to report interest or dividends, and, under certain circumstances, fails to provide a certification that the recipient is not subject to backup withholding. Backup withholding is not an additional tax. Any amounts deducted and withheld generally should be allowed as a credit against that recipient's U.S. federal income tax, provided that appropriate proof is timely provided under rules established by the IRS. Furthermore, certain penalties may be imposed by the IRS on a recipient of payments who is required to supply information but who does not do so in the proper manner. Backup withholding generally should not apply with respect to payments made to certain exempt recipients, such as certain corporations and financial institutions. Information may also be required to be provided to the IRS concerning payments, unless an exemption applies. Holders of Claims are urged to consult their tax advisors regarding their qualification for exemption from backup withholding and information reporting and the procedures for obtaining such an exemption.

Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of certain thresholds. Holders of Claims are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated under the Plan would be subject to these regulations and require disclosure on their tax returns.

4. Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under sections 1471 to 1474 of the Tax Code (such sections, commonly referred to as the Foreign Account Tax Compliance Act ("***FATCA***")) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a thirty percent (30%) withholding tax may be imposed on dividends or interest or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of stock or debt instruments, in each case paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Tax Code), unless (a) the foreign financial institution undertakes certain diligence and reporting obligations, (b) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Tax Code) or furnishes identifying information regarding each substantial United States owner, or (c) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (a) above, it must enter into an agreement with the United States Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Tax Code), annually report certain information about such accounts, and withhold thirty percent (30%) on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends or interest. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of such instruments on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued. Holders should consult their tax advisors regarding the potential application of withholding under FATCA.

The foregoing summary has been provided for informational purposes only and does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular Holder of a Claim. All Holders of Claims are urged to consult their tax advisors concerning the federal, state, local, non-U.S., and other tax consequences applicable under the Plan.

X.
CERTAIN RISK FACTORS TO BE CONSIDERED

Prior to voting to accept or reject the Plan, holders of Claims should read and carefully consider the risk factors set forth below, in addition to the information set forth in this Disclosure Statement together with any attachments, exhibits, or documents incorporated by reference hereto. The factors below should not be regarded as the only risks associated with the Plan or its implementation. Additional risk factors identified in ModivCare's public filings with the SEC may also be applicable to the matters set out herein and should be reviewed and considered in conjunction with this Disclosure Statement, to the extent applicable. The risk factors set forth in ModivCare's annual report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on March 6, 2025, as may be updated by ModivCare's other public filings with the SEC, are hereby incorporated by reference. New factors, risks and uncertainties emerge from time to time and it is not possible to predict all such factors, risks and uncertainties.

A. Certain Bankruptcy Law Considerations

i. *General*

Although the Debtors believe that the Chapter 11 Cases will not be materially disruptive to their business, the Debtors cannot be certain that this will be the case, including if the Effective Date is prolonged. Although the Plan is designed to minimize the length of the Chapter 11 Cases, it is impossible to predict with certainty the amount of time that one or more of the Debtors may spend in bankruptcy or to assure parties in interest that the Plan will be confirmed. The Chapter 11 Cases will also involve additional expense and may divert some of the attention of the Debtors' management away from business operations.

ii. *Risk of Material Adverse Effect on Operations*

The commencement of the Chapter 11 Cases could adversely affect the relationship between the Debtors and their customers, employees, vendors, lenders, partners and others. There is a risk, due to uncertainty about the Company's future, that: (i) customers could terminate or choose not to renew existing contracts and seek alternative providers; (ii) customers' confidence in the Debtors' ability to provide products and services could erode and, as a result, there could be a significant and precipitous decline in revenues, profitability, and cash flow; (iii) it may be more difficult to attract or replace employees; (iv) employees could be distracted from performance of their duties or more easily attracted to other career opportunities; (v) suppliers, vendors, and service providers could terminate their relationship with the Debtors or require financial assurances or enhanced performance; and (vi) additional involvement by regulatory, taxing, and other authorities may increase the administrative burden on the Debtors and their operations. These factors could adversely affect the Debtors' ability to obtain confirmation of the Plan.

iii. *Risk of Non-Confirmation of the Plan*

Although the Debtors believe that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion or that modifications to the Plan will not be required for confirmation or that such modifications would not necessitate re-solicitation of votes on the Plan. Moreover, the Debtors can make no assurances that they will receive the requisite votes for acceptance to confirm the Plan or satisfy all of the conditions for confirmation required under the Plan. Even if all Voting Classes

vote in favor of the Plan or the requirements for "cramdown" are met with respect to any Class that rejected the Plan, the Bankruptcy Court could decline to confirm the Plan if it finds that any of the statutory requirements for confirmation are not met. If the Plan is not confirmed, it is unclear what distributions holders of Claims or Interests ultimately would receive with respect to their Claims or Interests in a subsequent plan of reorganization or otherwise. Non-confirmation of the Plan could result in protracted Chapter 11 Cases, which could significantly and detrimentally impact the Debtors' relationships with vendors, suppliers, employees, and major customers. In such circumstances, the Debtors may no longer have consent to use Cash Collateral, or have access to the DIP Facility, such that there would likely be a significant strain on liquidity and the Debtors' ability to continue its businesses.

Even if the Plan is confirmed and implemented, the Debtors may not be able to achieve their stated goals. The Debtors continue to face a number of risks, such as changes in economic conditions, changes in the Debtor's regulatory environment or industry, changes in demand for their services and increasing expenses. Some of these risks become more acute when a case under the Bankruptcy Code continues for a protracted period without indication of how or when the case may be completed. As a result of these risks and others, there is no guarantee that the implementation of the Plan will achieve the Debtors' stated goals. Furthermore, even if ModivCare's debt and other liabilities are reduced or discharged through the implementation of the Plan, the Debtors may need to raise additional funds through public or private debt or equity financing or other various means to fund our business after the completion of the Chapter 11 Cases. The Debtors' access to additional financing may be limited, if it is available at all. Therefore, adequate funds may not be available when needed or may not be available on favorable terms, or at all.

iv. *Severability of the Plan*

The Debtors cannot guarantee that the Bankruptcy Court will approve every provision of the Plan, and certain provisions may be modified or removed, while the rest of the Plan will be confirmed.

v. *Risk of Failing to Satisfy the Vote Requirement*

In the event that the Debtors are unable to get sufficient votes from the Classes that are entitled to vote on the Plan, the Debtors may seek to accomplish an alternative chapter 11 plan or seek to cram down the Plan on non-accepting Classes. There can be no assurance that the terms of any such alternative chapter 11 plan would be similar or as favorable to holders of Allowed Claims as those proposed in the Plan.

vi. *Non-Consensual Confirmation*

If any impaired class of claims or equity interests does not accept or is deemed not to accept a plan of reorganization, a bankruptcy court may nevertheless confirm such plan at the proponent's request if at least one impaired class has voted to accept the plan (with such acceptance being determined without including the vote of any "insider" in such class), and as to each impaired class that has not accepted the Plan, the Bankruptcy Court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired classes.

If any Class votes to reject the plan, then these requirements must be satisfied with respect to such rejecting Classes. The Debtors believe that the Plan satisfies these requirements.

vii. *Risk Related to Parties in Interest Objecting to the Debtors' Classification of Claims and Interests*

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class. The Debtors believe that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code. However, there can be no assurance that a party in interest will not object or that the Bankruptcy Court will approve the classifications.

viii. *Risk of Non-Occurrence of the Effective Date*

Although the Debtors believe that the Effective Date will occur soon after the Confirmation Date, there can be no assurance as to the timing of the Effective Date. If the conditions precedent to the Effective Date set forth in the Plan have not occurred or have not been waived as set forth in Article IX of the Plan, then the Confirmation Order may be vacated, in which event no distributions would be made under the Plan, the Debtors and all holders of Claims or Interests would be restored to the status quo as of the day immediately preceding the Confirmation Date, and the Debtors' obligations with respect to Claims and Interests would remain unchanged. Nonoccurrence of the Effective Date could result in substantial changes to the Plan and protracted Chapter 11 Cases, which could significantly and detrimentally impact the Debtors' relationships with vendors, suppliers, employees, and major customers. In such circumstances, the Debtors may no longer have consent to use Cash Collateral, or have access to the DIP Facility, such that there would likely be a significant strain on liquidity and the Debtors' ability to continue its businesses.

ix. *Risk of Termination of the Restructuring Support Agreement*

The Restructuring Support Agreement contains certain provisions that give the Debtors and the Consenting Creditors (as defined in the Restructuring Support Agreement) the ability to terminate the Restructuring Support Agreement if various conditions are satisfied. Termination of the Restructuring Support Agreement could result in substantial changes to the Plan and protracted Chapter 11 Cases, which could significantly and detrimentally impact the Debtors' relationships with vendors, suppliers, employees, and major customers. In such circumstances, the Debtors may no longer have consent to use Cash Collateral, or have access to the DIP Facility, such that there would likely be a significant strain on liquidity and the Debtors' ability to continue its businesses.

x. *Conversion into Chapter 7 Cases*

If no plan of reorganization can be confirmed, or if the Bankruptcy Court otherwise finds that it would be in the best interest of holders of Claims and Interests, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed or elected to liquidate the Debtors' assets for distribution in accordance with the priorities established by the Bankruptcy Code. Please refer to section XIII.C hereof, as well as the Liquidation Analysis attached hereto as **Exhibit C**, for a discussion of the effects that a chapter 7 liquidation would have on the recoveries of holders of Claims and Interests.

xi. *Risks Related to Possible Objections to the Plan*

There is a risk that certain parties could oppose and object to either the entirety of the Plan or specific provisions of the Plan. Although the Debtors believe that the Plan complies with all relevant Bankruptcy Code provisions, there can be no guarantee that a party in interest will not file an objection to the Plan or that the Bankruptcy Court will not sustain such an objection.

xii. *Releases, Injunctions, and Exculpations Provisions May Not Be Approved*

Article X of the Plan provides for certain releases, injunctions, and exculpations for Claims and Causes of Action that may otherwise be asserted against the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties, as applicable. The releases, injunctions, and exculpations provided in the Plan are subject to objection by parties in interest and may not be approved. If the releases and exculpations are not approved, certain parties may not be considered Releasing Parties, Released Parties, or Exculpated Parties, and certain Released Parties or Exculpated Parties may withdraw their support for the Plan.

B. Additional Factors Affecting the Value of Reorganized Debtors

i. *Claims Could Be More than Projected*

There can be no assurance that the estimated Allowed amount of Claims in certain Classes will not be significantly more than projected, which, in turn, could reduce the value of distributions substantially. Inevitably, some assumptions will not materialize, and unanticipated events and circumstances may affect the ultimate results. Therefore, the actual amount of Allowed Claims may vary from the Debtors' projections and feasibility analysis, and the variation may be material.

ii. *Projections and Other Forward-Looking Statements Are Not Assured, and Actual Results May Vary*

Certain of the information contained in this Disclosure Statement is, by nature, forward-looking, and contains estimates and assumptions which might ultimately prove to be incorrect, and contains projections that may differ materially from actual future experiences. There are uncertainties associated with any projections and estimates, and they should not be considered assurances or guarantees of the amount of funds or the amount of Claims in the various Classes that might be Allowed.

The Debtors have prepared financial projections (the "***Financial Projections***") on a consolidated basis based on certain assumptions, as set forth in **Exhibit D** hereto. The Financial Projections have not been compiled, audited, or examined by independent accountants, and neither the Debtors nor their advisors make any representations or warranties regarding the accuracy of the Financial Projections or the ability to achieve forecasted results.

Many of the assumptions underlying the Financial Projections are subject to uncertainties that are beyond the control of the Debtors or Reorganized Debtors including the timing, confirmation, and consummation of the Plan, demand or price for services, inflation, and other unanticipated market and economic conditions. Some assumptions may not materialize, and unanticipated events and

circumstances may affect the actual results. Projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic, and competitive risks, and the assumptions underlying the Financial Projections may be inaccurate in material respects. In addition, unanticipated events and circumstances occurring after the approval of this Disclosure Statement by the Bankruptcy Court, including any natural disasters, terrorist attacks, or health epidemics, may affect the actual financial results achieved. Such results may vary significantly from the forecasts and such variations may be material.

iii. ***Risks Associated with Debtors' Business and Industry and Financial Conditions***

(a) Risks Associated with Potential Litigation, Including Litigation Arising Out of the Chapter 11 Cases

In the future, the Reorganized Debtors may become parties to litigation. In general, litigation can be expensive and time consuming to bring or defend against. Such litigation could result in settlements or damages that could significantly affect the Reorganized Debtors' financial results. It is also possible that certain parties will commence litigation with respect to the treatment of their Claims under the Plan. It is not possible to predict the potential litigation that the Reorganized Debtors may become party to, nor the final resolution of such litigation. The impact of any such litigation on the Reorganized Debtors' businesses and financial stability, however, could be material.

(b) Risks Associated with the Loss of Key Personnel

The Debtors' recent liquidity issues and the Chapter 11 Cases have created distractions and uncertainty for key management personnel and employees. As a result, the Debtors may experience increased levels of employee attrition. Because competition for experienced personnel can be significant, the Debtors may be unable to find acceptable replacements with comparable skills and experience, and the loss of such key management personnel could adversely affect the Debtors' ability to operate their businesses. In addition, a loss of key personnel or material erosion of employee morale could have a material adverse effect on the Debtors' ability to meet expectations and to execute our strategy and implement operational initiatives thereby adversely affecting the Debtors' businesses and the results of operations.

(c) Risks Associated with Governmental Laws and Regulations and Compliance

The Company's operations are subject to federal, state, local, foreign and international laws and regulations regulating the healthcare industry and budgeting of the same. Such laws and regulations have impacted, and may continue to impact the Company, including but not limited to anticipated reductions in the funding of and services covered by Medicaid, as well as the number of persons enrolled in Medicaid. Changes to the regulatory landscape applicable to the Debtors' businesses could have a material adverse effect on their results of operations and financial condition. If changes in Medicare, Medicaid or other state and local medical and social programs result in a reduction in available funds for the services the Debtors offer, a reduction in the number of beneficiaries eligible for our services or a reduction in the number of hours or amount of services

that beneficiaries eligible for our services may receive, then the Debtors' revenues and profitability could be negatively impacted. The Debtors' profitability depends principally on the levels of government-mandated payment rates and their ability to manage the cost of providing services. These are critical components of the Debtors' businesses, and therefore, any reduction in the funding of, or enrollment in, such programs could have a material adverse effect on the Debtors' business.

Further, the United States healthcare industry is subject to extensive federal and state oversight. Both federal and state government agencies have increased coordinated civil and criminal enforcement efforts related to the healthcare industry. Regulations related to the healthcare industry are extremely complex and, in many instances, the industry does not have the benefit of significant regulatory or judicial interpretation of those laws. Medicare and Medicaid anti-fraud and abuse laws prohibit certain business practices and relationships related to items and services reimbursable under Medicare, Medicaid and other governmental healthcare programs, including the payment or receipt of remuneration to induce or arrange for referral of patients or recommendation for the provision of items or services covered by Medicare or Medicaid or any other federal or state healthcare program, often referred to as the Anti-Kickback Statute. Federal and state laws also prohibit the submission of false or fraudulent claims, including claims to obtain reimbursement under Medicare and Medicaid, under what is commonly referred to as the False Claims Act. The Debtors have implemented policies to help assure compliance with these regulations as they become effective, but interpretations different from our interpretations or enforcement of these laws and regulations in the future could subject the Debtors' practices to allegations of impropriety, illegality, or overpayment, or could require the Debtors to make changes in their facilities, equipment, personnel, services or the manner in which they conduct their business, any of which could increase costs and could materially adversely affect their business and results of operations.

(d) Risks Associated with Cost-Saving Initiatives

The Debtors have and may continue to undertake internal restructurings, contract negotiations, and other initiatives intended to reduce expenses. These initiatives may not lead to the benefits the Debtors expect, may be disruptive to the Debtors' personnel and operations, and may require substantial management time and attention. Moreover, the Debtors could encounter delays in executing their plans, which could entail further disruption and associated costs. If these disruptions result in a decline in productivity of the Debtors' personnel, negative impacts on operations, or if they experience unanticipated expenses associated with these initiatives, the Debtors' business and operating results may be harmed.

(e) Risks Associated with Retaining or Attracting Customers

The Debtors generate a significant amount of revenue from a limited number of payors under a relatively small number of contracts. As a result, future revenue is highly dependent in part on the retention of their existing customer base. A significant proportion of the Debtors' key contracts are terminable for convenience, and as such, customers may decide to terminate or reduce the scope of their contracts with the Debtors in the future the Debtors may not be able to replace a customer that elects to terminate or fails to renew its contract with them. The loss of, reduction in amounts generated by, or changes in methods or regulations governing payments for the Debtors'

services under these contracts, individually or in the aggregate, could have a material adverse impact on the Debtors' revenue and results of operations.

As noted in Section II above, much of the Debtors' NEMT business depends in large part on contracts awarded by MCOs and state and other governmental entities, many of which are subject to RFPs. From time to time, the Debtors' have experienced the termination, renegotiation, or loss of contracts or segments of contracts. The loss of, or reduction in amounts generated by, or changes in methods or regulations governing payments for the Debtors' services under these contracts, individually or in the aggregate, could have a material adverse impact on the Debtors' revenue and results of operations. Further, loss of any of these contracts, or segments thereof, could negatively influence its relationships with other contract counterparties.

A variety of factors could affect the Debtors' ability to successfully retain and attract customers, including the level of demand for their products, the quality of the Debtors' customer service, the Debtors' ability to update their products and develop new products needed by customers, and the Debtors' ability to compete with competitors.

(f) Risks Associated with Collections

Prompt billing and collection are important factors in the Debtors' liquidity. Billing and collection of their accounts receivable are subject to the complex regulations that govern Medicare and Medicaid reimbursement and rules imposed by non-government payors. The Debtors' inability to bill and collect on a timely basis pursuant to these regulations and rules could subject them to payment delays that could have a material adverse effect on their business, financial position, results of operations and liquidity. It is possible that documentation support, system problems, Medicare, Medicaid or other payor issues, particularly in markets transitioning to managed care for the first time, or industry trends may extend our collection period, which may adversely affect their working capital, and their working capital management procedures may not successfully mitigate this risk.

The timing of payments made under the Medicare and Medicaid programs is subject to governmental budgetary constraints, resulting in an increased period of time between submission of claims and subsequent payment under specific programs, most notably under the Medicare and Medicaid managed programs. In addition, the Debtors may experience delays in reimbursement as a result of the failure to receive prompt approvals related to change of ownership applications for acquired or other facilities or from delays caused by their or other third parties' information system failures. The Debtors may also experience delayed payment of reimbursement rate increases that are subject to the approval of the CMS and/or various state agencies before claims can be submitted or paid at the new rates. Any delays experienced for the foregoing or other reasons could have a material adverse effect on the Debtors' business, results of operations and financial condition.

(g) Risks Associated with Competition

The Debtors operate in a highly competitive industry. In the NEMT segment, the Debtors compete with a variety of national organizations that provide similar healthcare and social services related to transportation, some of which have greater name recognition as well as greater financial,

technical, political, marketing, and other resources that contribute to a larger number of clients or payors than the Debtors. The market in which the Debtors operate is influenced by technological developments that affect cost-efficiency and quality of services. Accordingly, the Debtors' success depends on their ability to develop services that address these customers' changing needs and to provide technology needed to deliver these services on a cost-effective basis.

Further, the personal care services industry in which the Debtors operate is highly competitive and fragmented. There are relatively few barriers to entry in some of the home healthcare services markets in which the Debtors operate. Accordingly, other companies, including hospitals and other healthcare organizations that are not currently providing in-home personal care services, may expand their services to include those services or similar services. In addition, state certificates of need (CON) laws which often limit the ability of competitors to enter into a given market, are not uniform throughout the United States and are frequently the subject of efforts to limit or repeal such laws. If states remove existing CON laws, the Debtors could face increased competition in these states.

In the Monitoring segment, the Debtors currently face competition from a range of companies, including specialized software and solution providers that offer similar solutions, often at substantially lower prices, and that are continuing to develop additional products and becoming more sophisticated and effective. In addition, large, well-financed health plans have in some cases developed their own telehealth, expert medical service or chronic condition management tools and may provide these solutions to their customers at discounted prices. Competition from specialized software and solution providers, health plans and other parties will result in continued pricing pressures, which is likely to lead to price declines in certain product segments, which could negatively impact the Debtors' sales, profitability and market share.

The Debtors have experienced, and expect to continue to experience, competition from new entrants into the markets in which they operate. Increased competition may result in pricing pressures, loss of or failure to gain market share, or loss of or failure to gain clients or payors, any of which could have a material adverse effect on the Debtors' operating results. The Debtors' business may also be adversely affected by the consolidation of competitors, which may result in increased pricing pressure or negotiating leverage with payors, or by the provision of their services by payors or clients directly to customers, including through the acquisition of competitors. Further, as a result of their indebtedness, the Reorganized Debtors may be more vulnerable to such competitive conditions.

(h) Risks Associated with Cybersecurity Attacks

The Debtors' information technology systems are critically important to their operations, and they must implement and maintain appropriate and sufficient infrastructure and IT systems to support their existing and future business processes. The Debtors provide services to individuals and others that require them to collect, process, maintain and retain a variety of sensitive and personal confidential information in their computer systems, including proprietary information, intellectual property, patient identifiable health information, employee information, financial information and other personal information about their customers and end-users, such as names, addresses, phone numbers, email addresses, identification numbers, sensitive health information, and payment account information. The Debtors also rely on their IT systems (some of which are supported by

third party vendors) to manage the information, communications and business processes for other business functions, including a wide variety of health care infrastructure and operations such as marketing, sales, logistics, customer service, accounting and administrative functions. The secure operation of such IT systems and the processing and maintenance of this information is critical to business operations and strategy. Despite actions to mitigate or eliminate risk, the Debtors' information systems may be vulnerable to damage, disruptions or shutdowns due to the activity of hackers, employee error or malfeasance, or other disruptions, including power outages, telecommunication or utility failures, natural disasters, or other catastrophic events. The occurrence of any of these events could compromise the Debtors' information systems, and the information stored there (including customer information) could be accessed, publicly disclosed, lost, or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, disruption of operations, and damage to the Debtors' reputation, all of which could adversely affect their business, financial condition and results of operations.

(i) Risks Associated with Accurate Reporting of Financial Results

The Debtors have established internal controls over financial reporting. However, internal controls over financial reporting may not prevent or detect misstatements or omissions in the Debtors' financial statements because of their inherent limitations, including the possibility of human error, and the circumvention or overriding of controls or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If the Debtors fail to maintain the adequacy of their internal controls, the Debtors may be unable to provide financial information in a timely and reliable manner within the time periods required under the terms of the agreements governing the Debtors' indebtedness. Any such difficulties or failure could materially adversely affect the Debtors' business, results of operations, and financial condition. Further, the Debtors may discover other internal control deficiencies in the future and/or fail to adequately correct previously identified control deficiencies, which could materially adversely affect the Debtors' businesses, results of operations, and financial condition.

iv. ***Transfers or Issuances of the Debtors' Equity, Before or in Connection with Their Chapter 11 Proceedings, May Impair Their Ability to Utilize Their Federal Income Tax Net Operating Loss Carryforwards in Future Years***

Under U.S. federal income tax law, a corporation is generally permitted to deduct from taxable income net operating losses carried forward from prior years. The Debtors' consolidated group for U.S. federal income tax purposes of which ModivCare is the parent had consolidated NOLs and NOL carryforwards of approximately $283 million as of December 31, 2024. The Debtors believe that their consolidated group likely generated additional NOLs for the 2025 tax year. The Debtors' ability to utilize their NOL carryforwards to offset future taxable income and to reduce their U.S. federal income tax liability is subject to certain requirements and restrictions. If ModivCare experiences an "ownership change," as defined in section 382 of the Tax Code, the Debtors' ability to use their NOL carryforwards may be substantially limited, which could increase the taxes paid by the Debtors and have a negative impact on their after-tax cash flow, financial

position and results of operations. Generally, there is an "ownership change" if one or more stockholders owning 5% or more of a corporation's common stock have aggregate increases in their ownership of such stock of more than 50 percentage points over the prior three-year period. Under section 382 of the Tax Code, absent an applicable exception, if a corporation undergoes an "ownership change," the amount of its NOLs that may be utilized to offset future table income generally is subject to an annual limitation. Even if the NOL carryforwards are subject to limitation under section 382 of the Tax Code, the NOLs can be further reduced by the amount of discharge of indebtedness arising in a chapter 11 case under section 108 of the Tax Code.

Following the implementation of a plan of reorganization, it is likely that an "ownership change" will be deemed to occur and the Debtors' NOLs will be subject to annual limitation.

v. ***Golden Parachute Deduction Limitation***

In connection with the transactions described in the Plan and Disclosure Statement, some or all of the payments and benefits (including potential severance benefits, as applicable) to certain employees and other disqualified individuals may not be deductible for federal income tax purposes as a result of such payments being "excess parachute payments" under section 280G of the Tax Code.

C. Factors Relating to Equity Rights Offering

i. ***Debtors Could Modify and/or Cancel the Equity Rights Offering Procedures***

The Debtors may modify the Equity Rights Offering Procedures, to, among other things, adopt additional detailed procedures if necessary in the Debtors' business judgment. This might include if there is insufficient interest and participation in the Equity Rights Offering for it to proceed (given that the Equity Rights offering is not backstopped). Such modifications, or the cancellation of the Equity Rights Offering, may adversely affect the rights of those participating, or wishing to participate, in the Equity Rights Offering.

D. Factors Relating to the Capital Structure of the Reorganized Debtors

i. ***Variances from Financial Projections***

The Debtors have prepared financial projections on a consolidated basis with respect to the Reorganized Debtors based on certain assumptions as set forth in **Exhibit D** hereto. The projections have not been compiled, audited, or examined by independent accountants, and neither the Debtors nor their advisors make any representations or warranties regarding the accuracy of the projections or the ability to achieve forecasted results.

Many of the assumptions underlying the projections are subject to significant uncertainties that are beyond the control of the Debtors or Reorganized Debtors, including the timing, confirmation, and consummation of the Plan, consumer demands for the Reorganized Debtors' products and services, macroeconomic, political, legal and regulatory events that may affect the Reorganized Debtors' industries, and other unanticipated market and economic conditions. Some assumptions may not materialize, and unanticipated events and circumstances may affect the actual results. Projections

are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic, and competitive risks, and the assumptions underlying the projections may be inaccurate in material respects.

In addition, if the Debtors emerge from chapter 11, the amounts reported in subsequent consolidated financial statements may materially change relative to historical consolidated financial statements, including as a result of revisions to the Debtors' operating plans pursuant to a plan of reorganization. The Reorganized Debtors also may be required to adopt "fresh start" accounting in accordance with Accounting Standards Codification 852 ("Reorganizations"), in which case their assets and liabilities will be recorded at fair value as of the fresh start reporting date, which may differ materially from the recorded values of assets and liabilities on the Debtors' consolidated balance sheets. The Reorganized Debtors' financial results after the application of fresh start accounting also may be different from historical trends. The Financial Projections contained in **Exhibit D** hereto do not currently reflect the impact of fresh start accounting, which may have a material impact on the Financial Projections.

ii. ***Leverage***

Although the Reorganized Debtors will have less indebtedness than the Debtors, the Reorganized Debtors will still have a significant amount of secured indebtedness. On the Effective Date, after giving effect to the transactions contemplated by the Plan, the Reorganized Debtors will have approximately $300 million in funded indebtedness (exclusive of the Exit Revolving Facility, and the letter of credit sublimit contemplated therein).

The degree to which the Reorganized Debtors will be leveraged could have important consequences, placing the Reorganized Debtors at a competitive disadvantage to other, less leveraged competitors, because, among other things: it could affect the Reorganized Debtors' ability to satisfy their obligations under their indebtedness following the Effective Date; a portion of the Reorganized Debtors' cash flow from operations will be used for debt service and therefore will be unavailable to support operations or for working capital, capital expenditures, expansion, acquisitions or general corporate or other purposes; the Reorganized Debtors' ability to refinance their then-existing debt, obtain additional debt financing or equity financing, or pursue mergers, acquisitions and asset sales, on terms acceptable to them or at all, may be limited and their costs of borrowing may be increased; as a result of their indebtedness, the Reorganized Debtors may be more vulnerable to economic downturns and their ability to withstand competitive pressures may be limited; and the Reorganized Debtors' operational flexibility in planning for, or reacting to, changes, opportunities and challenges in their businesses, including changes in the market sector in which they compete, changes in their business and strategic opportunities, and adverse developments in their operations, may be severely limited.

iii. ***Ability to Service Debt***

Although the Reorganized Debtors will have less indebtedness than the Debtors, the Reorganized Debtors will still have significant interest expense and principal repayment obligations. The Reorganized Debtors' ability to make payments on and to refinance their debt will depend on their future financial and operating performance and their ability to generate cash in the future. This,

to a certain extent, is subject to general economic, business, financial, competitive, legislative, regulatory and other factors that are beyond the control of the Reorganized Debtors.

Although the Debtors believe the Plan is feasible, there can be no assurance that the Reorganized Debtors will be able to generate sufficient cash flow from operations or that sufficient future borrowings will be available to pay off the Reorganized Debtors' debt obligations. The Reorganized Debtors may need to refinance all or a portion of their debt on or before maturity; however, there can be no assurance that the Reorganized Debtors will be able to refinance any of their debt on commercially reasonable terms or at all.

If the Reorganized Debtors' cash flows and capital resources are insufficient to fund their debt service obligations and other cash requirements, the Reorganized Debtors could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to sell assets or operations, seek additional capital or restructure or refinance their indebtedness and settlement obligations. The Reorganized Debtors may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, such alternative actions may not allow the Reorganized Debtors to meet their scheduled debt service obligations and settlement obligations. The agreements governing the Reorganized Debtors' indebtedness at emergence are expected to (a) have terms and conditions that restrict their ability to dispose of assets and the use of proceeds from any such dispositions and (b) restrict their ability to raise debt capital.

The Reorganized Debtors' inability to generate sufficient cash flows to satisfy their debt obligations, or to refinance their indebtedness on commercially reasonable terms or at all, would materially and adversely affect their financial position and results of operations.

If the Reorganized Debtors cannot make scheduled payments on their debt, an event of default may result. An event of default may allow the creditors to accelerate the related debt as well as any other debt to which a cross-acceleration or cross-default provision applies. If the Reorganized Debtors are unable to repay amounts outstanding under their financing agreements when due, the lenders thereunder could, subject to the terms of the financing agreements, seek to foreclose on the collateral that is pledged to secure the indebtedness outstanding under such facility.

iv. *Obligations Under Exit Facilities*

The Reorganized Debtors' obligations under the Exit Facilities are expected to be secured by liens on substantially all of the assets of the Reorganized Debtors (subject to certain exclusions set forth therein). If the Reorganized Debtors become insolvent or are liquidated, or if there is a default under certain financing agreements, including, but not limited to, the Exit Facilities, and payment on any obligation thereunder is accelerated, the holders of the loans thereunder would be entitled, subject to the applicable intercreditor agreements and other applicable credit documents, to exercise the remedies available to a secured creditor under applicable law, including foreclosure on the collateral that is pledged to secure the indebtedness thereunder, and they would have a claim on the assets securing the obligations under the applicable facility that would be superior to any claim of the holders of unsecured debt of the obligors of the Exit Facilities.

v. *Restrictive Covenants*

The financing agreements governing the Reorganized Debtors' indebtedness are expected to contain various covenants that may limit the discretion of the Reorganized Debtors' management by restricting the Reorganized Debtors' ability to, among other things, incur additional indebtedness, incur liens, pay dividends or make certain restricted payments, make acquisitions and investments, consummate certain asset sales, enter into certain transactions with affiliates, or merge, consolidate or sell or dispose of all or substantially all of their assets. As a result of these covenants, the Reorganized Debtors will be limited in the manner in which they conduct their business and may be unable to engage in favorable business activities or finance future operations or capital needs.

Any failure to comply with the restrictions of the financing agreements may result in an event of default under such financial agreements. An event of default under a financing agreement may allow the creditors under such financing agreement to accelerate the related debt as well as allow the creditors under any other debt to which a cross-acceleration or cross-default provision applies to accelerate such debt as well. If the Reorganized Debtors are unable to repay amounts outstanding under their financing agreements when due, the creditor thereunder could, subject to the terms of the financing agreements, seek to foreclose on the collateral that is pledged to secure the indebtedness outstanding under such facility.

As a result of these restrictions, the Reorganized Debtors may be limited in how they conduct their business, unable to raise additional debt or equity financing to operate during general economic or business downturns, unable to respond to changing circumstances or to pursue business strategies and unable to compete effectively, execute their growth strategy or take advantage of new business opportunities.

vi. *Additional Financing*

The Reorganized Debtors may be able to incur substantial additional indebtedness in the future. Although agreements governing the Reorganized Debtors' indebtedness are expected to restrict the incurrence of additional indebtedness, these restrictions are and will be subject to a number of qualifications and exceptions and the additional indebtedness incurred in compliance with these restrictions could be substantial. If new debt is added to the Reorganized Debtors' current debt levels, the related risks that the Reorganized Debtors face could intensify.

Moreover, the Reorganized Debtors may need to seek additional financing for general corporate purposes. For example, they may need funds to make acquisitions or for capital expenditures or operating expenses needed to remain competitive in their market sector. The Reorganized Debtors may be unable to obtain any desired additional financing on terms that are favorable or acceptable to them, including as a result of their debt levels or if there is a decline in the demand for their products or in the solvency of their customers, vendors or suppliers or other significantly unfavorable changes in economic conditions occur. Depending on market conditions, adequate funds may not be available to the Reorganized Debtors on acceptable terms or at all, and they may be unable to fund expansion, successfully develop or enhance products, or respond to competitive pressures, any of which could have a material adverse effect on the Reorganized Debtors' competitive position, business, financial condition, results of operations, and cash flows.

E. Factors Relating to Securities to Be Issued Under Plan

i. *Market for Securities*

There will be no public market for the New Common Interests or the New Warrants. Accordingly, the liquidity of such instruments will be limited. The liquidity of any private market for New Common Interests and New Warrants will depend upon, among other things, the number of holders of New Common Interests or New Warrants, the Reorganized Debtors' financial performance, and the market for similar securities, none of which can be determined or predicted. Accordingly, there can be no assurance that active trading markets for New Common Interests or New Warrants will develop, nor can any assurance be given as to the liquidity or prices at which such securities might be traded. In the event active trading markets do not develop or are not maintained, holders of the New Common Interests or New Warrants may experience substantial difficulty in transferring or reselling such securities or may be unable to transfer or sell them at all. Even if such a market were to exist, such securities could trade at prices higher or lower than the estimated value set forth in this Disclosure Statement depending upon many factors, including prevailing interest rates, markets for similar securities, industry conditions, and the performance of, and investor expectations for, the Reorganized Debtors. Accordingly, holders of the New Common Interests and New Warrants may bear certain risks associated with holding securities for an indefinite period of time.

ii. *Potential Dilution*

The ownership percentage represented by the New Common Interests issued or deemed to be issued on the Effective Date under the Plan will be subject to dilution from the equity issued in connection with the New Warrants, the Equity Rights Offering, the MIP, and the conversion of any options, warrants, convertible securities, exercisable securities, or other securities that may be issued post-emergence. In the future, similar to all companies, additional equity financings or other share issuances by any of the Reorganized Debtors could adversely affect the value of the New Common Interests issuable upon such conversion. The amount and dilutive effect of any of the foregoing could be material.

iii. *Compliance with Terms of the Exit Facilities*

The Plan provides that the Debtors will enter into the Exit Facilities on the Effective Date. The Debtors believe that they will have sufficient cash flow to make all required interest payments on the Exit Facilities. If the Debtors' actual financial performance does not meet their cash flow projections, however, and if other sources of liquidity are not available, there is a risk that the Debtors might be unable to pay interest and principal payments on the Exit Facilities. Additionally, the Exit Facilities will contain restrictive covenants that could limit the Debtors' ability to operate their business flexibly, affecting strategic decisions, capital expenditures, and overall financial performance. Such covenants may include restrictions on incurring additional debt, granting liens, making certain acquisitions and investments, making certain dispositions, making dividends, stock repurchases and other restricted payments or engaging in specific transactions, which could impact the Company's growth and operational efficiency.

iv. *Significant Holders*

Certain holders of First Lien Claims are expected to, or have the ability to, acquire a significant ownership interest in the New Common Interests pursuant to the Plan. Should these holders act collectively, these holders may, among other things, exercise a controlling influence over the Reorganized Debtors and have the power to elect directors and approve significant transactions. This concentration of ownership could also facilitate or hinder a negotiated change of control of the Reorganized Debtors and, consequently, have an impact upon the value of the New Common Interests. The significant ownership stake may allow these holders, should they act collectively, to appoint a majority of the board of directors, potentially influencing the Company's management and strategic direction. This could lead to changes in corporate governance practices, business strategies, and capital allocation policies that align with the interests of the major shareholders. The interests of these significant holders may not always align with those of other shareholders or the Reorganized Debtors, potentially leading to conflicts in decision-making. Lastly, this ownership structure could either attract potential acquirers due to the ease of negotiating with a small group of major shareholders or deter them if the Holders are not interested in selling their stakes.

v. *Equity Interests Subordinated to Reorganized Debtors' Indebtedness*

In any subsequent liquidation, dissolution, or winding up of the Reorganized Debtors, the New Common Interests would rank below all debt claims against the Reorganized Debtors. As a result, holders of the New Common Interests will not be entitled to receive any payment or other distribution of assets upon the liquidation, dissolution, or winding up of the Reorganized Debtors until after all the Reorganized Debtors' debt obligations have been satisfied.

vi. *Implied Value Not Intended to Represent Trading Value of New Common Interests*

The valuation of the Reorganized Debtors is not intended to represent the trading value of New Common Interests in private markets and is subject to additional uncertainties and contingencies, all of which are difficult to predict. Actual market prices of such securities at issuance will depend upon, among other things: (i) prevailing interest rates; (ii) conditions in the financial markets; (iii) the anticipated initial securities of creditors receiving New Common Interests under the Plan, some of which may prefer to liquidate their investment rather than hold it on a long-term basis; and (iv) other factors that generally influence the prices of securities. The actual market prices of the New Common Interests may be volatile. Many factors, including factors unrelated to the Reorganized Debtors' actual operating performance and other factors not possible to predict, could cause the market prices of the New Common Interests to rise and fall. Accordingly, the implied value, stated herein and in the Plan, of the securities to be issued does not necessarily reflect, and should not be construed as reflecting, values that will be attained for the New Common Interests in private markets.

vii. ***Certain Holders of Securities May Be Restricted in Their Ability to Transfer or Sell Their Securities***

To the extent that securities issued under the Plan are done so in reliance on the exemption from registration under section 1145(a)(1) of the Bankruptcy Code, such securities may be resold by the holders thereof without registration under the Securities Act unless the holder is an "underwriter," as defined in section 1145(b) of the Bankruptcy Code with respect to such securities. Resales by holders of Claims who 1145 Securities pursuant to the Plan that are deemed to be "underwriters" would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or applicable law. In addition, certain securities under the Plan will be issued pursuant to other exemptions from the registration requirements of the Securities Act, including pursuant to section 4(a)(2) thereof and/or Regulation D promulgated thereunder, and such securities will be "restricted" securities under applicable securities laws, and subject to comparable restrictions on transferability. Holders of securities not exempted by section 1145 of the Bankruptcy Code, including the foregoing restricted securities, would only be permitted to sell such securities without registration if they are able to comply with an applicable exemption from registration, including Rule 144 under the Securities Act. Additionally, to the extent any holder is deemed an "affiliate" of the Reorganized Debtors, the resale of any securities issued under section 1145 of the Bankruptcy Code by that holder will be subject to the "control securities" restrictions of Rule 144 under the Securities Act.

The securities issued under the Plan will not initially be registered under the Securities Act or any state securities laws, and the Debtors make no representations regarding the right of any holder of such securities to freely resell such securities.

viii. ***No Dividends***

Reorganized Parent does not anticipate paying any dividends on the New Common Interests as it expects to retain any future cash flows for debt reduction and to support its operations. In addition, covenants in the documents governing the Reorganized Parent's indebtedness may restrict its ability to pay cash dividends and may prohibit the payment of dividends and certain other payments. As a result, the success of an investment in the New Common Interests may depend entirely upon any future appreciation in the value of the New Common Interests. There is, however, no guarantee that the New Common Interests will appreciate in value or even maintain their initial value.

F. Additional Factors

i. ***Debtors Could Withdraw Plan***

Subject to the terms of, and without prejudice to, the rights of any party to the Restructuring Support Agreement, including consent rights contained therein, the Plan may be revoked or withdrawn prior to the Confirmation Date by the Debtors.

ii. ***Debtors Have No Duty to Update***

The statements contained in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that

date does not imply that there has been no change in the information set forth herein since that date. The Debtors have no duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

iii. ***No Representations Outside this Disclosure Statement Are Authorized***

No representations concerning or related to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your vote for acceptance or rejection of the Plan that are other than those contained in, or included with, this Disclosure Statement should not be relied upon in making the decision to vote to accept or reject the Plan.

iv. ***No Legal or Tax Advice Is Provided by this Disclosure Statement***

The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each holder of a Claim or Interest should consult their own legal counsel and accountant as to legal, tax, and other matters concerning their Claim or Interest. This Disclosure Statement is not legal advice to you. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

v. ***No Admission Made***

Nothing contained herein or in the Plan will constitute an admission of, or will be deemed evidence of, the tax or other legal effects of the Plan on the Debtors or holders of Claims or Interests.

vi. ***Certain Tax Consequences***

For a discussion of certain tax considerations to the Debtors and certain holders of Claims in connection with the implementation of the Plan, see Article IX hereof.

XI.
VOTING PROCEDURES AND REQUIREMENTS

Before voting to accept or reject the Plan, each holder of a Claim or Interest entitled to vote on the Plan (a "***Voting Party***") should carefully review the Plan attached hereto as **Exhibit A**. All descriptions of the Plan set forth in this Disclosure Statement are subject to the terms and conditions of the Plan. **This Disclosure Statement has not been approved by the Bankruptcy Court**.

A. Voting Procedures

Voting Parties in each Class should provide all of the information requested by the applicable Ballot, and should complete and return all Ballots received in accordance with the instructions provided.

B. Parties Entitled to Vote

Under the Bankruptcy Code, only holders of claims or interests in "impaired" classes are entitled to vote on a plan. Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "impaired" under a plan unless (i) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof or (ii) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

If, however, the holder of an impaired claim or interest will not receive or retain any distribution under the plan on account of such claim or interest, the Bankruptcy Code deems such holder to have rejected the plan, and, accordingly, holders of such claims and interests do not actually vote on the plan. If a claim or interest is not impaired by the plan, the Bankruptcy Code presumes the holder of such claim or interest to have accepted the plan and, accordingly, holders of such claims and interests are not entitled to vote on the Plan.

A vote may be disregarded if the Bankruptcy Court determines, pursuant to section 1126(e) of the Bankruptcy Code, that it was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

The Claims in the following Classes are impaired under the Plan and entitled to vote to accept or reject the Plan:

- Class 3 — First Lien Claims;
- Class 4 — General Unsecured Claims; and
- Class 5 — Subordinated Unsecured Notes Claims.

C. Voting Deadline

All Voting Parties have been sent a ballot to vote to accept or reject the Plan (the "***Ballot***") together with this Disclosure Statement. Such Voting Parties should read the Ballot carefully and follow the instructions contained therein. Please use only the Ballot that accompanies this Disclosure Statement to cast your vote. Each Ballot contains detailed voting instructions and sets forth in detail, among other things, the deadlines, procedures, and instructions for voting to accept or reject the Plan, the Voting Record Date for voting purposes, and the applicable standards for tabulating Ballots.

Each Ballot also provides Voting Parties with the ability to opt out of certain of the releases contained in the Plan. To the extent a Voting Party wishes to opt out of the identified releases, the Voting Party must check the box on the Ballot indicating such Voting Party is electing to opt out of the releases and follow the instructions on the applicable Ballot to properly submit their elections.

The Debtors have engaged Kurtzman Carson Consultants, LLC d/b/a Verita Global as their Solicitation Agent to assist in the transmission of voting materials and in the tabulation of votes with respect to the Plan. **FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT OR A MASTER BALLOT CAST ON YOUR BEHALF MUST BE RECEIVED BY THE SOLICITATION AGENT ON OR BEFORE THE VOTING DEADLINE OF 4:00 P.M. (CENTRAL TIME) ON NOVEMBER 25, 2025, UNLESS EXTENDED BY THE DEBTORS.**

IF A BALLOT IS DAMAGED OR LOST, YOU MAY CONTACT THE SOLICITATION AGENT AT THE NUMBER SET FORTH BELOW TO RECEIVE A REPLACEMENT BALLOT. ANY BALLOT THAT IS EXECUTED AND RETURNED BUT WHICH DOES NOT INDICATE A VOTE FOR ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED.

IF YOU HAVE ANY QUESTIONS CONCERNING VOTING PROCEDURES, YOU MAY CONTACT THE SOLICITATION AGENT AT:

E-mail: **ModivCareInfo@veritaglobal.com (with a reference to "ModivCare Solicitation Inquiry" in the subject line)**

Additional copies of this Disclosure Statement, the Plan, and the Plan Supplement (when filed) are available upon written request made to the Solicitation Agent, at the e-mail address set forth immediately above or at the following address:

ModivCare Inc.
c/o Verita Ballot Processing Center
222 N. Pacific Coast Highway, Suite 300
El **Segundo**, **CA 90245**

ANY BALLOT THAT IS EXECUTED AND RETURNED BUT WHICH DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED. OTHER THAN A CLASS 4 MASTER BALLOT OR A CLASS 5 MASTER BALLOT, ANY BALLOT THAT INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN WILL NOT BE COUNTED. THE DEBTORS, IN THEIR SOLE DISCRETION, MAY REQUEST THAT THE SOLICITATION AGENT ATTEMPT TO CONTACT SUCH VOTERS TO CURE ANY SUCH DEFECTS IN THE BALLOTS. THE FAILURE TO VOTE DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT THE PLAN. AN OBJECTION TO THE CONFIRMATION OF THE PLAN, EVEN IF TIMELY SERVED, DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT THE PLAN.

D. Notice of Non-Voting Status

Holders of Claims in Class 1 and Class 2 are Unimpaired and presumed to accept the Plan. Holders of Claims in Class 7 and Interests in Class 9 are Impaired and deemed to reject the Plan. Holders of Claims in Class 6 and Class 8 are Affiliates and will be Unimpaired and presumed to accept the Plan.[14] Accordingly, Holders of Claims and Interests in Classes 1, 2, 7, and 9 will receive a notice informing them of their non-voting status (the "***Notice of Non-Voting Status***"). The Debtors are requesting a waiver of any requirement to provide Holders of Claims and Interests in Class 6 and Class 8 a Notice of Non-Voting Status or any other solicitation materials.

E. Release Opt-Out Form

Together with the Notice of Non-Voting Status, Holders of Claims and Interests in Classes 1, 2, 7, and 9 will receive a form to complete and return if the party elects to opt out of the releases contemplated by the Plan ("***Release Opt-Out Form***"). To the extent a Holder of Claims and Interests in Class 1, 2, 7, and 9 wishes to elect to opt-out of the releases, such Holder must return the Release Opt-Out Form, with the box checked indicating such Holder is electing to opt-out of the releases, to the Solicitation Agent **before 4:00 p.m. (prevailing Central Time) on November 25, 2025**.

F. Further Information, Additional Copies

If you have any questions or require further information about the voting procedures for voting your Claim, or about the packet of material you received, or if you wish to obtain an additional copy of the Plan, this Disclosure Statement, or any exhibits to such documents, please contact the Solicitation Agent.

[14] The Debtors have asked the Bankruptcy Court to waive the bankruptcy notice requirement with respect to Class 6 – Intercompany Claims and Class 8 – Intercompany Interests to relieve the Debtors of the need to serve a Notice of Non-Voting Status or any other type of notice in connection with the Plan on holders of such Claims and Interests.

XII.
CONFIRMATION OF PLAN

A. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court to hold a confirmation hearing upon appropriate notice to all required parties. Notice of the Confirmation Hearing will be provided to all known creditors and equity holders or their representatives. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the continuation date made at the Confirmation Hearing, at any subsequent continued Confirmation Hearing, or pursuant to a notice filed on the docket for the Chapter 11 Cases.

B. Objections to Confirmation

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to the confirmation of a plan. Any objection to confirmation of the Plan must (i) be in writing; (ii) conform to the applicable Bankruptcy Rules and the Bankruptcy Local Rules; (iii) set forth the name of the objecting party, the basis for the objection, and the specific grounds thereof; (iv) include proposed language that if included in the Plan would remedy the matters set forth in the objection; and (v) be filed with the Court, together with proof of service. In addition to being filed with the Court, any such responses or objections must be served on the following parties so as to be received by November 25, 2025 at 4:00 p.m. (prevailing Central Time):

(a) **Debtors** at
ModivCare Inc.,
6900 E. Layton Avenue, Suite 1100 & 1200
Denver, CO 80237
Attn: Faisal Khan (Faisal.Khan@modivcare.com)

(b) **Counsel to Debtors** at
Latham & Watkins LLP
1271 Avenue of the Americas
New York, New York 10020
Attn: Ray C. Schrock (Ray.Schrock@lw.com)
Keith A. Simon (Keith.Simon@lw.com)
George Klidonas (George.Klidonas@lw.com)
Jonathan J. Weichselbaum
(Jon.Weichselbaum@lw.com)

and

Hunton Andrews Kurth LLP
600 Travis Street, Suite 4200
Houston, Texas 77002
Attn: Timothy A. (“Tad”) Davidson II (TadDavidson@hunton.com)

Catherine A. Rankin (CRankin@hunton.com)
Brandon Bell (BBell@hunton.com)

Office of U.S. Trustee at
Office of the United States Trustee for the Southern District of Texas
515 Rusk Street, Suite 3516
Houston, Texas 77002
Attn: Jana Whitworth (Jana.Whitworth@usdoj.gov)
Andrew Jimenez (andrew.jimenez@usdoj.gov)

(a) **Counsel to the First Lien Agent, the Consenting Creditors, the DIP Lenders, and the DIP Agent** at
Paul Hastings LLP
200 Park Avenue
New York, NY 10166
Attn: Kris Hansen (krishansen@paulhastings.com)
Matt Warren (mattwarren@paulhastings.com)
Lindsey Henrikson (lindsey.henrikson@paulhastings.com)

IF AN OBJECTION TO CONFIRMATION IS NOT TIMELY SERVED AND FILED BY NOVEMBER 25, 2025 AT 4:00 P.M. (PREVAILING CENTRAL TIME), IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

C. Requirements for Confirmation of Plan

i. ***Requirements of Section 1129(a) of Bankruptcy Code***

At the Confirmation Hearing, the Bankruptcy Court will determine whether the confirmation requirements specified in section 1129(a) of the Bankruptcy Code have been satisfied, including whether:

(a) the Plan complies with the applicable provisions of the Bankruptcy Code;

(b) the Debtors have complied with the applicable provisions of the Bankruptcy Code;

(c) the Plan has been proposed in good faith and not by any means forbidden by law;

(d) any payment made or promised by the Debtors, for services or for costs and expenses in or in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been disclosed to the Bankruptcy Court, and any such payment made before

confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable;

(e) the Debtors have disclosed, to the extent known, the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director or officer of the Reorganized Debtors, an affiliate of the Debtors participating in the Plan with the Debtors, or a successor to the Debtors under the Plan, and the appointment to, or continuance in, such office of such individual is consistent with the interests holders of Claims and Interests and with public policy, and the Debtors have disclosed the identity of any insider who will be employed or retained by the Reorganized Debtors, and the nature of any compensation for such insider;

(f) with respect to each Class of Claims or Interests, each holder of an Impaired Claim or Interest has either accepted the Plan or will receive or retain under the Plan, on account of such holder's Claim, property of a value, as of the Effective Date of the Plan, that is not less than the amount such holder would receive or retain if the Debtors were liquidated on the Effective Date of the Plan under chapter 7 of the Bankruptcy Code;

(g) except to the extent the Plan meets the requirements of section 1129(b) of the Bankruptcy Code (as discussed further below), each Class of Claims or Interests either accepted the Plan or is not impaired under the Plan;

(h) except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Expense Claims, Other Priority Claims, and Priority Tax Claims will be paid in full or receive such other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code;

(i) at least one Class of impaired Claims has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim in such Class;

(j) confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the Plan; and

(k) all fees payable under section 1930 of title 28, as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

As provided above, among the requirements for confirmation are that the Plan is: (A) accepted by all impaired Classes of Claims and Interests entitled to vote or, if rejected or deemed rejected by an impaired Class, that the Plan "does not discriminate unfairly" and is "fair and equitable" as to such Class; (B) in the "best interests" of the holders of Claims and Interests impaired under the Plan; and (C) feasible.

ii. *Acceptance of Plan*

Under the Bankruptcy Code, a class accepts a chapter 11 plan if (i) holders of two-thirds (2/3) in amount and (ii) with respect to holders of claims, more than a majority in number of the allowed claims in such class (other than those designated under section 1126(e) of the Bankruptcy Code) vote to accept the plan. Holders of Claims or Interests that fail to vote are not counted in determining the thresholds for acceptance of the plan.

If any impaired Class of Claims or Interests does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Debtors if at least one Class of Claims has accepted the Plan and, as to each Impaired Class of Claims or Interests that has not accepted the Plan (or is deemed to reject the Plan), the Plan "does not discriminate unfairly" and is "fair and equitable" under the so-called "cramdown" provisions set forth in section 1129(b) of the Bankruptcy Code. The "unfair discrimination" test applies to classes of claims or interests that are of equal priority and are receiving different treatment under the plan. A chapter 11 plan does not discriminate unfairly, within the meaning of the Bankruptcy Code, if the legal rights of a dissenting class are treated in a manner consistent with the treatment of other classes whose legal rights are substantially similar to those of the dissenting class and if no class of claims or interests receives more than it legally is entitled to receive for its claims or interests. The test does not require that the treatment be the same or equivalent, but that such treatment be "fair." The "fair and equitable" test applies to classes of different priority and status (e.g., secured versus unsecured; claims versus interests) and includes the general requirement that no class of claims receive more than 100% of the allowed amount of the claims in such class. As to a dissenting class, if any, the test sets different standards that must be satisfied for the plan to be confirmed, depending on the type of claims or interests in such class. The following sets forth the "fair and equitable" test that must be satisfied as to each type of class for a plan to be confirmed if such class rejects the plan:

- **Secured Creditors**. Each holder of an impaired secured claim either (a) retains its liens on the property, to the extent of the allowed amount of its secured claim, and receives deferred cash payments having a value, as of the effective date of the plan, of at least the allowed amount of such secured claim, (b) has the right to credit bid the amount of its claim if its property is sold and retains its lien on the proceeds of the sale, or (c) receives the "indubitable equivalent" of its allowed secured claim.

- **Unsecured Creditors**. Either (a) each holder of an impaired unsecured claim receives or retains under the Plan, property of a value, as of the effective date of the

Plan, equal to the amount of its allowed claim or (b) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the plan.

- **Interests**. Either (a) each equity interest holder will receive or retain under the plan property of a value equal to the greater of (i) the fixed liquidation preference or redemption price, if any, of such equity interest and (ii) the value of the equity interest or (b) the holders of interests that are junior to the interests of the dissenting class will not receive or retain any property under the plan.

The Debtors believe the Plan satisfies the "fair and equitable" requirement with respect to any rejecting Class.

IF ALL OTHER CONFIRMATION REQUIREMENTS ARE SATISFIED AT THE CONFIRMATION HEARING, THE DEBTORS WILL ASK THE BANKRUPTCY COURT TO RULE THAT THE PLAN MAY BE CONFIRMED ON THE GROUND THAT THE SECTION 1129(b) REQUIREMENTS HAVE BEEN SATISFIED.

iii. *Best Interests Test*

As noted above, with respect to each impaired class of claims and equity interests, confirmation of a plan requires that each such holder either: (a) accept the plan; or (b) receive or retain under the plan property of a value, as of the effective date of the plan, that is not less than the value such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. This requirement is referred to as the "best interests test."

This test requires a bankruptcy court to determine what the holders of allowed claims and allowed equity interests in each impaired class would receive from a liquidation of the debtor's assets and properties in the context of a liquidation under chapter 7 of the Bankruptcy Code. To determine if a plan is in the best interests of each impaired class, the value of the distributions from the proceeds of the liquidation of the debtor's assets and properties (after subtracting the amounts attributable to the aforesaid claims) is then compared with the value offered to such classes of claims and equity interests under the plan.

Under the Plan, all holders of Impaired Claims and Interests will receive property with a value not less than the value such holder would receive in a liquidation under chapter 7 of the Bankruptcy Code. This conclusion is based primarily on: (a) consideration of the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to holders of Impaired Claims and Interests; and (b) the Liquidation Analysis attached hereto as **Exhibit C**.

Any liquidation analysis is speculative, as it is necessarily premised on assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of which would be beyond the control of the Debtors. The Liquidation Analysis provided in **Exhibit C** is solely for the purpose of disclosing to holders of Claims and Interests the effects of a hypothetical chapter 7 liquidation of the Debtors, subject to the assumptions set forth therein. There can be no assurance as to values that would actually be realized in a chapter 7 liquidation nor can there be any assurance

that a bankruptcy court will accept the Debtors' conclusions or concur with such assumptions in making its determinations under section 1129(a)(7) of the Bankruptcy Code.

iv. *Feasibility*

Section 1129(a)(11) of the Bankruptcy Code requires that a debtor demonstrate that confirmation of a plan is not likely to be followed by liquidation or the need for further financial reorganization. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan. As part of this analysis, the Debtors have prepared the consolidated financial projections for the Reorganized Debtors (collectively with the reserve information, development of schedules, and financial information, the "***Financial Projections***") for fiscal years 2026 through 2030. The Financial Projections, and the assumptions on which they are based, are attached hereto as **Exhibit D**. Based upon such Financial Projections, the Debtors conclude they will have sufficient resources to make all payments required pursuant to the Plan and that confirmation of the Plan is not likely to be followed by liquidation or the need for further reorganization. Moreover, Article IX hereof sets forth certain risk factors that could impact the feasibility of the Plan.

The Financial Projections assume that the Plan will be consummated in accordance with its terms and that all transactions contemplated by the Plan will be consummated on or prior to December 24, 2025 (the "***Effective Date***"). Any significant delay in the Effective Date may have a significant negative impact on the operations and financial performance of the Debtors including, but not limited to, an increased risk or inability to meet forecasts and the incurrence of higher reorganization expenses.

The Debtors do not, as a matter of course, publish their business plans or strategies, projections or anticipated financial position. Accordingly, the Debtors do not anticipate that they will, and disclaim any obligation to, furnish updated business plans or Financial Projections to parties in interest after the Confirmation Date or otherwise make such information public. In connection with the planning and development of the Plan, the Financial Projections were prepared by the Debtors, with the assistance of their professionals, to present the anticipated impact of the Plan. The Financial Projections assume that the Plan will be implemented in accordance with its stated terms. The Financial Projections are based on forecasts of key economic variables and may be significantly impacted by business, industry, regulatory, market and financial uncertainties and contingencies, and a variety of other factors.

Consequently, the estimates and assumptions underlying the Financial Projections are inherently uncertain and are subject to material business, economic, and other uncertainties. Therefore, such Financial Projections, estimates, and assumptions are not necessarily indicative of current values or future performance, which may be significantly less or more favorable than set forth herein.

The Financial Projections should be read in conjunction with the assumptions, qualifications, and explanations set forth in this Disclosure Statement, the Plan, and the Plan Supplement, in their entirety, and the historical consolidated financial statements (including the notes and schedules thereto).

XIII.
ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF PLAN

The Debtors have evaluated several alternatives to the Plan. After studying these alternatives, the Debtors have concluded that the Plan is the best alternative and will maximize recoveries to parties in interest, assuming confirmation and consummation of the Plan. If the Plan is not confirmed and consummated, the alternatives to the Plan are (i) the preparation and presentation of an alternative reorganization, (ii) a sale of some or all of the Debtors' assets pursuant to section 363 of the Bankruptcy Code, or (iii) a liquidation under chapter 7 of the Bankruptcy Code.

A. Alternative Plan of Reorganization

If the Plan is not confirmed, the Debtors (or if the Debtors' exclusive period in which to file a plan of reorganization has expired, any other party in interest) could attempt to formulate a different plan. Such a plan might involve either (i) a reorganization and continuation of the Debtors' business or (ii) an orderly liquidation of their assets. The Debtors, however, believe that the Plan, as described herein, enables their stakeholders to realize the most value under the circumstances. In addition, if the Plan is not confirmed pursuant to the terms of the Restructuring Support Agreement, the Consenting Creditors have the right to terminate the Restructuring Support Agreement (and all obligations thereunder) either in its entirety or as to themselves only, as applicable.

B. Sale Under Section 363 of the Bankruptcy Code

If the Plan is not confirmed, the Debtors could seek from the Bankruptcy Court, after notice and hearing, authorization to sell their assets under section 363 of the Bankruptcy Code. Holders of Allowed Claims in Class 3 would be entitled to credit bid on any property to which their security interest is attached to the extent of the value of such security interest, and to offset their Claims against the purchase price of the property. In addition, the security interests in the Debtors' assets held by Holders of Claims in Class 3 would attach to the proceeds of any sale of the Debtors' assets to the extent of their secured interests therein. Upon analysis and consideration of this alternative, the Debtors do not believe a sale of their assets under section 363 of the Bankruptcy Code would yield a higher recovery for the holders of Claims and Interests under the Plan.

C. Liquidation under Chapter 7 of Bankruptcy Code

If no plan can be confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code in which a trustee would be elected or appointed to liquidate the assets of the Debtors for distribution to their creditors in accordance with the priorities established by the Bankruptcy Code. The effect that a chapter 7 liquidation would have on the recovery of holders of Allowed Claims and Interests is set forth in the Liquidation Analysis attached hereto as **Exhibit C**.

The Debtors believe that liquidation under chapter 7 would result in smaller distributions to creditors than those provided for in the Plan because of, among other things, the delay resulting from the conversion of the Chapter 11 Cases, the additional administrative expenses associated with the appointment of a trustee and the trustee's retention of professionals who would be required

to become familiar with the many legal and factual issues in the Chapter 11 Cases, and the loss in value attributable to an expeditious liquidation of the Debtors' assets as required by chapter 7.

[*Remainder of page intentionally left blank*]

XIV.
CONCLUSION AND RECOMMENDATION

The Debtors believe the Plan is in the best interests of all stakeholders and urge the holders of Claims in Classes 3, 4, and 5 to vote in favor thereof.

Dated: October 16, 2025

Respectfully submitted,

On behalf of ModivCare Inc. and
its Debtor Affiliates

By: /s/ *Chad J. Shandler*
Name: Chad J. Shandler
Title: Chief Transformation Officer

Exhibit A

Plan

Exhibit B

Organizational Structure

Exhibit C

Liquidation Analysis

Exhibit D

Financial Projections

Exhibit E

Valuation Analysis

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)

DISCLOSURE STATEMENT FOR FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF MODIVCARE INC. AND ITS DEBTOR AFFILIATES

HUNTON ANDREWS KURTH LLP
Timothy A. ("Tad") Davidson II (Texas Bar No. 24012503)
Catherine A. Rankin (Texas Bar. No. 24109810)
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~~***Proposed***~~ *Counsel for the Debtors and Debtors in Possession*

October ~~4~~16, 2025
Houston, Texas

[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' 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.

DISCLOSURE STATEMENT, DATED OCTOBER ~~4~~16, 2025

MODIVCARE INC., *ET AL*.

THIS DISCLOSURE STATEMENT (THIS "*DISCLOSURE STATEMENT*") IS NOT A SOLICITATION OF VOTES ON THE PLAN. ACCEPTANCES AND REJECTIONS OF THE PLAN MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT REMAINS SUBJECT TO MATERIAL REVISION AND HAS NOT, AS OF THE DATE HEREOF, BEEN APPROVED BY THE BANKRUPTCY COURT AS CONTAINING "ADEQUATE INFORMATION" WITHIN THE MEANING OF SECTION 1125(A) OF THE BANKRUPTCY CODE. THE DEBTORS HAVE SOUGHT ORDERS OF THE BANKRUPTCY COURT APPROVING THIS DISCLOSURE STATEMENT AS CONTAINING "ADEQUATE INFORMATION," AND APPROVING THE SOLICITATION OF VOTES AS BEING IN COMPLIANCE WITH SECTIONS 1125 AND 1126(B) OF THE BANKRUPTCY CODE.

THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS 4:00 P.M. (PREVAILING CENTRAL TIME) ON NOVEMBER ~~7~~25, 2025, UNLESS EXTENDED BY THE DEBTORS IN THEIR SOLE DISCRETION. THE RECORD DATE FOR DETERMINING WHICH HOLDERS OF CLAIMS MAY VOTE ON THE PLAN IS OCTOBER 6, 2025 (THE "*RECORD DATE*").

A release opt out form and a notice of non-voting status (the "***Release Opt Out Form***") or a Ballot (as defined herein) containing an opt out election will be provided to you. The Release Opt Out Form or Ballot, as applicable, will provide you with the option to not grant the Releases contained in section 10.6(b) of the Plan. You must complete and timely return the Release Opt Out Form or Ballot, as applicable, to the Solicitation Agent by November ~~7~~25, 2025 (unless extended by the Debtors, the "***Voting Deadline***") at 4:00 p.m. (Prevailing Central Time) in accordance with the instructions set forth in the Release Opt Out Form or Ballot (and accompanying notices), as applicable, for your opt-out to be valid; **OTHERWISE, YOU WILL BE DEEMED TO CONSENT TO AND BE BOUND BY THE RELEASES SET FORTH IN SECTION 10.6(B) OF THE PLAN**. Please review the additional information set forth in this Disclosure Statement, the Release Opt Out Form or Ballot, as applicable, the Plan, and any other documents related to the Chapter 11 Cases that you may receive from time to time. Please be advised that your decision to opt out of the releases in section 10.6(b) of the Plan does not affect the amount of distribution you will receive under the Plan.

RECOMMENDATION BY THE DEBTORS

The Debtors believe the Plan is in the best interests of their creditors and other stakeholders. All creditors entitled to vote on the Plan are urged to vote in favor of the Plan.

The Board of Directors of ModivCare Inc. has approved the transactions contemplated by the Solicitation and the Plan and recommend that all creditors whose votes are being solicited submit ballots to accept the Plan. Holders of more than 93% of First Lien Claims, and more than 70% of Second Lien Claims (each as defined herein) entitled to vote on the Plan have already agreed, subject to the terms and conditions of the Restructuring Support Agreement, to vote in favor of the Plan.

RECOMMENDATION BY AND POSITION OF THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS[2]

THE COMMITTEE HAS REVIEWED THE PROPOSED PLAN AND, AT THIS TIME, THE COMMITTEE CANNOT SUPPORT CONFIRMATION OF THE DEBTORS' PLAN FOR THE REASONS STATED BELOW.

AS SUCH, THE COMMITTEE RECOMMENDS THAT ALL HOLDERS OF UNSECURED CLAIMS SUBMIT BALLOTS TO (I) REJECT THE PLAN AND (II) OPT OUT OF THE PLAN RELEASES BY RETURNING THEIR BALLOTS SO AS TO BE ACTUALLY RECEIVED BY THE SOLICITATION AGENT NO LATER THAN NOVEMBER ~~7~~25, 2025, AT 4:00 P.M. (PREVAILING CENTRAL TIME) PURSUANT TO THE INSTRUCTIONS SET FORTH HEREIN AND IN THE BALLOTS.

THE COMMITTEE'S LEGAL AND FINANCIAL ADVISORS ARE CONTINUING TO ENGAGE WITH THE DEBTORS' ADVISORS TO SEEK TO RESOLVE THESE ISSUES.

IF YOU HAVE ANY QUESTIONS LEADING UP TO THE CONFIRMATION HEARING, PLEASE CONTACT WHITE & CASE LLP, THE LAW FIRM THAT IS ADVISING THE COMMITTEE, AT W&CMODIVCARE@WHITECASE.COM.

[2] The Debtors reserve all rights and do not endorse the position taken by the Committee. As described above, the Debtors believe the Plan is in the best interests of their creditors and other stakeholders.

IMPORTANT INFORMATION REGARDING THIS DISCLOSURE STATEMENT FOR YOU TO READ

ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. IN PARTICULAR, ALL HOLDERS OF CLAIMS SHOULD CAREFULLY READ AND CONSIDER THE RISK FACTORS SET FORTH IN ARTICLE X OF THIS DISCLOSURE STATEMENT – "CERTAIN RISK FACTORS TO BE CONSIDERED" – BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. THE PLAN SUMMARY AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN ITSELF AND ANY EXHIBITS ATTACHED TO THE PLAN AND THIS DISCLOSURE STATEMENT. IN THE EVENT OF ANY CONFLICT BETWEEN ANY DESCRIPTIONS SET FORTH IN THIS DISCLOSURE STATEMENT AND THE TERMS OF THE PLAN, THE TERMS OF THE PLAN SHALL GOVERN.

HOLDERS OF CLAIMS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE AND SHOULD CONSULT WITH THEIR OWN ADVISORS BEFORE CASTING A VOTE WITH RESPECT TO THE PLAN.

UPON CONFIRMATION OF THE PLAN, THE SECURITIES DESCRIBED IN THIS DISCLOSURE STATEMENT WILL BE OFFERED AND SOLD WITHOUT REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, TOGETHER WITH THE RULES AND REGULATIONS PROMULGATED THEREUNDER (THE "*SECURITIES ACT*"), OR SIMILAR U.S. FEDERAL, STATE, OR LOCAL LAWS IN RELIANCE ON THE EXEMPTION SET FORTH IN SECTION 1145(A) OF THE BANKRUPTCY CODE AND/OR ANOTHER AVAILABLE EXEMPTION UNDER THE SECURITIES LAWS OF THE UNITED STATES. THE ABILITY TO OFFER AND SELL SECURITIES WITHOUT REGISTRATION IN RELIANCE ON SECTION 1145(A) OF THE BANKRUPTCY CODE AND/OR APPLICABLE SECURITIES LAWS, WHETHER FEDERAL, STATE, OR TERRITORIAL, SHALL NOT BE A CONDITION TO THE OCCURRENCE OF THE EFFECTIVE DATE. WITH RESPECT TO SECURITIES ISSUED PURSUANT TO SECTION 4(A)(2), AND/OR REGULATION D, SUCH SECURITIES WILL BE "RESTRICTED SECURITIES" SUBJECT TO RESALE RESTRICTIONS AND MAY BE RESOLD, EXCHANGED, ASSIGNED, OR OTHERWISE TRANSFERRED ONLY PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT (OR AN APPLICABLE EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS) AND OTHER APPLICABLE LAW.

NO SECURITIES TO BE ISSUED PURSUANT TO THE PLAN HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE

COMMISSION (THE "*SEC*") OR BY ANY STATE SECURITIES COMMISSION OR SIMILAR PUBLIC, GOVERNMENTAL, OR REGULATORY AUTHORITY. THIS DISCLOSURE STATEMENT HAS NOT BEEN FILED FOR APPROVAL WITH THE SEC OR ANY STATE AUTHORITY AND NEITHER THE SEC NOR ANY STATE AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES. NEITHER THE SOLICITATION OF VOTES ON THE PLAN NOR THIS DISCLOSURE STATEMENT CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY SECURITIES IN ANY STATE OR JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED.

THE DEBTORS BELIEVE THAT THE SOLICITATION OF VOTES ON THE PLAN MADE BY THIS DISCLOSURE STATEMENT ARE EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT AND RELATED STATE STATUTES PURSUANT TO SECTION 4(A)(2) OF THE SECURITIES ACT AND/OR RULE 506 OF REGULATION D PROMULGATED THEREUNDER, AND PURSUANT TO REGULATION S UNDER THE SECURITIES ACT, AS APPLICABLE.

ALL SECURITIES DESCRIBED HEREIN ARE EXPECTED TO BE ISSUED WITHOUT REGISTRATION UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS ("*BLUE SKY LAWS*").

CERTAIN STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT, INCLUDING STATEMENTS INCORPORATED BY REFERENCE, PROJECTED FINANCIAL INFORMATION, AND OTHER FORWARD-LOOKING STATEMENTS, ARE SUBJECT TO A NUMBER OF ASSUMPTIONS, RISKS AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE DEBTORS, INCLUDING THE IMPLEMENTATION OF THE PLAN. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ACTUAL OUTCOMES. FORWARD-LOOKING STATEMENTS SHOULD BE EVALUATED IN THE CONTEXT OF THE ESTIMATES, ASSUMPTIONS, UNCERTAINTIES, AND RISKS DESCRIBED HEREIN.

FURTHERMORE, READERS ARE CAUTIONED THAT ANY FORWARD-LOOKING STATEMENTS HEREIN, INCLUDING ANY PROJECTIONS, ARE BASED ON ASSUMPTIONS THAT ARE BELIEVED TO BE REASONABLE, BUT ARE SUBJECT TO A WIDE RANGE OF RISKS IDENTIFIED IN THIS DISCLOSURE STATEMENT. IMPORTANT ASSUMPTIONS AND OTHER IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY INCLUDE, BUT ARE NOT LIMITED TO, THOSE FACTORS, RISKS AND UNCERTAINTIES DESCRIBED IN MORE DETAIL UNDER THE HEADING "CERTAIN RISK FACTORS TO BE CONSIDERED," AS WELL AS THE ABILITY OF MANAGEMENT TO EXECUTE ITS PLANS TO MEET ITS GOALS AND OTHER RISKS INHERENT IN THE DEBTORS' BUSINESSES. DUE TO THESE UNCERTAINTIES, READERS CANNOT BE ASSURED THAT ANY FORWARD-LOOKING STATEMENTS WILL PROVE TO BE

CORRECT. PARTIES ARE CAUTIONED THAT THE FORWARD-LOOKING STATEMENTS SPEAK AS OF THE DATE MADE, ARE BASED ON THE DEBTORS' CURRENT BELIEFS, INTENTIONS AND EXPECTATIONS, AND ARE NOT GUARANTEES OF FUTURE PERFORMANCE. ACTUAL RESULTS OR DEVELOPMENTS MAY DIFFER MATERIALLY FROM THE EXPECTATIONS EXPRESSED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS. THE DEBTORS ARE UNDER NO OBLIGATION TO (AND EXPRESSLY DISCLAIM ANY OBLIGATION TO) UPDATE OR ALTER ANY FORWARD-LOOKING STATEMENTS WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE, UNLESS INSTRUCTED TO DO SO BY THE BANKRUPTCY COURT OR REQUIRED BY APPLICABLE LAW.

NO INDEPENDENT AUDITOR OR ACCOUNTANT HAS REVIEWED OR APPROVED THE FINANCIAL PROJECTIONS OR THE LIQUIDATION ANALYSIS PROVIDED HEREIN.

THE STATEMENTS CONTAINED IN THE DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS OTHERWISE SPECIFIED. THE TERMS OF THE PLAN GOVERN IN THE EVENT OF ANY INCONSISTENCY WITH THE SUMMARIES IN THE DISCLOSURE STATEMENT.

THE INFORMATION IN THE DISCLOSURE STATEMENT IS BEING PROVIDED SOLELY FOR PURPOSES OF VOTING TO ACCEPT OR REJECT THE PLAN OR OBJECTING TO CONFIRMATION. NOTHING IN THE DISCLOSURE STATEMENT MAY BE USED BY ANY PARTY FOR ANY OTHER PURPOSE.

ALL EXHIBITS TO THE DISCLOSURE STATEMENT ARE INCORPORATED INTO AND ARE A PART OF, THE DISCLOSURE STATEMENT AS IF SET FORTH IN FULL HEREIN.

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I.
EXECUTIVE SUMMARY

ModivCare Inc. ("***ModivCare***"), a Delaware corporation, and the other debtors and debtors in possession (collectively, the "***Debtors***" or the "***Company***"), submit this Disclosure Statement pursuant to section 1125 of title 11 of the United States Code, 11 U.S.C §§ 101-1532 (as amended from time to time, the "***Bankruptcy Code***") and other applicable law, in connection with the solicitation of votes (the "***Solicitation***") on the *First Amended Joint Chapter 11 Plan of Reorganization of ModivCare Inc. and its Debtor Affiliates* (the "***Plan***"),[3] which was filed contemporaneously herewith by the Debtors in the United States Bankruptcy Court for the Southern District of Texas (the "***Bankruptcy Court***"). A copy of the Plan is attached hereto as Exhibit A.

The Debtors are commencing this Solicitation to implement a comprehensive financial restructuring to significantly deleverage the Debtors' balance sheet to ensure the long-term viability of the Debtors' enterprise. As a result of extensive, good faith, and arm's-length negotiations, the Debtors and Holders of approximately 93% of First Lien Claims, and 70% of Second Lien Claims (the "***Consenting Creditors***") entered into a restructuring support agreement (including any amendments, modifications and joinders thereto, the "***Restructuring Support Agreement***") dated as of August 20, 2025, a copy of which is attached as Exhibit B to the *Declaration of Chad J. Shandler in Support of the Debtors' Chapter 11 Petitions and First Day Relief* [Docket No. 14]. Under the terms of the Restructuring Support Agreement, the Consenting Creditors have agreed, subject to the terms and conditions of the Restructuring Support Agreement, to support a restructuring of the Debtors' existing capital structure and operations in chapter 11 and to vote to accept the Plan.

Prior to soliciting votes on a proposed plan of reorganization, section 1125 of the Bankruptcy Code requires debtors to prepare a disclosure statement containing information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance or rejection of the plan of reorganization. As such, this Disclosure Statement is being submitted in accordance with the requirements of section 1125 of the Bankruptcy Code.

This Executive Summary is being provided as an overview of the material items addressed in the Disclosure Statement and the Plan, which is qualified by reference to the entire Disclosure Statement and by the actual terms of the Plan (and including all exhibits attached hereto, to the Plan, and the Plan Supplement), and should not be relied upon for a comprehensive discussion of the Disclosure Statement and/or the Plan.

This Disclosure Statement includes, without limitation, information about:

[3] Capitalized terms used but not otherwise defined in this Disclosure Statement will have the meaning ascribed to such terms in the Plan. The summary of the Plan provided herein is qualified in its entirety by reference to the Plan. In the case of any inconsistency between this Disclosure Statement and the Plan, the Plan will govern.

- the Debtors' prepetition operating and financial history;
- the events leading up to the commencement of the Chapter 11 Cases;
- the events that have occurred during the pendency of the Chapter 11 Cases;
- the solicitation procedures for voting on the Plan;
- the confirmation process and the voting procedures that Holders of Claims or Interests who are entitled to vote on the Plan must follow for their votes to be counted;
- the terms and provisions of the Plan, including certain effects of confirmation of the Plan, certain risk factors relating to the Debtors or the Reorganized Debtors, the Plan and the securities to be issued under the Plan, and the manner in which distributions will be made under the Plan; and
- the proposed organization, operations and financing of the Reorganized Debtors if the Plan is confirmed and becomes effective.

A. Purpose and Effect of the Plan

1. Plan of Reorganization Under Chapter 11 of the Bankruptcy Code

The Debtors are reorganizing pursuant to chapter 11 of the Bankruptcy Code, which is the principal business reorganization chapter of the Bankruptcy Code. As a result, the confirmation of the Plan means that the Reorganized Debtors will continue to operate their businesses going forward and does not mean that the Debtors will be liquidated or forced to go out of business.

The proposed Restructuring will leave the Company's businesses intact and significantly deleverage the Debtors' capital structure, as its total funded indebtedness (including accrued but unpaid interest) will be reduced from approximately $1.4 billion to approximately $300 million inclusive of principal and accrued interest—an approximately 80% debt reduction relative to the debt balance as of the Petition Date. This deleveraging will enhance the Company's long-term growth prospects and competitive position and allow the Debtors to emerge from the Chapter 11 Cases as a stronger, reorganized group of entities better able to invest in the business, deliver value to customers, continue providing critical services to persons in need, and withstand a challenging market environment.

Additionally, a bankruptcy court's confirmation of a plan binds debtors, any entity acquiring property under the plan, any holder of a claim against or equity interest in a debtor and all other entities as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code to the terms and conditions of the confirmed plan, whether or not such entity voted on the particular plan or affirmatively voted to reject the plan.

2. Financial Restructurings Under the Plan

The Plan contemplates certain transactions, including, without limitation, the following transactions (described in greater detail in Article VII herein):

- The Chapter 11 Cases are being financed by a superpriority secured multi-draw $100 million term loan facility funded by certain of the First Lien Lenders (the "***DIP Facility***").

- To ensure the Reorganized Debtors are sufficiently capitalized going forward, the Reorganized Debtors will, on the effective date of the Plan, enter into (i) a new senior secured revolving loan facility with an aggregate principal commitment amount of up to $250 million, inclusive of a $150 million letter of credit sub-limit, and (ii) a new senior secured term loan agreement with an aggregate principal commitment of up to $300 million, which will refinance and replace the DIP Facility and the First Lien Loans.

- The Debtors will conduct a $200 million Equity Rights Offering, which all ~~eligible~~**Eligible** Holders of Allowed General Unsecured Claims (excluding First Lien Deficiency Claims) and ~~**Holders of**~~ Allowed Subordinated Unsecured Noted Claims will be entitled to participate in.

- The treatment of certain Classes of Claims and Interests will be as follows:

  - Payment in full of all Allowed Administrative Claims, DIP Claims, Priority Tax Claims, Other Secured Claims, and Other Priority Claims, (or such other treatment rendering such claims Unimpaired);

  - With respect to each Holder of First Lien Claims, its Pro Rata Share (subject to application of the Equity Option) of the following:

    (a) with respect to any First Lien RCF Claims on account of unfunded First Lien Revolving LC Exposure as of the Effective Date, participation in the Exit LC Facility in an amount equal to each such Holder's participation in any such unfunded First Lien Revolving LC Exposure as of the Effective Date; and

    (b) with respect to any First Lien Claim other than unfunded First Lien Revolving LC Exposure:

      - the Exit Term Loans;

      - 98% of the New Common Interests, subject to dilution on account of the DIP Backstop Premium, the Equity Rights Offering (if applicable), the New Warrants, and the MIP; and

- Cash from the proceeds of the Equity Rights Offering, if applicable.

- With respect to each Holder of General Unsecured Claims**:**

  (a) its Pro Rata Share of 2% of the New Common Interests (subject to dilution by the DIP Backstop Premium, the Equity Rights Offering, the New Warrants, and the MIP)**~~, and, if such Holder is an Eligible Holder, its:~~;**

  (b) **~~(a)~~ its** Pro Rata Share of the New Warrants; and

  (c) **~~(b)~~ if such Holder is an Eligible Holder, its** *pro rata* share of the right to purchase up to $200 million, in aggregate, of New Common Interests pursuant to the Equity Rights Offering (determined on a *pro rata* basis with the **~~Holder~~Holders** of Allowed General Unsecured Claims and Holders of Allowed Subordinated Unsecured Notes Claims);

  provided that, each Holder of an Allowed General Unsecured Claim that is less than $1,000,000 may elect to receive, in lieu of the foregoing, its Pro Rata Share (determined *pro rata* for all Holders of General Unsecured Claims regardless of whether such Holders make such election) of the GUC Cashout Value;

- With respect to each Eligible Holder of Subordinated Unsecured Notes Claims, its Pro Rata Share of the right to purchase up to $200 million, in aggregate, of New Common Interests pursuant to the Equity Rights Offering (determined on a *pro rata* basis with the other Holders of Allowed Subordinated Unsecured Noted Claims and the Holders of Allowed General Unsecured Claims); and

- The Existing Parent Equity Interests will be canceled, and each Holder of an Existing Parent Equity Interest will not receive any distribution or retain any property on account of such Existing Parent Equity Interest.

- After the Effective Date, the New Board may adopt the Management Incentive Plan for the benefit of the new management of the Reorganized Debtors. The MIP shall dilute all New Common Interests equally, including the New Common Interests issued pursuant to the Equity Rights Offering.

- After the Effective Date, the Reorganized Debtors will be a private company.

B. Classification and Treatment of Claims and Equity Interests Under the Plan

The following table provides a summary of the classification and treatment of Claims and Interests and the potential distributions to Holders of Allowed Claims and Interests under the Plan.

The projected recoveries set forth in the table below are estimates only and, therefore, are subject to material change. For a complete description of the Debtors' classification and

treatment of Claims and Interests, reference should be made to the entire Plan and the risk factors described in Article X below. The table is intended for illustrative purposes only and is not a substitute for a review of the Plan and the Disclosure Statement in their entirety. For certain classes of Claims, the actual amount of Allowed Claims could be materially different than the estimated amounts shown in the table below.

In the event that certain Subordination Agreement, dated as of March 7, 2025 by and among JP Morgan Chasebank, N.A., Ankura Trust Company LLC and Wilmington Savings Fund Society, FSB (the "Subordination Agreement"), were amended, altered or otherwise modified such that the subordination provision set forth therein were no longer applicable to the Holders of Subordinated Unsecured Notes Claims, the Holders of Subordinated Unsecured Notes Claims may be entitled to receive the same treatment under the Plan as the General Unsecured Claims. In such event, the recoveries of the General Unsecured Claims under the Plan would be reduced accordingly on account of increased Claims that share *pro rata* with the treatment of the General Unsecured Claims.

The recoveries set forth below reflect the Debtors' current understanding that the Debtors have no prepetition unencumbered assets. Whether there are such assets remains subject to further investigation (as further described below in this Disclosure Statement).

Class and Designation	Treatment under Plan	Approx. % Recovery[4] Under the Plan	Est. % Recovery Under Chapter 7
Class 1: Other Secured Claims	The legal, equitable, and contractual rights of Holders of Allowed Other Secured Claims are unaltered by the Plan. On or as soon as reasonably practicable after the Effective Date, except to the extent that a Holder of an Allowed Other Secured Claim agrees to less favorable treatment of its Allowed Other Secured Claim, in full and final satisfaction, settlement, release, and discharge and in exchange for each Allowed Other Secured Claim, at the option of the Debtors (with the consent of the Required Consenting First Lien Lenders) or the Reorganized Debtors, (i) such Holder shall receive payment in full in Cash, payable on the later of the Effective Date and the	100%	0%

[4] Approximate percentage recovery is illustrated prior to dilution from the MIP, the New Common Interests issued pursuant to the Equity Rights Offering, the DIP Backstop Premium, and the New Warrants.

Class and Designation	Treatment under Plan	Approx. % Recovery[4] Under the Plan	Est. % Recovery Under Chapter 7
	date that is ten (10) Business Days after the date on which such Other Secured Claim becomes an Allowed Other Secured Claim, in each case, or as soon as reasonably practicable thereafter or (ii) such Holder shall receive such other treatment so as to render such holder's Allowed Other Secured Claim Unimpaired.		
Class 2: Other Priority Claims	The legal, equitable, and contractual rights of the Holders of Allowed Other Priority Claims are unaltered by the Plan. On or as soon as reasonably practicable after the Effective Date, except to the extent that a holder of an Allowed Other Priority Claim agrees to less favorable treatment, in full and final satisfaction, settlement, release, and discharge and in exchange for each Allowed Other Priority Claim, each holder of an Allowed Other Priority Claim shall, at the option of the Debtors (with the consent of the Required Consenting First Lien Lenders) or the Reorganized Debtors, (i) be paid in full in Cash or (ii) otherwise receive treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code, payable on the later of the Effective Date and the date that is ten (10) Business Days after the date on which such Other Priority Claim becomes an Allowed Other Priority Claim, in each case, or as soon as reasonably practicable thereafter.	100%	0%
Class 3: First Lien Claims	On or as soon as reasonably practicable after the Effective Date, except to the extent that a Holder of an Allowed First Lien Claim agrees to less favorable treatment, in full and final satisfaction settlement, release, and discharge and in exchange for each Allowed First Lien Claim, on the Effective Date or on another date acceptable to the Required Consenting First Lien Lenders, each Holder of an	58% - 79%[5]	28% - 42%

[5] Assumes $200 million of Exit Term Loans allocated to First Lien Claims and no cash from proceeds from the Equity Rights Offering.

Class and Designation	Treatment under Plan	Approx. % Recovery[4] Under the Plan	Est. % Recovery Under Chapter 7
	Allowed First Lien Claim shall receive its Pro Rata Share (subject to application of the Equity Option) of the following: i. with respect to any First Lien RCF Claims on account of unfunded First Lien Revolving LC Exposure as of the Effective Date, participation in the Exit LC Facility in an amount equal to each such Holder's participation in any such unfunded First Lien Revolving LC Exposure as of the Effective Date; ii. with respect to any First Lien Claim other than unfunded First Lien Revolving LC Exposure: a. the Exit Term Loans; b. 98% of the New Common Interests, subject to dilution on account of the DIP Backstop Premium, the Equity Rights Offering (if applicable), the New Warrants, and the MIP; and c. Cash from proceeds of the Equity Rights Offering, if applicable. The First Lien Deficiency Claim shall be waived and shall not receive any distribution under the Plan.		
Class 4: General Unsecured	On or as soon as reasonably practicable after the Effective Date, except to the extent that a Holder of an Allowed General Unsecured Claim agrees to less favorable treatment, in full and final satisfaction	1.0 – 1.9%[6]	0%

[6] Reflects recovery on account of primary equity allocation and does not include potential value of the New Warrants. Recovery inclusive of New Warrants based on Black Scholes analysis estimated at 5.0% to 15.6%. Recoveries assume $200 million of Exit Term Loans allocated to First Lien Claims.

Class and Designation	Treatment under Plan	Approx. % Recovery[4] Under the Plan	Est. % Recovery Under Chapter 7
Claims	settlement, release, and discharge and in exchange for each Allowed General Unsecured Claim, on the Effective Date or on another date acceptable to the Required Consenting First Lien Lenders, each Holder of an Allowed General Unsecured Claim shall receive a Pro Rata Share of the following: i. 2% of the New Common Interests, subject to dilution by the DIP Backstop Premium, the Equity Rights Offering (if applicable), the New Warrants, and the MIP; and ii. ~~**if such Holder is an Eligible Holder,**~~ the New Warrants; and iii. if such Holder is an Eligible Holder, on a *pro rata* basis with the Holders of Allowed General Unsecured Claims and Holders of Allowed Subordinated Unsecured Notes Claims, the right to purchase up to $200,000,000, in aggregate, of New Common Interests pursuant to the Equity Rights Offering, provided that, each Holder of an Allowed General Unsecured Claim that is less than $1,000,000 may elect to receive, in lieu of the foregoing, its *pro rata* share (determined (*pro rata* for all Holders of General Unsecured Claims regardless of whether such holders make such election) of the GUC Cashout Value.		
Class 5: Subordinated Unsecured Notes Claims	All Subordinated Unsecured Notes Claims shall be canceled, released, and extinguished as of the Effective Date, and Holders of Allowed Subordinated Unsecured Notes Claims shall not receive or retain any distribution, property, or other value on account of such Subordinated Unsecured Notes Claims; *provided* that, Eligible Holders of Subordinated Unsecured Notes Claims shall receive, in full and final satisfaction, settlement,	0%	0%

Class and Designation	Treatment under Plan	Approx. % Recovery[4] Under the Plan	Est. % Recovery Under Chapter 7
	release, and discharge and in exchange for each Subordinated Unsecured Notes Claim, their Pro Rata Share of the right to purchase, on a pro rata basis with the other Holders of Allowed Subordinated Unsecured Notes Claims and the Holders of Allowed General Unsecured Claims, up to $200,000,000, in aggregate, of New Common Interests pursuant to the Equity Rights Offering.		
Class 6: Intercompany Claims	On or as soon as reasonably practicable after the Effective Date, all Intercompany Claims shall be either: (i) Reinstated or (ii) set off, settled, distributed, contributed, merged, canceled, or released, in each case, in the discretion of the Debtors with the consent of the Required Consenting First Lien Lenders.	100%	0%
Class 7: Subordinated Claims	Holders of Subordinated Claims are not entitled to receive a recovery or distribution on account of such Subordinated Claim. On the Effective Date, Subordinated Claims shall be canceled, released, extinguished, and of no further force or effect.	0%	0%
Class 8: Intercompany Interests	On or as soon as reasonably practicable after the Effective Date, all Intercompany Interests shall be, at the option of the Debtors, either (i) Reinstated for administrative convenience or (ii) set off, settled, distributed, contributed, merged, canceled, or released, in each case, in the discretion of the Debtors or Reorganized Debtors.	100%	0%
Class 9: Existing Parent Equity Interests	Holders of Existing Parent Equity Interests shall not receive or retain any distribution, property, or other value on account of such Existing Parent Equity Interests. On the Effective Date or as soon as reasonably practicable thereafter, all Existing Parent Equity Interests shall be canceled, released, extinguished, and of no further force and effect.	0%	0%

PLEASE TAKE NOTE OF THE FOLLOWING KEY DATES AND DEADLINES FOR THE CHAPTER 11 CASES AS SET FORTH IN THE RESTRUCTURING SUPPORT AGREEMENT:

Deadline to commence the Chapter 11 Cases	By no later than August 20, 2025
Deadline for entry of the Interim DIP Order	By no later than August 23, 2025
Deadline for filing of the Plan, Disclosure Statement, and the motion for approval of the Disclosure Statement and the Solicitation Materials	By no later than September 4, 2025
Deadline for entry of the Final DIP Order	By no later than October 6, 2025
Deadline for entry of the Solicitation Procedures Order	By no later than October 6, 2025
Deadline for entry of the Confirmation Order	By no later than ~~**November 18,**~~**December 10,** 2025
Deadline for the occurrence of the Effective Date	By no later than December ~~**8**~~**24**, 2025

WHERE TO FIND ADDITIONAL INFORMATION: ModivCare files annual reports and quarterly reports with, and furnishes other information to, the SEC. Copies of any document filed with the SEC may be obtained by visiting the SEC website at http://www.sec.gov and performing a search under the "Company Filings" link. This Disclosure Statement incorporates SEC filings as if fully set forth herein including, but not limited to:

- Annual report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on March 6, 2025; and
- Quarterly report on Form 10-Q for the quarter ending March 30, 2025, filed with the SEC on May 9, 2025.

C. Solicitation Procedures

1. The Solicitation Procedures

On ~~[●]~~ October 6, 2025, the Bankruptcy Court entered an order [Docket No. ~~[●]~~ 457] (the "***Solicitation Procedures Order***") that, among other things: (a) approved this Disclosure Statement; (b) scheduled the hearing to consider confirmation of the Plan (the "***Confirmation Hearing***"); (c) established the deadline for filing objections to the Plan; (d) approved the notice of the Disclosure Statement hearing and the form and manner of the notice of the Confirmation Hearing; (e) established the Voting Record Date; and (f) approved the dates, procedures and forms applicable to the process of soliciting votes on and providing notice of the Plan, as well as certain vote tabulation procedures, approved the Assumption Procedures and the form and manner of the Assumption Notice (each as defined in the Solicitation Procedures Order).

The discussion of the procedures below is a summary of the solicitation and voting process. Detailed voting instructions will be provided with each Ballot (defined below) and are also set forth in greater detail in the Solicitation Procedures Order.

PLEASE REFER TO THE INSTRUCTIONS ACCOMPANYING THE BALLOTS AND THE SOLICITATION PROCEDURES ORDER FOR MORE INFORMATION REGARDING VOTING REQUIREMENTS TO ENSURE THAT YOUR BALLOT IS PROPERLY AND TIMELY SUBMITTED SUCH THAT YOUR VOTE MAY BE COUNTED.

2. The Solicitation Agent

The Debtors have retained Kurtzman Carson Consultants LLC d/b/a Verita Global to, among other things, act as their solicitation and noticing agent (the "***Solicitation Agent***").

Specifically, the Solicitation Agent will assist the Debtors with: (a) mailing the Disclosure Statement Hearing Notice (as defined in the Solicitation Procedures Order); (b) the Confirmation Notice (as defined in the Solicitation Procedures Order); (c) mailing Solicitation Packages (as defined in the Solicitation Procedures Order and as described below); (d) soliciting votes on the Plan; (e) receiving, tabulating, and reporting on ballots cast for or against the Plan by Holders of Claims against the Debtors; (f) collecting Release Opt-Out Forms; (g) responding to inquiries from creditors and other stakeholders relating to the Plan, the Disclosure Statement, the Ballots and matters related thereto, including, without limitation, the procedures and requirements for voting to accept or reject the Plan and objecting to the Plan; and (h) if necessary, contacting creditors regarding the Plan and their Ballots.

3. Holders of Claims Entitled to Vote on the Plan

Under the provisions of the Bankruptcy Code, not all holders of claims against and equity interests in a debtor are entitled to vote on a chapter 11 plan. The following table provides a summary of the status and voting rights of each Class (and, therefore, of each Holder of a Claim within such Class) under the Plan:

Class	Designation	Treatment	Entitled to Vote
1	Other Secured Claims	Unimpaired	No (Presumed to Accept)
2	Other Priority Claims	Unimpaired	No (Presumed to Accept)
3	**First Lien Claims**	**Impaired**	**Yes**
4	**General Unsecured Claims**	**Impaired**	**Yes**
5	**Subordinated Unsecured Notes Claims**	**Impaired**	**Yes**
6	Intercompany Claims	Unimpaired	No (Presumed to Accept)
7	Subordinated Claims	Impaired	No (Deemed to Reject)
8	Intercompany Interests	Unimpaired	No (Presumed to Accept)
9	Existing Parent Equity Interests	Impaired	No (Deemed to Reject)

Based on the foregoing, the Debtors are soliciting votes to accept the Plan only from Holders of Claims in Class 3, Class 4, and Class 5 (the "***Voting Classes***") because Holders of Claims in such Voting Classes are Impaired under the Plan and, therefore, have the right to vote to accept or reject the Plan.

The Debtors are **not** soliciting votes from (a) Holders of Other Secured Claims in Class 1, or Holders of Other Priority Claims in Class 2, because such parties are conclusively presumed to have accepted the Plan, (b) Holders of Subordinated Claims in Class 7, or Holders of Existing Parent Equity Interests in Class 9, because such parties are conclusively deemed to have rejected the Plan, and (c) Holders of Intercompany Claims or Intercompany Interests in Classes 6 and 8, because such parties are Affiliates and will be Unimpaired and conclusively presumed to have accepted the Plan (collectively, the "***Non-Voting Classes***"). In lieu of Solicitation Materials, Holders of Claims in Classes 1, 2, 7 and 9 will receive a Notice of Non-Voting Status and Release Opt-Out Form, each of which will include an option for such Holders to affirmatively opt out of the Third-Party Release contained in section 10.6(b) of the Plan.

4. The Voting Record Date

The Bankruptcy Court has approved October 6, 2025 as the voting record date (the "***Voting Record Date***") with respect to all Claims and Interests in the Voting Classes. The Voting Record Date is the date on which it will determined which Holders of Claims in the Voting Classes are entitled to vote to accept or reject the Plan.

5. Contents of Solicitation Packages

The following documents and materials will collectively constitute the Solicitation Packages:

- the Confirmation Notice, attached to the Solicitation Procedures Order;
- this Disclosure Statement (and exhibits annexed thereto, including the Plan);
- the Solicitation Procedures Order;
- to the extent applicable, a Ballot and/or notice, appropriate for the specific creditor, in substantially the forms attached to the Solicitation Procedures Order (as may be modified for particular classes and with instruction attached thereto); and
- such other materials as the Bankruptcy Court may direct.

6. Distribution of the Solicitation Materials to Holders of Claims Entitled to Vote on the Plan

With the assistance of the Solicitation Agent, the Debtors intend to distribute the Solicitation Packages on or before October ~~10~~23, 2025 (the "***Solicitation Mailing Date***"). The Debtors submit that the timing of such distribution will provide such Holders of Claims with adequate time to review the materials required to allow such parties to make informed decisions with respect to voting on the Plan in accordance with Bankruptcy Rules 3017(d) and 2002(b). The Debtors will make every reasonable effort to ensure that Holders who have more than one Allowed Claim in the Voting Classes receive no more than one set of Solicitation Materials.

7. Distribution of Notices to Holders of Claims in Non-Voting Classes

As set forth above, certain third-party Holders of Claims and Existing Parent Equity Interests are **not** entitled to vote on the Plan. As a result, such parties will not receive Solicitation Packages and, instead, will receive a Non-Voting Status Notice and a Release Opt-Out Form.

The Holders of Intercompany Claims in Class 6 and Intercompany Interests in Class 8 are Affiliates of the Debtors. As such, the Debtors will seek to waive any requirement to serve Holders of Intercompany Claims in Class 6 and Intercompany Interests in Class 8 with Solicitation Packages or any other notices.

8. Additional Distribution of Solicitation Documents

In addition to the distribution of Solicitation Packages to Holders of Claims in the Voting Classes, the Debtors will also provide parties who have filed requests for notice under Bankruptcy Rule 2002 as of the Voting Record Date with the Disclosure Statement, the

Solicitation Procedures Order, and the Plan. Additionally, parties may request (and obtain at the Debtors' expense) a copy of the Disclosure Statement (and any exhibits thereto, including the Plan) by: (a) calling the Solicitation Agent at the number shown on the Ballot received; (b) emailing ModivCare Inc., c/o Kurtzman Carson Consultants LLC, d/b/a Verita Global at ModivCareInfo@veritaglobal.com; (c) writing to ModivCare Inc., c/o Kurtzman Carson Consultants LLC, d/b/a Verita Global at 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245; and/or (d) visiting the Debtors' restructuring website at: https://www.veritaglobal.net/ModivCare. Parties may also obtain any documents filed in the Chapter 11 Cases for a fee via PACER at https://www.pacer.gov.

9. Filing of Plan Supplement

The Debtors will file the Plan Supplement by ~~**October 31**~~**November 14**, 2025. The Debtors will transmit a copy of the Plan Supplement to the Distribution List, as defined in this Section I.D.9. Additionally, (and obtain at the Debtors' expense) a copy of the Plan Supplement by: (a) calling the Solicitation Agent at the number shown on the Ballot received; (b) emailing ModivCare Inc., c/o Kurtzman Carson Consultants LLC, d/b/a Verita Global at ModivCareInfo@veritaglobal.com; (c) writing to ModivCare Inc., c/o Kurtzman Carson Consultants LLC, d/b/a Verita Global at 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245; and/or (d) visiting the Debtors' restructuring website at: https://www.veritaglobal.net/ModivCare. Parties may also obtain any documents filed in the Chapter 11 Cases for a fee via PACER at https://www.pacer.gov.

The Plan Supplement will include, among other things, the documents and forms of documents, schedules, and exhibits to the Plan (as more fully set forth in the definition for Plan Supplement in the Plan), all of which are incorporated by reference into, and are an integral part of, the Plan, as all of the same may be amended, supplemented, or modified from time to time.

As used herein, the term "***Distribution List***" means: (a) the United States Trustee for the Southern District of Texas; (b) the parties included on the Debtors' consolidated list of the holders of the thirty largest unsecured claims against the Debtors; (c) Paul Hastings LLP as counsel to the Prepetition First Lien Agent, Consenting Creditors, DIP Agent, and DIP Lenders; (d) Ankura Trust Company, LLC, as trustee for the Second Lien Notes (the "***Second Lien Trustee***"); (e) Wilmington Saving Fund Society, FSB, as trustee for Subordinated Unsecured Notes; (f) counsel to the Committee; (g) the United States Attorney's Office for the Southern District of Texas; (h) the Internal Revenue Service; (i) the SEC; (j) the state attorneys general for states in which the Debtors conduct business; and (k) all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002.

D. Voting Process

Holders of Claims entitled to vote on the Plan are advised to read the Solicitation Procedures Order, which sets forth in greater detail the voting instructions summarized herein.

1. The Voting Deadline

The Bankruptcy Court has approved 4:00 p.m. prevailing Central Time on November ~~7~~25, 2025 as the Voting Deadline. The Voting Deadline is the date by which all Ballots must be properly executed, completed and delivered to the Solicitation Agent in order to be counted as votes to accept or reject the Plan.

2. Types of Ballots

The Debtors will provide the following ballots (collectively, the "***Ballots***") to Holders of Claims in the Voting Classes (*i.e.* Class 3, Class 4, and Class 5):

- "***First Lien Ballots***", the form of which is attached to the Solicitation Procedures Order as Exhibit 3, will be sent to Holders of Class 3 Claims;
- "***General Unsecured Claim Beneficial Holder Ballots***", the form of which is attached to the Solicitation Procedures Order as Exhibit 4-A, will be sent to beneficial Holders of Class 4 Claims;
- "***General Unsecured Claim Master Ballots***", the form of which is attached to the Solicitation Procedures Order as Exhibit 4-B, will be sent to Nominee Holders of Class 4 Claims;
- "***GUC Ballots***", the form of which is attached to the Solicitation Procedures Order as Exhibit 4-C, will be sent to Holders of Holders of Class 4 Claims, other than Second Lien Notes Claims.
- "***Subordinated Unsecured Notes Beneficial Holder Ballots***", the form of which is attached to the Solicitation Procedures Order as Exhibit 5-A, will be sent to beneficial Holders of Subordinated Unsecured Notes Claims; and
- "***Subordinated Unsecured Notes Master Ballots***", the form of which is attached to the Solicitation Procedures Order as Exhibit 5-B; will be sent to Nominee Holders of Class 5 Claims.

Subject to the terms of the Restructuring Support Agreement, each Ballot will include an option for the applicable Holder of Claims to affirmatively opt out of the Third-Party Release contained in section 10.6(b) of the Plan.

3. Voting Instructions

Under the Plan, Holders of Claims in the Voting Classes are entitled to vote to accept or reject the Plan. Those Holders may vote by completing a First Lien Ballot, a Beneficial Holder Ballot, a Master Ballot, or a GUC Ballot, as applicable, and returning it to the Solicitation Agent so that it is **actually received** by the Voting Deadline. There are special voting rules and procedures for Beneficial Holders of Class 4 and Class 5 Claims, which are discussed in Section IV below (and set forth in greater detail in the Solicitation Procedures Order). Each Ballot will also allow Holders of Claims in the Voting Classes to opt-out of the Third-Party Release set forth in section 10.6(b) of the Plan. Any Holder of Claims in the Voting Classes that opts out of the Third-Party

Release will not receive a Debtor Release or a Third-Party Release from the Releasing Parties, subject to the terms of the Restructuring Support Agreement.

PLEASE REFER TO THE INSTRUCTIONS ATTACHED TO THE FIRST LIEN BALLOTS, BENEFICIAL HOLDER BALLOTS, OR MASTER BALLOTS THAT YOU HAVE RECEIVED FOR MORE DETAILED INFORMATION REGARDING THE VOTING REQUIREMENTS, RULES AND PROCEDURES APPLICABLE TO VOTING YOUR CLAIM.

To be counted as votes to accept or reject the Plan, all First Lien Ballots, pre-validated Beneficial Holder Ballots, Master Ballots, and GUC Ballots, as applicable (all of which will clearly indicate the appropriate return address), are required to be properly executed, completed, dated and delivered according to the instructions contained thereon, so that they are **actually received** on or before the Voting Deadline by the Solicitation Agent in the manner described in the Ballots.

4. Voting Procedures

Prior to the Solicitation Mailing Date, the Solicitation Agent will determine the Nominees holding Second Lien Notes or Subordinated Unsecured Notes on behalf of beneficial Holders of such Second Lien Notes or Subordinated Unsecured Notes as of the Voting Record Date and will distribute an appropriate number of Solicitation Packages to such Record Owners to allow them to forward one to each applicable beneficial holder.

Nominees who elect to pre-validate Beneficial Holder Ballots must deliver Solicitation Packages, including pre-validated Beneficial Holder Ballots, to beneficial Holders along with a pre-addressed return envelope addressed to the Solicitation Agent. Beneficial Holders who receive pre-validated Beneficial Holder Ballots must complete, date, execute and deliver such Beneficial Holder Ballots directly to the Solicitation Agent so they are actually received on or before the Voting Deadline.

Nominees who do not elect to pre-validate Beneficial Holder Ballots must deliver to the beneficial holders the Solicitation Materials, including Beneficial Holder Ballots and pre-addressed return envelopes addressed to the Record Owners. Upon the return of completed Beneficial Holder Ballots, such Nominees will summarize and compile the votes cast and/or other relevant information onto the Master Ballots and date and return the Master Ballot(s) so that they are actually received on or before the Voting Deadline by the Solicitation Agent.

5. Tabulation of Votes

THE FOLLOWING IS IMPORTANT INFORMATION REGARDING VOTING THAT SHOULD BE READ CAREFULLY BY ALL HOLDERS OF CLAIMS IN THE VOTING CLASSES. PLEASE REFER TO THE SOLICITATION PROCEDURES ORDER AND ALL EXHIBITS ATTACHED THERETO, INCLUDING THE BALLOTS, FOR MORE DETAILED INFORMATION.

- FOR YOUR VOTE TO BE COUNTED, YOUR FIRST LIEN BALLOT, PRE-VALIDATED BENEFICIAL HOLDER BALLOT, MASTER BALLOT, OR GUC BALLOT, AS APPLICABLE, MUST BE PROPERLY EXECUTED,

COMPLETED, DATED AND DELIVERED SUCH THAT IT IS **ACTUALLY RECEIVED** ON OR BEFORE THE VOTING DEADLINE BY THE SOLICITATION AGENT.

- A HOLDER OF A CLAIM MAY CAST ONLY ONE VOTE PER EACH CLAIM SO HELD. BY SIGNING AND RETURNING A FIRST LIEN BALLOT, BENEFICIAL HOLDER BALLOT, MASTER BALLOT, OR GUC BALLOT, EACH HOLDER OF A CLAIM WILL CERTIFY TO THE BANKRUPTCY COURT AND THE DEBTORS THAT NO OTHER FIRST LIEN BALLOTS, BENEFICIAL HOLDER BALLOTS, MASTER BALLOTS, OR GUC BALLOTS WITH RESPECT TO SUCH CLAIM HAS BEEN CAST OR, IF ANY OTHER FIRST LIEN BALLOT, BENEFICIAL HOLDER BALLOTS, MASTER BALLOTS, OR GUC BALLOTS HAVE BEEN CAST WITH RESPECT TO SUCH CLAIM, SUCH EARLIER FIRST LIEN BALLOT, BENEFICIAL HOLDER BALLOTS, MASTER BALLOTS, OR GUC BALLOTS ARE THEREBY SUPERSEDED.

- **ANY FIRST LIEN BALLOT, BENEFICIAL HOLDER BALLOT, MASTER BALLOT, OR GUC BALLOT THAT IS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED TOWARD CONFIRMATION OF THE PLAN UNLESS THE DEBTORS HAVE GRANTED AN EXTENSION OF THE VOTING DEADLINE IN WRITING WITH RESPECT TO SUCH FIRST LIEN BALLOT, BENEFICIAL HOLDER BALLOT, MASTER BALLOT, OR GUC BALLOT.**

- **ADDITIONALLY, THE FOLLOWING FIRST LIEN BALLOTS, BENEFICIAL HOLDER BALLOTS, MASTER BALLOTS, AND GUC BALLOTS WILL NOT BE COUNTED:**

  - any Ballot received after the Voting Deadline unless the Debtors have granted an extension of the Voting Deadline in writing (email being sufficient) with respect to such Ballot;

  - any Ballot that is illegible or contains insufficient information to permit the identification of the claimant;

  - any Ballot cast by or on behalf of an entity that does not hold a Claim in a Voting Class;

  - any Ballot that is otherwise properly completed, executed and timely returned to the Solicitation Agent, but that (a) does not indicate an acceptance or rejection of the Plan, (b) indicates both an acceptance and rejection of the Plan, or (c) partially accepts and partially rejects the Plan;

  - any Ballot submitted by telecopy, facsimile, email, or other electronic means except for the Solicitation Agent's online balloting portal;

  - any unsigned Ballot;

- in the event (a) a Ballot, (b) a group of Ballots within a Voting Class received from a single creditor, or (c) a group of Ballots received from the various Holders of multiple portions of a single Claim partially reject and partially accept the Plan, such Ballots may not be counted in the Debtors' discretion;

- any Ballot sent to the Debtors, the Debtors' agents/representatives (other than the Solicitation Agent), or the Debtors' financial or legal advisors; and

- any Ballot not cast in accordance with the procedures approved in the Solicitation Procedures Order.

E. Confirmation of the Plan

1. The Confirmation Hearing

The Confirmation Hearing will commence at ~~[●]~~**9:00 a.m.** prevailing Central Time on ~~November 18~~**December 8**, 2025, before the Honorable Alfredo R. Perez, United States Bankruptcy Judge, in the United States Bankruptcy Court for Southern District of Texas, Houston Division, located at 515 Rusk Street, Houston, Texas 77002. The Confirmation Hearing may be continued from time to time by the Bankruptcy Court or the Debtors without further notice other than by such adjournment being announced in open court or by a notice of adjournment filed with the Bankruptcy Court and served on such parties as the Bankruptcy Court may order. Moreover, the Plan may be modified or amended, if necessary, pursuant to section 1127 of the Bankruptcy Code and in accordance with the terms of the Restructuring Support Agreement, prior to, during, or as a result of the Confirmation Hearing, without further notice to parties in interest.

2. Objections to Confirmation

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to the confirmation of a plan of reorganization. **The deadline to object to the Plan is 4:00 p.m. prevailing Central Time on November ~~7~~25, 2025**. Any objection to confirmation of the Plan must be in writing, must conform to the Bankruptcy Rules and the Bankruptcy Local Rules, must set forth the name of the objector, the nature and amount of Claims or Interests held or asserted by the objector against the Debtors' estates or properties, the basis for the objection and the specific grounds therefore, and must be filed with the Bankruptcy Court.

UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY FILED, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

3. Effect of Confirmation of the Plan

Article X of the Plan contains certain provisions relating to: (a) the compromise and settlement of Claims, Interests, and Causes of Action; (b) the release of the Released Parties by the Debtors and certain Holders of Claims and Interests, and each of their respective Related Persons; (c) exculpation of certain parties; and (d) an injunction from taking actions in connection with the foregoing, each as more fully set forth in Article X of the Plan. **It is important to read such**

provisions carefully so that you understand the implications of these provisions with respect to your Claim such that you may cast your vote accordingly.

THE PLAN WILL BIND ALL HOLDERS OF CLAIMS AND INTERESTS IN THE DEBTORS TO THE MAXIMUM EXTENT PERMMITTED BY APLICABLE LAW, NOTWITHSTANDING WHETHER OR NOT SUCH HOLDER (A) WILL RECEIVE OR RETAIN ANY PROPERTY, INTEREST IN PROPERTY, OR OTHER VALUE UNDER THE PLAN, (B) HAS FILED A PROOF OF CLAIM OR EQUITY IN THE CHAPTER 11 CASES, OR (C) FAILED TO VOTE TO ACCEPT OR REJECT THE PLAN OR VOTE TO REJECT THE PLAN.

F. Effectuation of the Plan

It will be a condition to effectuation of the Plan that all provisions, terms and conditions of the Plan are approved in the Confirmation Order unless otherwise satisfied or waived pursuant to the provisions of Article IX of the Plan. Following Confirmation, the Plan will become effective on the Effective Date.

G. Risk Factors

PRIOR TO DECIDING WHETHER AND HOW TO VOTE ON THE PLAN, EACH HOLDER OF A CLAIM IN A VOTING CLASS SHOULD CONSIDER CAREFULLY ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN SECTION X HEREIN TITLED, "CERTAIN RISK FACTORS TO BE CONSIDERED."

II.
BACKGROUND TO THE CHAPTER 11 CASES

A. OVERVIEW OF THE DEBTORS' BUSINESS OPERATIONS

ModivCare Inc. traces its roots back over thirty years, and certain of its business segments began providing non-emergency medical transportation ("***NEMT***") services to government-sponsored healthcare programs in the 1980s. Since its founding, ModivCare has grown into a leading technology-enabled healthcare services company, connecting members to essential care through NEMT, personal care services ("***PCS***"), and remote patient monitoring ("***RPM***"). The Company's corporate segment includes general corporate services as well as the Company's virtual care and community-based monitoring innovation programs; additionally, the Company's ownership stake and minority interest in a national provider network of community-based clinicians delivering in-home and on-site services ("***Corporate***," and together with NEMT, PCS, and RPM, the "***Business Segments***"). Over the past decade, ModivCare has transformed into one of the nation's largest providers of supportive care solutions, serving millions of members annually across 48 states and the District of Columbia through a workforce of approximately 23,675 employees and thousands of contracted third-party transportation providers and their respective drivers who are employed by the Debtors and their non-Debtor affiliates.

ModivCare's services are engrained in the everyday lives of vulnerable populations. For example, ModivCare coordinates millions of annual rides to and from doctors' offices, dialysis centers, and hospitals for Medicaid and Medicare members; provides in-home personal care services that allow seniors and persons with disabilities to live independently; and offers connected-care monitoring and digital engagement tools that promote preventive health and reduce avoidable hospitalizations, often in rural settings. Through these services, ModivCare plays a critical role in supporting healthcare access and addressing social determinants of health for some of the nation's most at-risk communities.

B. History and Formation

Founded in 1996 as The Providence Services Corporation, ModivCare concentrates on connecting people to their healthcare providers to improve outcomes and overall patient health. ModivCare became publicly traded in 2003 through an initial public offering and, until recently, traded on the NASDAQ under the ticker MODV. The Company has grown from a stand-alone non-emergency medical transportation provider to a multi-faceted supportive care solutions provider. The Company has expanded organically and by acquiring several businesses, including: (a) Charter LCI Corporation, the parent company of LogistiCare, Inc. (which is now ModivCare Solutions, LLC) in 2007; (b) Matrix Medical Network ("***Matrix***") in 2014 (which ModivCare later sold the majority interest to Frazier Healthcare Partners); (c) Circulation, Inc. in 2018; (d) National MedTrans, LLC in 2020; (e) OEP AM, Inc. (d/b/a Simplura Health Group) in 2020; (f) WellRyde in 2021; (g) Care Finders Total Care in 2021; (h) VRI Intermediate Holdings, LLC in 2021; and (i) Guardian Medical Monitoring in 2022.

The Company's headquarters are located in Denver, Colorado.

C. Current Business Operations

ModivCare's four Business Segments—NEMT, PCS, RPM, and Corporate—provide patient-centric services to its customers. These Business Segments roll up into centralized and standardized operations, which enable the Company to cultivate best practices and efficiencies. Through these processes, the Company generally seeks to have a positive impact by closing certain health gaps and addressing the social determinants of health by serving those in need. The Business Segments are designed to achieve these goals, improve access to care, and adapt to the ever changing healthcare industry, which must prepare for and react to anticipated shifts in the demographic dynamics of the United States, including an aging population with increased life expectancies (which is expected to increase general demand for healthcare services), an increasing prevalence in chronic illness (which require active and ongoing monitoring of patient health and data), an increasing demand for value-based versus fee-for-service care, and an increasing demand for in-home care.[7]

i. ***NEMT***

Through NEMT, the Company provides non-emergency medical transportation to members of public and private insurance providers, including the state Medicaid and Medicare agencies, and managed care organizations ("***MCOs***"). The Company's primary customers are typically Medicaid or Medicare eligible members whose limited mobility or financial resources impede their ability to access necessary healthcare and social services. The Company applies its proprietary technology platform to a network of approximately 4,100 transportation resources, including on-demand transportation network companies, mass transit entities, mileage reimbursement programs, taxis, and county-based emergency service providers. Through these partnerships, ModivCare has become one of the nation's largest managers of non-emergency medical transportation for state governments and MCOs. In 2024, the Company managed approximately 36.8 million trips for approximately 29.5 million average monthly members.

The Company's NEMT business depends in large part on contracts awarded by MCOs and state and other governmental entities, many of which are subject to competitive request for proposal ("***RFP***") processes. In the ordinary course of business, the Company has experienced certain non-renewals of existing contracts and has not been awarded contracts under some RFPs, though it has appealed a number of those adverse determinations. Thus far in 2025, the aggregate financial impact of such non-renewals and unsuccessful RFP outcomes is approximately $438 million in annualized lost revenue (primarily caused by the non-renewal of the UHC Agreement, as described and defined below), which is reflected in the financial projections attached hereto as **Exhibit D**. While these outcomes have presented challenges, the Company maintains a diversified customer base across multiple jurisdictions, which helps mitigate the impact of any single contract loss.

In addition to these challenges, the Company has also achieved meaningful successes in recent competitive processes, securing new contracts and renewals that are expected to generate

[7] A complete March 2025 Investor Presentation is available at https://investors.modivcare.com/events-presentations/default.aspx.

approximately $86 million in annualized revenue. These contract wins reflect the NEMT business' strong operating capabilities, proven service record, and ability to meet evolving customer and regulatory requirements. The Company believes these new engagements will not only offset a portion of the revenue impact from non-renewals and unsuccessful RFPs but also strengthen its long-term customer relationships and reinforce its position as a trusted provider across multiple jurisdictions.

ii. *PCS*

Through PCS, the Company provides in-home personal care services to customers by placing non-medical personal care assistants, home health aides, and skilled nurses in the home setting. The Company places these in-home resources with Medicaid patients in need of assistance, including senior citizens and disabled adults. ModivCare's PCS segment payors include government agencies, MCOs, commercial insurers and private individuals. In 2024, ModivCare had approximately 14,000 caregivers throughout seven states who provided approximately 28 million hours of patient care.

iii. *RPM*

Through RPM, the Company provides in-home monitoring services to support patient self-management and care management operations. The RPM business segment enables seniors, the chronically ill, and people with disabilities to maintain their long-term independence by avoiding moves to long-term care facilities and preventable emergency room visits and hospitalizations. ModivCare provides a variety of services that leverage personal emergency response systems, monitoring devices, relationship-based care and data-driven patient engagement solutions. In 2024, the Company served approximately 247,000 members of government insurance programs, members of healthcare provider organizations, and private individuals through RPM.

iv. *Corporate*

Through Corporate, the Company's subsidiary, Higi Care LLC, provides data-driven personal health technologies through the placement of health monitoring systems at certain third-party brick and mortar stores, and community health monitoring services (under a management services organization "friendly PC" model). Corporate also includes the Company's revenue from its non-controlling interest in a joint venture that maintains a national network of community-based clinicians who provide in-home and on-location services. Finally, Corporate includes the Company's activities related to accounting, finance, internal audit and tax, and key corporate development functions.

v. *Revenue Breakdown*

The Company's revenue streams are primarily driven by the NEMT segment and complemented by the PCS, RPM, and Corporate segments, as shown below:

Segment	Year Ended December 31, 2023[8]	Year Ended December 31, 2024	Quarter Ended March 31, 2025
NEMT	$1,951,447	$1,957,275	$449,007
PCS	$715,615	$745,299	$181,787
RPM	$77,941	$77,739	$18,125
Corporate and Other	$6,167	$7,273	$1,735
Consolidated ModivCare	**$2,751,170**	**$2,787,586**	**$650,654**

[8] Excludes $5,037k of grant income for the year ended December 31, 2023.

III.
CORPORATE AND CAPITAL STRUCTURE

A. Corporate Structure

The Debtors consist of ModivCare and its domestic wholly-owned subsidiaries, totaling 70 entities formed under the laws of, among other places, Delaware, New York, and Texas. A chart illustrating the Company's organizational structure as at the Petition Date is attached hereto as **Exhibit B**.

B. Corporate Governance

i. *Board of Directors and Special Committees*

ModivCare is governed by its board of directors. On June 17, 2025, ModivCare held its annual meeting of shareholders, during which its Board was elected.

The current Board consists of seven directors, as shown below:

Name	Position	Notable Experience
Todd J. Carter	Director	Mr. Carter is the Co-President and Chief Executive Officer of GCA Savvian Advisors, a global independent investment banking firm. Mr. Carter has served on a number of company, advisory, and non-profit boards of directors.
Alec Cunningham	Director	Mr. Cunningham has significant experience with publicly-funded, national healthcare programs. Mr. Carter has served as Chief Executive Officer of Wellcare and Chief Operating Officer of Aetna.
David Mounts Gonzales	Director	Mr. Mounts Gonzales is a General Partner of the AI Catalyst Fund, a significant shareholder in the Company. Mr. Mounts Gonzales is an experienced chief executive and public company director, having served as Chief Executive Officer of Inmar Intelligence, a data-driven commerce and analytics platform.
Leslie V. Norwalk	Director, Chairperson of the Board	Ms. Norwalk is a director on the public company boards of NuVasiv Inc. and Endologix, Inc. Ms. Norwalk previously served as both the Acting Administrator and Deputy Administrator of the Centers for Medicare & Medicaid Services in the George W. Bush Administration.

Name	Position	Notable Experience
Erin L. Russell	Director	Ms. Russell has extensive experience as an investment professional and as a board member. Ms. Russell has previously sat on the boards of prominent healthcare companies including eHealth, Inc (Nasdaq: EHTH), Tivity Health Inc., and Devilbiss Healthcare.
L. Heath Sampson	Director and CEO	Mr. Sampson has over thirty years of leadership experience, having previously served as the Chief Executive Officer of Advanced Emissions Solutions, and serving in key leadership roles at Square Two Financial and First Data Corporation.
Daniel B. Silvers	Director	Mr. Silvers currently serves as the managing member of Matthews Lane Capital Partners LLC, an investment firm. Mr. Silvers has extensive experience as a board member, having served on numerous boards across numerous industries.

In connection with the terms of the Fifth Amendment (as defined and described below), the Company was required by the terms of its debt documents to appoint three independent directors from a list of directors provided by the First Lien Lenders. The final of these new independent directors was seated on April 24, 2025. The candidate list was highly negotiated with the Debtors and each independent director candidate had to have requisite expertise (including serving on public companies and within the healthcare industry) and independence. The Board also established a committee comprised of three directors to oversee sales and marketing processes for the PCS and RPM segments (the "***Strategic Alternatives Committee***"). Since April 2025, the members of the Strategic Alternatives Committee have been Alec Cunningham, Erin L. Russell (Chairperson), and Daniel B. Silvers.

In addition, on June 20, 2025, the Board established a special committee of the Board (the "***Capital Structure Committee***") to investigate, review, evaluate, analyze, negotiate, and make recommendations to the Board to approve or reject, any changes to the Company's capital structure including all restructuring matters. The members of the Capital Structure Committee are Todd J. Carter, Alec Cunningham, David Mounts Gonzales, Erin L. Russell, and Daniel B. Silvers (Chairperson). In the lead up to the Chapter 11 Cases, each of the Strategic Alternatives Committee and the Capital Structure Committee met at least weekly and have been coordinating amongst each other to discuss the various issues facing the Company and to explore all available options, including out-of-court options, sale, processes, and in-court processes, for the Company to address its financial challenges and maximize value.

The Board also has three other committees: (a) a committee to oversee management's conduct of the Company's financial reporting process (the "***Audit Committee***"); (b) a committee to assist

the Board in discharging its responsibilities relating to executive compensation (the "***Compensation Committee***"); and (c) a committee to establish criteria for selecting new directors, to recommend a slate of nominees for election at the annual shareholder meeting, and to oversee healthcare compliance. All directors, regardless of whether such director is a member of a committee of the Board, are invited to attend meetings of the various committees of the Board.

ii. *Management*

ModivCare is managed by its executive leadership team, which consists of the following persons.

Name	Position
L. Heath Sampson	President and CEO
Jeffrey Bennett	Chief Strategy and Innovation Officer
Chelsey Berstler	Executive Vice President of PCS
Scott Kern	Vice President, Head of Corporate Development
Kenneth Shepard	Senior Vice President, Finance
Rebecca Orcutt	Senior Vice President, Chief Accounting Officer
Faisal Khan	Senior Vice President, General Counsel and Secretary
Chad Shandler	Chief Transformation Officer

iii. *Employees*

As of the Petition Date, the Debtors have approximately 20,160 employees and an additional 1,620 contract workers and temporary staff. Certain of those employees are covered by the Debtors' two unexpired collective bargaining agreements (the "***CBAs***"). The Debtors currently intend to assume the CBAs, and any agreements, documents, or instruments relating thereto.

(a) Executive and Employee Compensation

Prior to the Petition Date, and in the ordinary course of business, the Debtors utilized incentive plans to drive performance from senior executives and certain key employees. Specifically, the Debtors historically utilized, among other things, a single enterprise-wide short term incentive plan ("***STIP***") pursuant to which eligible employees received an annual cash award based on the Company's and the relevant employee's performance, and the 2006 Long Term Incentive Plan ("***LTIP***"), pursuant to which employees and non-employee directors were eligible to receive an

annual grant of restricted stock units or performance restricted stock units. These plans were essential components of the Debtors' historical compensation packages. These were designed to incentivize future performance, align management incentives with the Debtors' business objectives, and provide key management employees with competitive, market-based compensation.

In fiscal year 2025, the Compensation Committee concluded that the grant of equity-based awards was not appropriate because of limited availability of equity under the incentive plans. Accordingly, the Debtors, in their business judgment, determined that the compensation initiatives were insufficient to motivate key employees. Consequently, the Compensation Committee and the Debtors' advisors, in consultation with Meridian Compensation Partners, LLC ("***Meridian***"), the Debtors' independent third-party compensation consultant, discussed strategies on how best to incentivize senior executives and other key employees to align their interests with the strategic goals of the Debtors during a potential restructuring.

The Compensation Committee determined, in consultation with Meridian and the Company's advisors, that it was prudent to: (a) redesign the STIP; (b) change the compensation package for non-employee directors so that they would receive an annual cash award, in lieu of annual restricted stock units; (c) implement a key employee retention program ("***KERP***"); and (d) implement an incentive program for certain employees involved in the sale efforts for the Higi business unit ("***Higi Incentives***").

On August 14, 2025, the Compensation Committee recommended to the Board that such compensation initiatives be approved, following which the Board agreed and resolved to approve each of them.

(b) STIP Goals and Performance Metrics

Under the redesigned STIP, awards are partially determined by reference to an adjusted EBITDA metric, and the remainder by segment-based operational and quality metrics. For example, in the NEMT business segment, participants are rewarded for the retention of existing, or the award of new, NEMT contracts. In the PCS business segment, metrics include total billed hours across all PCS markets and certain compliance scores.

(c) KERP

As noted above, the Board approved the KERP on August 14, 2025. Under the KERP, six participants were prepaid their retention bonuses on or about August 17, 2025. Those bonuses are subject to continued employment through July 31, 2026, unless the participant's employment is terminated by the Company prior to that date without cause or by reason of death or disability (subject to execution, delivery and non-revocation of a general release of claims). There are approximately sixty other participants in the KERP program that will receive their retention bonuses in two installments, the first being on December 5, 2025, and the second on July 31, 2026. Each installment of those bonuses is generally subject to continued employment through the corresponding payment date, unless the participant's employment is terminated by the Company prior to that date without cause or by reason of death or disability (subject to execution, delivery and non-revocation of a general release of claims). Further, if the

participant's employment is not assumed in connection with a sale of assets or a business division of the Company, or a change in control of the Company, the remaining portions of those bonuses would be accelerated and paid in full upon the closing of such sale or change in control, subject to continued employment through such closing date.

(d) Higi Incentives

As noted above, the Board approved the Higi Incentives on August 14, 2025. One participant was prepaid their Higi Incentive on or about August 17, 2025. That bonus is subject to continued employment through July 31, 2026, unless the participant's employment is terminated by the Company prior to that date without cause or by reason of death or disability, or a sale of the Higi business division is completed prior to that date (subject to execution, delivery and non-revocation of a general release of claims). There are four other participants under the Higi Incentives that will receive their incentive award upon the occurrence of a sale of the Higi business division. Those incentive awards are subject to continued employment through the date of such sale of the Higi business division, unless the participant's employment is terminated by the Company prior to that date by reason of death or disability (subject to execution, delivery and non-revocation of a general release of claims). The participants in the Higi Incentives, as well as the amounts paid or to be paid under the Higi Incentives, shall be set forth as an exhibit to the Plan Supplement.

C. Capital Structure

The Debtors have both secured and unsecured funded debt claims. A summary of the approximate outstanding principal amounts of the Debtors' funded debt obligations as of the Petition Date is set forth below.

Facility	Outstanding Principal Balance	Maturity	Rate
Incremental 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 1, 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**		
Subordinated Unsecured Notes	$228.8 million	October 1, 2029	5.0%
Total Funded Debt	**$1,416.7 million**		

i. *First Lien Facility*

ModivCare is party to that certain *Credit Agreement*, dated as of February 3, 2022 (as amended by (a) the *Amendment No. 1 to Credit Agreement*, dated as of June 26, 2023, (b) the *Amendment No. 2 to Credit Agreement*, dated as of February 22, 2024, (c), the *Amendment No. 3 to Credit Agreement*, dated as of July 1, 2024, (d) the *Amendment No. 4 to the Credit Agreement*, dated as of September 30, 2024, and (e) the *Amendment No. 5 to Credit Agreement*, dated as of January 9, 2025 (the "***Fifth Amendment***"), and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the Petition Date, the "***First Lien Credit Agreement***"), with, among other parties, JPMorgan Chase Bank, N.A., as administrative agent (including any successor thereto,[9] the "***First Lien Agent***"), and the other lenders party thereto (collectively, the "***First Lien Lenders***"), and certain subsidiaries of ModivCare from time to time party thereto as guarantors. The First Lien Credit Agreement is secured by a first priority lien on substantially all of the property and assets of ModivCare and its guarantor subsidiaries.

As of the Petition Date, the Company has approximately $871.7 million outstanding under the First Lien Credit Agreement, comprising (a) $270.7 million in unpaid principal amount of revolving loans, plus accrued and unpaid interest, fees, costs (the "***First Lien RCF Facility***"), (b) $522.2 million in unpaid principal amount of term loans, plus accrued and unpaid interest, fees, costs, and expenses due July 2031 (the "***First Lien Term Loans***"), and (c) $78.8 million in unpaid principal amount of term loans, plus accrued and unpaid interest, fees, costs, and expenses due January 2026 (the "***First Lien Incremental***" and together with the First Lien RCF Facility, and the First Lien Term Loans, the "***First Lien Facility***"). The First Lien Incremental was provided to the Company pursuant to the Fifth Amendment.

ii. *Second Lien Notes*

As described more fully in paragraph (iii) below, ModivCare is party to a Subordinated Unsecured Notes Indenture (as defined below). Pursuant to the Fifth Amendment, ModivCare entered into an exchange agreement (the "***Exchange Agreement***"), dated January 9, 2025. As required by the Exchange Agreement, certain of the Subordinated Unsecured Notes (as defined below) were exchanged pursuant to certain *Second Lien Senior Secured PIK Toggle Notes due October 1, 2029* (the "***Second Lien Notes***"), issued by ModivCare and pursuant to that certain *Second Lien Senior Secured PIK Toggle Notes Indenture*, dated as of March 7, 2025 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the Petition Date, the "***Second Lien Notes Indenture***"), by and between ModivCare, as issuer, Ankura Trust Company, LLC, as trustee and notes collateral agent, the subsidiaries of ModivCare from time to time party thereto as guarantors, and holders of Second Lien Notes (the "***Second Lien Noteholders***"). The Second Lien Notes are secured by a second priority lien substantially all of the property and assets of ModivCare and its guarantor subsidiaries. As of

[9] JPMorgan Chase Bank, N.A. has provided notice of intention to resign as First Lien Agent and will be replaced by Wilmington Trust, National Association.

the Petition Date, the principal amount under the Second Lien Notes is approximately $316.2 million.

iii. *Subordinated Unsecured Notes*

ModivCare is the issuer of certain *5.000% Senior Unsecured Notes due October 1, 2029* (the "***Subordinated Unsecured Notes***") issued pursuant to that certain *Senior Notes Indenture*, dated August 24, 2021 (as amended prior to the date hereof, the "***Subordinated Unsecured Notes Indenture***"), by and between ModivCare, as issuer, and Wilmington Saving Fund Society, FSB (as successor to The Bank of New York Mellon Trust Company, N.A.) as trustee, and the subsidiaries of ModivCare from time to time party thereto as guarantors. In connection with the Exchange Agreement, the requisite holders of Subordinated Unsecured Notes entered into that certain Fifth Supplemental Indenture, dated as of March 7, 2025, which, among other things, released all the guarantors of their guarantees under the Subordinated Unsecured Notes Indenture. Accordingly, the Subordinated Unsecured Notes are only an obligation of ModivCare, as issuer under the Subordinated Unsecured Notes Indenture. In addition, the Subordinated Unsecured Notes are subordinated in right of payment to the First Lien Term Loans and the Second Lien Notes. Pursuant to the Subordination Agreement, no payment or distribution may be made on the Subordinated Unsecured Notes, subject to limited exceptions, until the First Lien Term Loans and the Second Lien Notes are paid in full in cash. Any payment or distribution received by any Holder of the Subordinated Unsecured Notes is required to be turned over to the First Lien Agent or the Second Lien Trustee, as applicable. The remaining balance of these Subordinated Unsecured Notes are those that were not exchanged pursuant to the Exchange Agreement. As of the Petition Date, the principal amount under the Subordinated Unsecured Notes is approximately $228.8 million.

iv. *Other Non-Funded Debtor Obligations*

1. Trade Claims

In the ordinary course of business, the Debtors utilize certain vendors and service providers (the "***Trade Creditors***"). As at the Petition Date, the Debtors estimate that the aggregate amount of trade claims outstanding is approximately $190.4 million, the majority of which is owed to transportation providers. These transportation providers, and certain other Trade Creditors, are a vital part of the Company's ability to continue providing much needed services to the Debtors' customers and patients. Any interruption, even briefly, in the flow of goods and services from such creditors would have an immediate and adverse impact on the Debtors' ability to continue operating in the ordinary course. Accordingly, as noted below, the Debtors' requested relief from the Bankruptcy Court to pay prepetition amounts owed to those Trade Creditors who are critical to the Debtors' business. Such relief was granted on an interim basis on August 21, 2025 [Docket No. 64], and on a final basis on September 30, 2025 [Docket No. 394]. The relief granted under the interim order was subject to a cap that did not prove to be sufficient to timely pay outstanding prepetition claims of Trade Creditors. Accordingly, the Debtors also sought and obtained relief from the Bankruptcy Court to pay such amounts in excess of the cap [Docket No. 334].

2. Other General Unsecured Claims

As at the Petition Date, the Debtors anticipate approximately $25 million on account of claims against the Debtors (other than the Subordinated Unsecured Notes, intercompany claims and claims of Trade Creditors described herein) as of the Petition Date that are neither secured by collateral nor entitled to priority under the Bankruptcy Code.

IV.
KEY EVENTS LEADING TO COMMENCEMENT OF CHAPTER 11 CASES

A. Challenges Facing Debtors' Business

The need to commence the Chapter 11 Cases was a result of a number of factors, including an unsustainable capital structure, rapidly deteriorating liquidity, negative industry trends, and customer de-risking by reducing exposure with ModivCare. In an attempt to preserve and maximize value, ModivCare and its management team have been, and continue to seek to, implement turnaround initiatives to assure that the Company is operating at an optimal level despite the challenging capital structure.

i. *Financial Challenges*

The Debtors' financial challenges date back to prior to the Fifth Amendment. As of the twelve-month period ending March 2025, the Company's funded debt is approximately $1.4 billion and adjusted EBITDA is $162 million. The Debtors' current balance sheet has had a corresponding negative and restrictive impact on the Debtors' liquidity and growth prospects. The Debtors' unhedged annual cash interest expense for fiscal year 2025 under the prepetition capital structure would be in excess of $100 million at current interest rates.[10]

ii. *Persistent Negative Industry Trends*

The non-emergency medical transportation and personal care services industries have faced persistent headwinds over the past several years. Demographic shifts, evolving government reimbursement models, and tightening regulatory oversight have created sustained pressures on both cost structures and margins. In particular, state Medicaid programs and MCOs—the Company's primary customers—have steadily increased their focus on cost containment, frequently driving reimbursement rates downward while simultaneously raising service quality expectations. At the same time, the broader healthcare industry has experienced significant wage inflation, particularly for caregivers and transportation providers, as labor shortages and competition for skilled workers have intensified.

Further compounding these challenges, companies like ModivCare must navigate heightened insurance premiums and dynamic reimbursement and regulatory requirements tied to evolving federal and state regulatory frameworks. In addition, the industry has seen mounting competitive pressures from smaller, more nimble regional operators and technology-driven entrants seeking to capture market share through lower-cost models, but without the same geographic range and scale. The net effect has been a highly competitive pricing environment in which customers prioritize cost savings, while providers struggle to absorb rising operating expenses.

[10] Assumes all cash interest and no PIK is elected.

Historically, ModivCare has sought to address these industry headwinds through investment in technology, strategic acquisitions, and efforts to achieve economies of scale and operational efficiencies. However, the Company's ability to fully mitigate the impact of these structural industry changes has been constrained by its capital structure and liquidity profile. As a result, persistent adverse industry dynamics, combined with escalating operating costs and pricing pressures, have materially impacted ModivCare's revenues, margins, and financial flexibility.

iii. *Changes in the Regulatory Landscape*

In addition to the aforementioned challenges, the Debtors are also responding to certain regulatory challenges. The Debtors' significant customers are anticipating or have already begun implementing various state budget cuts, largely arising from: (a) the One Big Beautiful Bill Act (the "***BBB***"), which marks a sizeable regulatory change in the healthcare industry and imposes significant reductions in the funding of and services covered by the Medicaid program, as well as the number of persons enrolled in Medicaid; and (b) the Budget Control Act of 2011 (the "***BCA***") and American Rescue Plan Act of 2021 (the "***ARPA***" and, together with the BBB and BCA, the "***Acts***"), which have resulted or will result in additional Medicare payment reductions, and thus a reduction in supplemental benefits (including NEMT services) offered by Medicare Advantage plans.[11] Because many, if not all, of the Debtors' most significant customers are implementing, and/or considering the implementation of, budget cuts in response to the Acts, the Debtors anticipate adverse effects on their businesses and revenues in 2026.

Further, it is difficult to predict whether, when or what other deficit reduction initiatives may be proposed by Congress. The Company anticipates that the federal budget deficit will continue to place pressures on government healthcare programs and impose additional spending reductions. These pressures have increased uncertainty in the healthcare industry, and this uncertainty has affected government agencies, companies operating in the industry (including the Debtors), and patients.

iv. *Emergency Funding and the Fifth Amendment*

The growth of ModivCare's services through the acquisitions has required substantial investment of capital, and the service of debt associated with the acquisitions has placed substantial stress on the Debtors. Recognizing the potential risks relating to the Company's indebtedness, the Company began the process of evaluating strategic alternatives in the second half of 2024. The Company hired FTI and Moelis to assist with this process and to help rationalize its business, reduce discretionary capital expenditures, and preserve liquidity. The Company also sought to raise funds in the public markets, including from its existing lenders, to provide additional liquidity and address leverage concerns.

Ultimately, in January 2025, the Company undertook a series of capital structure initiatives designed to bolster liquidity and stabilize operations. These initiatives included entering into the Fifth Amendment, which infused $75 million of new liquidity into the Company. In March

[11] The ARPA was to take effect in January 2022. However, Congress delayed implementation of the reduction until 2025 and has yet to take action related to the ARPA payment reduction for 2025 or 2026.

2025, the Company consummated two transactions pursuant to which it issued $30 million of new Second Lien Notes and exchanged approximately $271 million of existing Subordinated Unsecured Notes for additional Second Lien Notes. Together, these transactions raised over $105 million in new financing and facilitated broad-based support across the Company's capital structure. Absent the Fifth Amendment and Second Lien Notes and their incremental critical liquidity, the Company may have been forced to commence the Chapter 11 Cases at that time. In exchange, the First Lien Lenders limited certain baskets and imposed certain covenants on the Debtors.

v. *Rapidly Deteriorating Liquidity, Cash Calls from Surety Bond Providers & Operational Challenges*

While the aforementioned actions provided important near-term liquidity, they ultimately proved insufficient to overcome persistent industry headwinds and the Company's overall leverage profile. During the first half of 2025, and through July of 2025, the Company has continued to experience operational challenges, including delays in key customer repricing, increased volume of per-member rides under shared- risk contracts, and the Debtors' failure to transition to fee-for-service contracts. These developments further intensified the Company's already difficult situation and raised broader concerns about its ability to maintain and grow its commercial relationships.

The Company has also faced challenges in retaining certain customers, further exacerbating the Company's operational challenges. In the months preceding the Petition Date, United Healthcare Insurance Company ("***UHC***"), which is the Company's largest customer as measured by revenue, and one other customer informed the Company of their decision to not renew their customer contracts with the Company. In addition, the Company recognized the legitimate risk that additional customers—many of whom have contracts terminable for convenience—could choose to disengage and terminate their respective contracts. As a result, customer derisking and stabilization became a central focus and legitimate concern for the Company and its stakeholders.[12]

The Company's precarious financial condition also heightened concerns with its surety providers, whom the Company has entered into agreements with to satisfy its obligations owing to certain of the Company's customers. These customers require financial assurance in the form of letters of credit or surety bonds, which is customary in the Company's industry. Depending on the terms of each surety bond arrangement, the sureties may require the Company to post significant cash collateral to secure their exposure under the outstanding surety bonds. Historically, certain sureties have required some level of collateral, typically a letter of credit, to support performance obligations and could demand additional collateral in light of the Company's deteriorating financial position. Any additional demands would further strain liquidity, which has been the case in 2025. In January 2025, the Company had no posted collateral. As of June 30, 2025, however, with no ability to provide further letters of credit, the

[12] As described in Section VI, the Debtors and UHC have entered into an agreement relating to the winddown of their commercial relationship and have filed a motion with the Bankruptcy Court seeking approval of such agreement.

Company has posted $38.3 million of cash collateral relating to $76.5 million outstanding surety bonds. The Company had no choice but to meet the demands for collateral because if the Company were unable to satisfy these collateral requirements, it could be deemed in breach of certain customer contracts, potentially leading to contract terminations and a downward spiral that would further destabilize the business.

In addition to these ongoing operational issues, the Company recognized that it would be unable to satisfy certain financial conditions and covenants under the First Lien Credit Agreement, especially if the Company were to repay the Incremental Facility upon its maturity in January 2026. Given these mounting pressures, the Company refocused on potential strategic alternatives, including a potential third-party equity investment, an out-of-court restructuring, and an in-court restructuring process.

B. Prepetition Restructuring Efforts

In the months leading up to the Petition Date, the Debtors and their advisors engaged in a thorough and good-faith process to evaluate and pursue a range of strategic alternatives. These efforts included incremental amendments, potential equity infusions, junior capital solutions, and targeted asset sales, alongside extensive negotiations with key creditor constituencies. Although the Debtors explored each of these paths with diligence, none proved actionable on the required timeline or adequate to address the Company's capital structure and liquidity challenges. The Debtors ultimately determined that a comprehensive, court-supervised restructuring represented the best and only viable path forward.

While the Debtors had hoped the Fifth Amendment and incremental Second Lien Notes would give them the liquidity and time to holistically address, they ultimately determined that commencing the Chapter 11 Cases was necessary to implement a comprehensive deleveraging and strengthen their financial position. In evaluating their options, the Debtors also considered whether incremental amendments, extensions, or covenant relief could provide a bridge solution, but these measures proved inadequate to resolve the Company's structural balance sheet challenges. Accordingly, the Debtors initiated these cases to effectuate a restructuring that will: (a) reduce funded debt (including accrued but unpaid interest) by approximately $1.1 billion; (b) lower annual cash interest expense in light of the reduced funded debt; and (c) enable the Company to continue operating with a substantially improved balance sheet and liquidity profile.

In early July 2025, the Debtors executed non-disclosure agreements with a group of First Lien Lenders and Second Lien Noteholders that ultimately became the Consenting Creditors to explore strategic alternatives. As an initial step, the Debtors sought to elicit a proposal that would provide additional liquidity to address near-term maturities and covenant pressure, but those efforts did not yield a viable solution given the lenders lack of interest in providing out-of-court financing so soon after the Incremental Facility. The Debtors also analyzed a potential out-of-court junior investment, which was presented by the Debtors and their advisors, together with certain members of the Board, to the lenders and their advisors. None of these proposals gained traction. Following these efforts, the Debtors and their advisors commenced protracted, arm's-length negotiations with the Consenting Creditors regarding a comprehensive restructuring transaction.

At the same time, the Debtors pursued other strategic options, including potential equity investments and sales of PCS and RPM. In the weeks leading up to the Petition Date, the Debtors executed non-disclosure agreements with two existing equity holders expressing interest in a potential investment and with over 15 potential strategic and financial bidders who expressed interest in acquiring PCS and RPM from the Debtors. The Debtors carefully evaluated these alternatives with their advisors but concluded that neither the existing equity holders nor the contemplated asset sales proposed actionable transactions to address the Company's liquidity and debt burdens.

After weeks of negotiations with the Consenting Creditors and discussions with potential equity investors and potential bidders, the Debtors, with the assistance of the Advisors, determined that the proposed Restructuring with the Consenting Creditors was the only actionable option and the best path forward. The process involved weeks of intense, arm's-length negotiations, including the exchange of multiple iterations of term sheets addressing both the Restructuring and the DIP Financing. Having exhausted other strategic alternatives, these negotiations culminated in the agreement now before the Court, which the Debtors believe provides the most viable path to maximize value and ensure the Company's long-term stability.

C. Restructuring Support Agreement and Plan

On August 20, 2025, following extensive, good faith, arms' length negotiations, the Debtors entered into the Restructuring Support Agreement with the Consenting Creditors. Pursuant to the Restructuring Support Agreement (as amended), the Consenting Creditors agreed to support the Restructuring by, among other things:

- providing $100 million in DIP financing to fund the Chapter 11 Cases and agreeing to roll such claims into an Exit Term Loan Facility;
- agreeing to exchange First Lien Claims for up to $200 million of an Exit Term Loan Facility and 98% of the pro forma equity of the Company, subject to dilution;
- agreeing to exchange Second Lien Claims for the remainder of pro forma equity of the Company, shared ratably with the Holders of other General Unsecured Claims, and subject to dilution;
- providing the opportunity for certain holders of Subordinated Unsecured Notes to participate in an equity rights offering of up to $200 million (shared ratably with certain Holders of General Unsecured Claims); and
- permitting the Reorganized Debtors to enter into up to a $250 million Exit Revolver Credit Agreement, which provides for a letter of credit sublimit of up to $150 million.

Upon its full implementation, the Plan will effect a significant deleveraging of the Debtors' capital structure by reducing the Company's total funded debt (including accrued but unpaid interest) by approximately $1.1 billion. The Restructuring Support Agreement and the

Restructuring Term Sheet annexed thereto establish, among other things, the treatment of each the Classes set out in Section I above, and the following key terms:

DIP Loan & Exit Loan Facilities; Rights Offering

- The Chapter 11 Cases will be financed by the $100 million DIP Facility.
- On the Effective Date, the Reorganized Debtors will enter into (i) the Exit Facility Term Loan, which will refinance and replace the DIP Facility and a portion of the prepetition First Lien Claims, and (ii) the Exit Revolving Facility.
- The Debtors will conduct an Equity Rights Offering of up to $200 million, which will be open to all **Eligible** Holders of Allowed General Unsecured Claims and Allowed Subordinated Unsecured Notes Claims ~~**that are Accredited Investors (as defined in Rule 501 under the Securities Act) or Qualified Institutional Buyers (as defined in Rule 144A under the Securities Act)**~~. Under the Equity Rights Offering, the New Common Interests will be issued at a valuation equal to the amount at which Holders of First Lien Claims would recover 100% on account of their Allowed First Lien Claims.

Other Terms

- The composition of the new board of directors of the Reorganized Parent will be determined by a committee consisting of certain holders comprising the Required Consenting First Lien Lenders, in consultation with the Debtors, and disclosed prior to emergence under section 1129(a)(5) of the Bankruptcy Code.
- The Plan will contain customary releases, exculpations, and injunctions among the parties to the Restructuring Support Agreement and certain other parties in interest.

V.
PENDING AND FUTURE LITIGATION

In the ordinary course of business, from time to time, the Company is the subject of complaints or litigation from shareholders, tort claimants, or other parties and or inquiries or investigations by government officials. The Company may also be subject to employee claims based on, among other things, alleged discrimination, harassment, wrongful termination claims, wage and labor, and other claims brought by patients and customers. The Company is currently subject to ongoing litigation that may result in potential Claims for monetary damages. That risk will remain for so long as such litigation remains unresolved. The Company cannot predict with certainty the outcome or disposition of these lawsuits, legal proceedings, and claims.

On January 29, 2025, a securities class action complaint was filed against Modivcare Inc., L. Heath Sampson, Kenneth Shepard, and Barbara Gutierrez (Kalera v. Modivcare, Inc., et al.), alleging federal securities fraud claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. The plaintiff alleges that the defendants made false and misleading statements about how shared-risk Mobility contracts affected ModivCare's free cash flow. The plaintiff claims that ModivCare had to renegotiate its contracts and provide pricing accommodations which harmed EBITDA, the Company had insufficient liquidity, and positive statements about ModivCare's business and operations were false or misleading. The Debtors and individually named defendants dispute these allegations. Securities class actions are governed by the Private Securities Litigation Reform Act, which requires that the Parties and the court follow a specific procedural process at the outset of the lawsuit to appoint a lead plaintiff to represent the class. On March 31, 2025, four shareholders filed motions seeking to be appointed lead plaintiff. Two of those plaintiffs filed notices of non-opposition, acknowledging that other plaintiffs were better positioned to serve as lead plaintiffs. Two plaintiffs remain under consideration for appointment as lead plaintiff. Briefing on the lead plaintiff motions was completed on May 5, 2025, and the parties are waiting for a ruling from the court. Once a lead plaintiff is appointed, he or she will likely file an amended complaint. As noted above, the Debtors believe the complaint is without merit and that the defendants have strong defenses to the allegations contained in the complaint. The Debtors are, however, subject to customary document retention obligations as a result of this class action complaint.

Additionally, there is a risk of future litigation. Pending litigation or future litigation could result in a material judgment against the Debtors or the Reorganized Debtors. Such litigation, and any judgment in connection therewith, could have a material negative effect on the Debtors or the Reorganized Debtors.

With certain exceptions, the filing of the Chapter 11 Cases operates as a stay with respect to the commencement or continuation of litigation against the Debtors that was or could have been commenced before the commencement of the Chapter 11 Cases. The Debtors' liability with respect to litigation stayed by the commencement of the Chapter 11 Cases is subject to discharge, settlement, and release upon confirmation of a plan under chapter 11, with certain exceptions. Therefore, certain litigation claims against the Debtors may be subject to discharge in connection

with the Chapter 11 Cases. This may reduce the Debtors' exposure to losses in connection with the adverse determination of such litigation.

VI.
EVENTS DURING CHAPTER 11 CASES

A. First Day Motions and Certain Related Relief

The Debtors have continued their operations in the ordinary course during the pendency of the Chapter 11 Cases. To facilitate the efficient and expeditious implementation of the Plan through the Chapter 11 Cases, the Debtors have devoted substantial efforts to stabilizing their operations and preserving and restoring their relationships with, among others, vendors, customers, employees and utility providers. As a result of these efforts, the Debtors were able to minimize, as much as practicable, the negative impacts of the commencement of the Chapter 11 Cases.

1. Substantive Motions

On the Petition Date, the Debtors filed a number of motions (collectively referred to herein as "***First Day Motions***") with the Bankruptcy Court. At a hearing conducted on August 21, 2025, the Bankruptcy Court entered several orders (the "***First Day Orders***") granting the substantive relief requested in the First Day Motions. The First Day Orders enabled the Debtors to, among other things: (a) prevent interruptions to the Debtors' businesses'; (b) ease the strain on the Debtors' relationships with certain essential constituents, including employees, vendors, customers and utility providers; and (c) provide access to critical financing and capital.

2. Procedural Motions

To facilitate a smooth and efficient administration of the Chapter 11 Cases, the Bankruptcy Court entered certain "procedural" First Day Orders, by which the Bankruptcy Court (a) approved the joint administration (for procedural purposes only) of the Debtors' Chapter 11 Cases, (b) authorized the Debtors to file a consolidated list of creditors in lieu of submitting a separate mailing matrix for each Debtor, (c) approved an extension of time to file the Debtors' Schedules, and (d) established Bar Dates and related procedures for filing Proofs of Claim.

3. Stabilizing Operations

Recognizing that any interruption of the Debtors' businesses, even for a brief period of time, would negatively impact their operations, relationships with their vendors, revenue and profits, the Debtors filed a number of First Day Motions to facilitate the stabilization of their operations and effectuate, as much as possible, a smooth transition into operations as debtors in possession. Specifically, in addition to certain orders discussed in greater detail below, the Debtors sought and obtained First Day Orders authorizing the Debtors to:

- pay prepetition wages, salaries, other compensation, reimbursable employee expenses and employee benefits [Docket No. 65];

- pay prepetition obligations on account of amounts owing to critical vendors, including transportation providers, and other potential lienholders [Docket Nos. 64 and 394];
- determine adequate assurance for future utility service and establish procedures for utility to object to such assurance [Docket No. 56];
- continue insurance coverage and a bonding program, and enter into new insurance policies and purchase new surety bonds or letters of credit, if necessary [Docket No. 57];
- maintain the existing cash management system [Docket Nos. 59 and 388]; and
- remit and pay certain taxes and fees [Docket No. 58].

In addition to the foregoing relief, to prevent the imposition of the automatic stay from disrupting their businesses and to ensure continued deliveries and services on favorable credit terms, the Debtors sought and obtained Bankruptcy Court approval to pay the prepetition claims of a substantial number of vendors and third-party service providers who the Debtors believe are essential to the ongoing operation of their businesses. The Debtors' ability to pay the claims of these vendors and service providers was and remains critical to their ongoing business operations and ultimate success in the Chapter 11 Cases.

4. Claims Bar Date Order

On August 21, 2025, the Bankruptcy Court entered the *Order Establishing (A) Bar Dates and Related Procedures for Filing Proofs of Claim, (B) Approving the Form and Manner of Notice Thereof, and (C) Granting Related Relief* [Docket No. 66], setting the deadline for filing a Proof of Claim in the Chapter 11 Cases as (a) October 1, 2025 at 5:00 p.m. (Prevailing Central Time) for all parties other than governmental units, and (b) February 16, 2026 at 5:00 p.m. (Prevailing Central Time) for governmental units.

Because the resolution process for the Claims is ongoing, the Claims figures identified in this Disclosure Statement represent estimates only and are subject to material change.

B. Debtor in Possession Financing and Use of Cash Collateral

The Debtors also filed a motion to approve, on an interim basis, the DIP Facilities and the use of cash collateral (the "***DIP Motion***"). Through the DIP Motion, the Debtors sought permission from the Bankruptcy Court to, among other things, (i) obtain secured postpetition financing in the form of a multi-draw DIP Facility, (ii) grant liens and superpriority administrative expense status on account thereof, (iii) utilize the cash collateral of prepetition secured parties, and (iv) modify the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary.

Following the hearing held on August 21, 2025, the Bankruptcy Court entered an order on August 21, 2025, approving the Debtors' DIP Motion on an interim basis and giving the Debtors access to up to $62.5 million [Docket Nos. 52 & 106].

Access to postpetition financing, coupled with the use of cash collateral, has allowed, and will continue to allow, the Debtors to, among other things: (i) continue their businesses in an orderly manner; (ii) maintain their valuable relationships with vendors, suppliers, customers and employees; and (iii) support their working capital, general corporate and overall operational needs.

On September 23, 2025, the Committee (as defined below) filed an objection to the final approval of the DIP Motion [Docket No. 346]. That objection argued, among other things, that the terms of the DIP were not fair and reasonable because: (a) the Backstop Premium is too large; (b) the case milestones imposed by the DIP Facility are unrealistic; and (c) the fee cap for the Committee is unduly restrictive.

The Debtors then filed a reply to the Committee's objection on September 29, 2025, requesting, among other things, that the Bankruptcy Court (a) overrule the Committee's objection, (b) approve the Debtors' DIP Motion on a final basis, and (c) give the Debtors access to up the remaining $37.5 million of the DIP Facility [Docket No. 377].

On September 30, 2025 and October 3, 2025, the Bankruptcy Court held a hearing to determine whether to approve the DIP Motion on a final basis. The Bankruptcy Court granted the relief sought by the Debtors and overruled the objection of the Committee. The Bankruptcy Court conditionally approved the DIP Facility on a final basis on October 3, 2025.

C. Appointment of Creditors' Committee

On September 5, 2025, an official committee of unsecured creditors was appointed by the United States Trustee for the Southern District of Texas (the "***Committee***") pursuant to section 1102 of the Bankruptcy Code [Docket No. 124]. The Committee is comprised of the following seven members: (a) Wilmington Savings Fund Society, FSB (in its capacity as trustee under the Subordinated Unsecured Notes Indenture); (b) Madison Avenue International LP; (c) Jupiter Asset Management; (d) Uber Health, LLC; (e) MedEx Medical Transport Service, Inc.; (f) Randstad North America; and (g) Marquis Hines. The Committee subsequently retained White & Case LLP as its proposed counsel and AlixPartners LLP as its proposed financial advisor.

D. Filing of the Schedules

On August 21, 2025, the Bankruptcy Court entered the *Order (A) Extending the Time to File Schedules and Statements and 2015.3 Reports; (B) Modifying the Requirements of Bankruptcy Local Rule 2015-3; and (C) Granting Related Relief* [Docket No. 54], setting September 17, 2025 as the deadline by which the Debtors must file their schedules. On September 17, 2025, the Debtors filed their Schedules.

E. Plan Investigations

Prior to the commencement of the Chapter 11 Cases, the Board empowered and authorized one of its independent directors, Daniel B. Silvers (the "***Independent Director***"), being the most recent appointee to the Board, to investigate potential claims that the Debtors might hold against their directors, officers, employees, lenders, stockholders, or advisors; review any proposed releases including, most notably, the releases proposed to be given under the Plan; and make a recommendation to the Board in connection therewith (the "***Investigation***"). Latham & Watkins LLP ("***Latham***") initially assisted the Independent Director in the Investigation. Because Latham formerly represented the First Lien Agent, the Independent Director prefers to have separate counsel investigate the validity of liens held by the First Lien Agent (and the First Lien Lenders) and any potential estate causes of action against those parties. Given the foregoing, the Debtors subsequently retained Quinn Emanuel Urquhart & Sullivan LLP ("***Quinn Emanuel***") to assist with the Investigation. Though Quinn Emanuel and Latham could have divided the Investigation between each other, the Independent Director prefers to have one single counsel (Quinn Emanuel) conduct the entire Investigation to increase efficiency and minimize duplication of work, time, and efforts.

The Investigation is focused on numerous types of claims, including, without limitation, the following: potential fraudulent conveyances, preferences, negligence, corporate mismanagement, or waste, and breaches of fiduciary duty. In connection with the Investigation, and at the direction of the Independent Director, Quinn Emanuel is reviewing thousands of pages of documents from the period preceding the Petition Date and conducting interviews with Company representatives and advisors.

Quinn Emanuel's investigation includes analyzing the viability of claims arising out of, among other things, the Fifth Amendment, including potential claims for (a) breach of fiduciary duty, (b) breach of contract, (c) breach of the covenant of good faith and fair dealing, and (d) avoidance actions under the Bankruptcy Code.

F. Hotline Investigations

Shortly prior to the commencement of the Chapter 11 Cases, the Audit Committee directed Latham to undertake an investigation with respect to compliance hotline allegations, including matters related to the Company's culture (the "***Hotline Investigation***"). The Company publicly disclosed the investigation in the Form 12b-25, NT 10-Q, filed with the SEC on August 12, 2025. The Hotline Investigation has continued since the commencement of the Chapter 11 Cases. The Company anticipates that it will publicly disclose additional information about the Hotline Investigation once it has concluded.

G. Committee Investigation

Upon being appointed, the Committee immediately commenced an extensive and thorough investigation into whether the Debtors' estates hold claims and causes of action that could constitute a source of value for unsecured creditors (the "***Committee Investigation***"). To facilitate the Committee Investigation, the Debtors and their advisors have produced approximately 2,500 documents in a data room to the Committee's financial advisor, nearly 4,000 additional documents including email communications and Board materials to the Committee's counsel, and Debtor witnesses to testify in two depositions. The Debtors expect to

produce further documents to the Committee on a rolling basis during the pendency of the Chapter 11 Cases as well as further depositions in connection with the confirmation hearing. The Committee Investigation is ongoing.

H. Lease Rejections

On September 18, 2025, the Debtors filed a motion to reject ten unexpired leases and abandon certain remaining personal property in connection therewith. This was the culmination of an extensive analysis conducted by the Debtors through which it was determined that certain of their leases were surplus to needs, and that others were unduly burdensome. The Debtors continue to review and analyze their lease portfolio and may reject additional leases in the Chapter 11 Cases.

I. Settlement between UHC and ModivCare

As described above in Section IV, the Debtors received notice from UHC, prior to the petition date, of their intention to not renew that certain Network Access Agreement dated as of March 15, 2009, and the addenda thereto (each, as amended from time to time, "the ***UHC Agreement***"). The UHC Agreement governs the terms pursuant to which Debtor ModivCare Solutions LLC provides NEMT services to UHC's members in exchange for service fees. Pursuant to the notice, non-renewal of the UHC Agreement would take effect in January 2026 for certain regions and in March 2026 for the remaining regions.

The amount of and method of payment under the UHC Agreement differs depending on where and what services are provided. However, generally, such fees are paid in advance on a monthly basis and are subject to an annual review and reconciliation process. As part of such reconciliation process, the parties review the detailed encounter data from the previous year to "true-up" any shortfalls or over-payments. As of the Petition Date, the Debtors estimated that they were entitled to a "true-up" payment in excess of $25 million for the period between January 2025 and June 2025; however, such reconciliation process will not begin until March 2026. Therefore, if the Debtors continued to provide the same volume of service to UHC at the same contracted rates until the end of 2025, the Debtors believe that the amount to be reconciled will grow to over $50 million.

To avoid potential disputes over the substantial reconciliation payments that have and will continue to accrue under the UHC Agreement, the Debtors and UHC negotiated a settlement that was memorialized in an amendment to the UHC Agreement (the "***UHC Amendment***"), dated September 5, 2025.

On October 3, 2025, the Debtors filed a motion seeking an order pursuant to Bankruptcy Rule 9019 to, among other things, authorize the Debtors to enter into, execute, deliver, and implement the terms of the UHC Amendment [Docket No. 440]. The terms of the UHC Amendment are more fully set forth in that motion, but in summary, the UHC Amendment provides for: (a) immediate payment of $25 million to the Debtors on account of services rendered to UHC from January through June 2025; (b) higher contracted payment rates starting in July 2025 and running through the end of the contract term; and (c) certain transition and reporting obligations

to ensure continuity of service for those UHC members that rely on ModivCare's NEMT services.

J. Retention Applications and Compensation of Professionals

The Debtors have filed various applications to retain professionals during these Chapter 11 Cases, as is common in chapter 11 cases of similar size and complexity, including applications for the entry of orders authorizing the retention of:

- Latham & Watkins LLP as bankruptcy counsel [Docket No. 342];
- Hunton Andrews Kurth LLP as bankruptcy co-counsel [Docket No. 339];
- Moelis & Company LLC as investment banker and placement agent [Docket No. 340];
- FTI Consulting, Inc, as financial advisor [Docket No. 341];
- Ernst & Young LLP as tax, consulting, accounting and valuation services provider [Docket No. 342];
- Quinn Emanuel Urquhart & Sullivan LLP as counsel to the special committee of the Board [Docket No. 362]; and
- Kurtzman Carson Consultants LLC d/b/a Verita Global as Claims, Noticing, and Solicitation Agent [Docket No. 3], which the Bankruptcy Court approved on August 21, 2025 [Docket No. 30].

The Debtors have also filed a motion to establish the procedures by which these professionals, and the professionals retained by the Consenting Creditors and the Committee, can be paid or have their fees objected to [Docket No. 335].

In addition to the above professionals, all of whom have been retained for the purposes of the bankruptcy, the Debtors have requested Court authorization to continue retaining, and to retain new, professionals in the ordinary course of business [Docket No. 336]. Such professionals assist the Debtors with, among other things, audits, tax returns, general corporate services, regulatory matters, and litigation.

K. Plan Exclusivity

The Debtors have the exclusive right to file a chapter 11 plan until December 18, 2025. This date can be extended by an order of the Bankruptcy Court. The Debtors do not currently anticipate that they will require an extension, though if the need arises, the Debtors may make an application to the Bankruptcy Court seeking such an extension under section 1121 of the Bankruptcy Code.

VII.
SUMMARY OF THE PLAN

THE TERMS OF THE PLAN, A COPY OF WHICH IS ATTACHED AS EXHIBIT A TO THIS DISCLOSURE STATEMENT, ARE INCORPORATED BY REFERENCE HEREIN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN THE DOCUMENTS REFERENCED THEREIN, WHICH ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN (AS WELL AS THE EXHIBITS THERETO AND DEFINITIONS THEREIN).

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO THEREIN, AND REFERENCE IS MADE TO THE PLAN AND TO SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENT OF SUCH TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO THEREIN. HOLDERS OF CLAIMS AGAINST, AND INTERESTS IN, THE DEBTORS AND OTHER INTERESTED PARTIES ARE URGED TO READ THE PLAN AND THE EXHIBITS THERETO IN THEIR ENTIRETY SO THAT THEY MAY MAKE AN INFORMED JUDGMENT CONCERNING THE PLAN.

A. Classification and Treatment of Claims and Interests under the Plan

The provisions of Article III of the Plan govern Claims against and Interests in the Debtors. For all purposes under the Plan, each Class will exist for each of the Debtors; *provided*, that any Class that is vacant as to a particular Debtor will be treated in accordance with Article 3.5 of the Plan. In accordance with section 1123(a)(1) of the Bankruptcy Code, the Debtors have not classified Administrative Claims, DIP Claims, Priority Tax Claims, Claims for the Premiums and Fees, and Professional Fee Claims as described in Article II of the Plan.

The categories of Claims and Interests listed below classify Claims and Interests for all purposes, including voting, Confirmation and distribution pursuant to the Plan and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. The Plan deems a Claim or Interest to be classified in a particular Class only to the extent that such Claim or Interest qualifies within the description of that Class and will be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class. A Claim or an Interest is in a particular Class only to the extent that any such Claim or Interest is Allowed in that Class and has not been paid or otherwise settled prior to the Effective Date.

Summary of Classification and Treatment of Claims and Interests

Class	Claim	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Presumed to Accept

2	Other Priority Claims	Unimpaired	Presumed to Accept
3	***First Lien Claims***	***Impaired***	***Entitled to Vote***
4	***General Unsecured Claims***	***Impaired***	***Entitled to Vote***
5	***Subordinated Unsecured Notes Claims***	***Impaired***	***Entitled to Vote***
6	Intercompany Claims	Unimpaired	Presumed to Accept
7	Subordinated Claims	Impaired	Deemed to Reject
8	Intercompany Interests	Unimpaired	Presumed to Accept
9	Existing Parent Equity Interests	Impaired	Deemed to Reject

B. Acceptance or Rejection of the Plan; Effect of Rejection of the Plan

1. Presumed Acceptance of Plan

If a Class contains Claims or Interests eligible to vote and no Holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Plan shall be presumed accepted by such Class.

Class 1 and Class 2 are Unimpaired under the Plan. Therefore, the Holders of Claims or Interests in such Classes are deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan. Accordingly, the votes of such Holders shall not be solicited. Notwithstanding their non-voting status, Holders of such Claims shall receive a Release Opt-Out Form solely for purposes of providing such Holders with the opportunity to opt out of the Third-Party Release.

2. Voting Classes

Classes 3, 4, and 5 are Impaired under the Plan. The Holders of Claims in such Classes as of the Voting Record Date are entitled to vote to accept or reject the Plan, including by acting through a voting Representative. For purposes of determining acceptance and rejection of the Plan, votes shall be tabulated on a Debtor-by-Debtor basis.

Pursuant to section 1126(c) of the Bankruptcy Code, an impaired class of claims shall have accepted the plan if (a) the holders, including holders acting through a voting representative, of at least two-thirds (2/3) in amount of claims actually voting in such class have voted to accept the plan and (b) the holders, including holders acting through a voting representative, of more than one-half (1/2) in number of claims actually voting in such class have voted to accept the

plan. Holders of Claims in the Voting Classes (or, if applicable, the voting Representatives of such Holders) shall receive Ballots containing detailed voting instructions. For the avoidance of doubt, each Claim in the Classes entitled to vote to accept or reject the Plan that is not Allowed pursuant to the Plan, and in each case, is wholly contingent, unliquidated, or Disputed, in each case, shall be accorded one (1) vote and valued at one dollar ($1.00) for voting purposes only, and not for purposes of allowance or distribution.

3. Deemed Rejection of the Plan

Classes 7 and 9 are Impaired and Holders of Subordinated Claims and Existing Parent Equity Interests in such Classes shall receive no distribution under the Plan on account of such Claims or Interests, as applicable. Therefore, the Holders of Subordinated Claims and Existing Parent Equity Interests are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and are not entitled to vote to accept or reject the Plan. Such Holders will, however, receive a Release Opt-Out Form to allow such Holders to affirmatively opt-out of the Third-Party Release.

4. Confirmation Pursuant to Section 1129(a)(10) and 1129(b) of the Bankruptcy Code

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by any of the Voting Classes. The Debtors request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code with respect to any Impaired Class that does not accept the Plan pursuant to section 1126 of the Bankruptcy Code. The Debtors reserve the right to modify the Plan or any Exhibit or the Plan Supplement in order to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary, including by modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and Bankruptcy Rules.

5. Subordinated Claims

The allowance, classification, and treatment of all Allowed Claims and Interests, and the respective distributions and treatments under the Plan, shall take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, sections 509 or 510 of the Bankruptcy Code, or otherwise; *provided*, that notwithstanding the foregoing, such Allowed Claims or Interests and their respective treatments set forth herein shall not be subject to setoff, demand, recharacterization, turnover, disgorgement, avoidance, or other similar rights of recovery asserted by any Person. Pursuant to section 510 of the Bankruptcy Code, except where otherwise provided herein, the Reorganized Debtors reserve the right to re-classify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination rights relating thereto. The Debtors or Reorganized Debtors, as applicable, reserve the right to seek a ruling from the Bankruptcy Court determining whether any Claim should be subordinated pursuant to section 510(b) of the Bankruptcy Code and treated under the Plan as a Class 7 Subordinated Claim.

6. Special Provision Governing Unimpaired Claims

Except as otherwise provided therein, nothing under the Plan shall affect or limit the Debtors' or the Reorganized Debtors' rights and defenses (whether legal or equitable) in respect of any Unimpaired Claims, including, all rights in respect of legal and equitable defenses to, or setoffs or recoupments against, any such Unimpaired Claims.

7. Vacant and Abstaining Classes

Any Class of Claims or Interests that, as of the commencement of the Confirmation Hearing does not have at least one Holder of a Claim or Interest that is Allowed, or temporarily Allowed under Bankruptcy Rule 3018, in an amount greater than zero for voting purposes shall be considered vacant, deemed eliminated from the Plan for purposes of determining acceptance or rejection of the Plan pursuant to section 1129(a)(8) of the Bankruptcy Code with respect to that Class.

8. Controversy Concerning Impairment

If a controversy arises as to whether any Claim or Interest (or any Class of Claims or Interests) is Impaired under the Plan, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date, absent consensual resolution of such controversy consistent with the Restructuring Support Agreement among the Debtors and the complaining Entity or Entities.

9. Intercompany Interests and Intercompany Claims

To the extent Intercompany Interests and Intercompany Claims are Reinstated under the Plan, distributions on account of such Intercompany Interests and Intercompany Claims are not being received by Holders of such Intercompany Interests or Intercompany Claims on account of their Intercompany Interests or Intercompany Claims, but for the purposes of administrative convenience and to maintain the Debtors' (and their Affiliates') corporate structure, for the ultimate benefit of the Holders of New Common Interests, to preserve ordinary course intercompany operations, and in exchange for the Debtors' and Reorganized Debtors' agreement under the Plan to make certain distributions to the Holders of Allowed Claims. Holders of Intercompany Interests and Intercompany are not entitled to vote to accept or reject the Plan, as such Holders will be Unimpaired and conclusively be presumed to accept the Plan.

C. Means of Implementation of the Plan

Article V of the Plan governs and describes the means of implementation of the Plan.

Article 5.1 ("***Restructuring Transactions***") of the Plan provides that, without limiting any rights and remedies of the Debtors or Reorganized Debtors under the Plan or applicable law, but in all cases subject to the terms and conditions of the Definitive Documents and any consents or approvals thereunder, the entry of the Confirmation Order shall constitute authorization for the Reorganized Debtors to take, or to cause to be taken, together with any other transaction that may be necessary or appropriate to effect any transaction described in the Restructuring Support Agreement, or described in, approved by, contemplated by, or necessary to effectuate the Plan, including: (a) the execution and delivery of any appropriate agreements or other documents of

merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, formation, organization, dissolution, or liquidation containing terms that are consistent with the terms of the Plan, and that satisfy the requirements of applicable law and any other terms to which the applicable Persons may agree, including the documents comprising the Plan Supplement; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any Asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable Persons agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, amalgamation, consolidation, conversion, or dissolution pursuant to applicable state law or the filing of any elections; (d) such other transactions that are required to effectuate the Restructuring Transactions, including any mergers, consolidations, restructurings, conversions, elections, dispositions, transfers, formations, organizations, dissolutions, or liquidations; (e) the execution, delivery, and Filing, if applicable, of the Definitive Documents; (f) the issuance of Plan Securities, all of which shall be authorized and approved in all respects, in each case, without further action being required under applicable law, regulation, order or rule; and (g) all other actions that the applicable Persons determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law (collectively, the "***Restructuring Transactions***").

Article 5.2 ("***Compromise and Settlement of Claims, Interests, and Controversies***") of the Plan provides that, in consideration for the classification, distribution, releases, and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan shall constitute an integrated, good faith compromise and settlement of all Claims, Interests, and controversies relating to the contractual, legal, equitable, and subordination rights that a Claim or an Interest Holder may have with respect to any Allowed Claim or Allowed Interest or any distribution to be made on account of such Allowed Claim or Allowed Interest. The Plan shall be deemed a motion to approve the good-faith compromises and settlements of all Claims, Interests, Causes of Action, and controversies pursuant to Bankruptcy Rule 9019. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromises, settlements, and transactions under Bankruptcy Rule 9019, as well as a finding by the Bankruptcy Court that such compromises, settlements, and transactions are in the best interests of the Debtors, their Estates, and Holders of Allowed Claims and Allowed Interests, and each such compromise, settlement, and transaction, is far, equitable, and within the range of reasonableness. Subject to the provisions of the Plan governing distributions, all distributions made to Holders of Allowed Claims and Allowed Interests in any Class are intended to be and shall be final. As consideration for, among other things, the Releases provided pursuant to the Plan, the Consenting Creditors have agreed pursuant to the Restructuring Support Agreement, for the benefit of the Debtors and the Debtors' Estates, to make contributions to enable the implementation of the Plan, such contributions being fundamentally necessary to the implementation of the Plan, and without consideration, including the Releases, the Consenting Creditors would not have agreed to make the contributions reflected therein. The compromises and settlements described under the Plan shall be non-severable from each other and from all other terms of the Plan.

Article 5.3 ("***Administrative Consolidation for Voting and Distribution Purposes Only***") of the Plan provides that, other than with respect to Debtor ModivCare, the Plan is premised upon the substantive consolidation of the Debtors solely for the purposes of voting, determining which

Class or Classes have accepted the Plan, confirming the Plan, and the resulting treatment of all Claims and Interests and Plan distributions. Each Debtor shall continue to maintain its separate corporate existence for all purposes other than the treatment of Claims and Interests under the Plan. On the Effective Date, and except as otherwise expressly provided in the Plan, solely for voting, confirmation, and distribution purposes with respect to each Class of Claims or Interests, other than with respect to Debtor ModivCare: (a) all Claims or Interests in each respective Class shall be deemed merged or consolidated and treated as Claims or Interests against the Debtors on a consolidated basis; (b) each Claim or Interest in each respective Class will be deemed a single Claim against, or Interest in, the consolidated Debtors; (c) any Claim in a given Class based on a guaranty by any Debtor of the obligations of any other Debtor shall be deemed eliminated and extinguished, so that any Claim against any Debtor and any guarantee thereof by any other Debtor, and any joint or several liability of any of the Debtors, shall be deemed to be one obligation of the consolidated Debtors; and (d) each Holder of any Allowed Claim or Interest in a given Class shall be entitled to a single recovery on account of such Claim or Interest, in accordance with the treatment provided under the Plan for such Class, regardless of whether such Holder filed Proofs of Claim against multiple Debtors or has Claims against multiple Debtors based on the same or similar debt.

Article 5.3 of the Plan further provides that such substantive consolidation is solely for voting, confirmation and distribution purposes with respect to each Class and shall not constitute a transfer of Assets or liabilities between the Debtors for any other purpose. Moreover, the Plan's treatment shall not affect any subordination provisions set forth in any agreement relating to any Claim or Interest or the ability of the post-Effective Date Debtors or to seek to have any Claim subordinated in accordance with section 510 of the Bankruptcy Code or other applicable law. Pursuant to section 510 of the Bankruptcy Code, the Debtors expressly reserve the right to reclassify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto. Except as provided in the Plan, all subordination rights that a Holder of a Claim may have with respect to any distribution to be made pursuant to the Plan shall be discharged and terminated, and all actions related to the enforcement of such subordination rights shall be permanently enjoined.

Article 5.11 ("***Cancellation of Existing Agreements Securities and Agreements***") provides that, except for the purpose of evidencing a right to a distribution under the Plan and except as otherwise set forth in the Plan, including with respect to Executory Contracts or Unexpired Leases that shall be assumed by the Reorganized Debtors, or any contract, instrument, or other agreement or document created in connection with the Plan, on the Effective Date, all agreements, instruments, notes, certificates, mortgages, security documents, Prepetition Funded Debt Documents, and any other documents evidencing any Claim or Interest (other than Intercompany Claims and Intercompany Interests that are not modified by the Plan) and any rights of any Holder in respect thereof shall be deemed canceled, discharged, and of no further force or effect, without any further act or action of any person under any applicable agreement, instrument, document, law, regulation, order, or rule, and the obligations of the Debtors thereunder shall be deemed automatically fully satisfied, released, and discharged, and each of the Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent, and their respective agents, successors and assigns shall each be automatically and fully released and discharged of and from all duties and obligations thereunder. Notwithstanding such cancellation and discharge on the Effective Date and the release of the Second Lien Notes

Trustee and the First Lien Agent from their respective duties thereunder, the First Lien Credit Agreement, the Second Lien Notes Indenture, and the Subordinated Unsecured Notes Indenture shall continue in effect solely (a) to the extent necessary to allow the Holders of First Lien Claims, Second Lien Claims, and Subordinated Unsecured Notes Claims to receive distributions under the Plan in accordance therewith; (b) to the extent necessary to allow the Debtors, the Reorganized Debtors, and/or the Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent each to make post-Effective Date distributions in accordance with the Plan at the expense of the Reorganized Debtors, subject to their respective rights as Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent under the First Lien Credit Agreement, the Second Lien Notes Indenture, and the Subordinated Unsecured Notes Indenture, as applicable, or take such other action expressly authorized by the Plan on account of Allowed First Lien Claims, Second Lien Claims, and Subordinated Unsecured Notes Claims; (c) to allow the Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent to appear in the Chapter 11 Cases or in any proceeding in the Bankruptcy Court or any other court, including to enforce the respective obligations owed to each of them under the Plan and to enforce any respective obligations owed to each of them under the Plan in accordance with the respective Prepetition Funded Debt Documents; (d) to allow the Second Lien Notes Trustee to exercise its Second Lien Notes Trustee Charging Lien against distributions to Holders of Second Lien Claims, as applicable; (e) to preserve all rights, remedies, indemnities, powers, and protections, including rights of enforcement, of the Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent against any person or entity (including, without limitation, with respect to any indemnification or contribution under the respective Prepetition Funded Debt Documents) or any exculpations of the Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent, pursuant to and subject to the terms of the respective Prepetition Funded Debt Documents to the extent such rights, remedies, indemnities, powers, and protections are still enforceable and are not cancelled by the Plan; and (f) to permit the Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent to perform any functions that are necessary to effectuate the foregoing, *provided*, that nothing in the foregoing shall affect the discharge of Claims pursuant to the Bankruptcy Code, the Confirmation Order, or the Plan or result in any liability or expense to the Reorganized Debtors. Nothing contained herein shall be deemed to cancel, terminate, release, or discharge the obligation of the Debtors or any of their counterparties under any Executory Contract or Unexpired Lease to the extent such Executory Contract or Unexpired Lease has been assumed by the Debtors pursuant to a Final Order of the Bankruptcy Court or hereunder. For the avoidance of doubt, the Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent shall have no ongoing duties to the Holders of the First Lien Claims, the Second Lien Claims, and the Subordinated Unsecured Notes Claims under any of the canceled and discharged First Lien Credit Agreement, Second Lien Notes Indenture, Subordinated Unsecured Notes Indenture, and Prepetition Funded Debt Documents following the Effective Date other than as expressly set forth in the Plan or Confirmation Order.

Article 5.15 ("***First Lien Claim Equity Option***") of the Plan provides that, prior to the Effective Date, each Holder of an Allowed First Lien Claim shall have the opportunity to irrevocably elect to receive (subject to the limitations set forth in the Election Procedures) (a) additional New Common Interests in lieu of receiving some or all of their pro rata share Exit Term Loans (the "***Equity Option***") or (b) additional Exit Term Loans in lieu of receiving some or

all of their portion of the New Common Interests. New Common Interests distributed pursuant to the Equity Option shall not reduce the aggregate amount of Exit Term Loans available for distribution. The (a) New Common Interests distributed on account of the Equity Option shall reduce, on a ratable basis and at a ratio to be set forth in the Election Procedures, the amount of New Common Interests issued to each Holder of the Allowed First Lien Claims that elects to receive additional Exit Term Loans (to the extent available) in lieu of its pro rata portion of the New Common Interests and (b) the Exit Term Loans distributed on account of the Equity Option shall reduce, on a ratable basis and at a ratio to be set forth in the Election Procedures, the amount of Exit Term Loans issued to each Holder of the Allowed First Lien Claims that elects to receive additional New Common Interests in lieu of its pro rata portion of the Exit Term Loans. Holders shall have the opportunity to make such election pursuant to the Election Procedures.

Article 5.16 ("***Issuance of New Common Interests and Deregistration***") of the Plan provides that, on the Effective Date, Reorganized Parent shall issue and deliver or reserve for issuance, as applicable, all of the New Common Interests issuable in accordance with the terms of the Plan and the other Definitive Documents. The issuance and delivery or reservation for issuance, as applicable, of such New Common Interests is authorized without the need for further corporate or other action or any consent or approval of any national securities exchange upon which the New Common Interests may be listed on or immediately following the Effective Date. All of the New Common Interests issuable under the Plan and the other Definitive Documents shall, when so issued in accordance with the Plan and/or any other applicable Definitive Documents, be duly authorized, validly issued, fully paid, and non-assessable. Each Holder of New Common Interests shall be deemed, without further notice or action, to have agreed to be bound by the New Corporate Governance Documents, as the same may be amended from time to time following the Effective Date in accordance with their terms. The New Corporate Governance Documents shall be binding on all Entities receiving New Common Interests (and their respective successors and permitted assigns), whether received pursuant to the Plan or otherwise and regardless of whether such Entity executes or delivers a signature page to any New Corporate Governance Document. The issuance and delivery or reservation for issuance, as applicable, of the New Common Interests in accordance with the Plan and the other Definitive Documents are authorized without the need for any further limited liability company or corporate action and without any further action by any Holder of a Claim or Interest.

The Plan further provides that Reorganized Parent shall not be obligated to effect or maintain any listing of the New Common Interests for trading on any national securities exchange (within the meaning of the Exchange Act) and it has no current intention of maintaining or obtaining such listing. The New Common Interests are expected to be delivered via book-entry transfer by the Distribution Agent in accordance with the Plan and the other Definitive Documents, rather than through the facilities of DTC; however, in the event the New Common Interests are DTC eligible on the Effective Date, delivery thereof may be made via DTC. Upon the Effective Date, after giving effect to the Restructuring Transactions, the New Common Interests shall be that number of shares or membership interests as may be designated in the New Corporate Governance Documents. On and after the Effective Date, transfers of New Common Interests shall be made in accordance with applicable United States law, United States securities laws (as applicable), and the New Corporate Governance Documents.

As promptly as reasonably practicable following the Effective Date, Reorganized Parent shall take all necessary steps in accordance with and to the extent permitted by the Exchange Act and Securities Act to terminate the registration of all Securities under the Exchange Act and Securities Act, including to de-register its Existing Parent Equity Interests, and to terminate its reporting obligations under sections 12, 13, and 15(d) of the Exchange Act, including by (1) filing, or causing any applicable national securities exchange to file, a Form 25 with the SEC under the Exchange Act, and (2) filing a Form 15 with the SEC under the Exchange Act.

Article 5.17 ("***Effectuating Documents; Further Transactions***") of the Plan provides that before, on, and after the Effective Date, the Debtors, the Reorganized Debtors, and the directors, managers, officers, authorized persons, and members of the boards of directors or managers and directors or managers of the foregoing, are authorized to and may issue, execute, deliver, file, or record such contracts, securities, notes, instruments, certificates, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and provisions of the Plan, the New Corporate Governance Documents, the Exit Facilities Documents, and any Securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, actions, or consents except for those expressly required pursuant to the Plan.

Article 5.18 ("***Authority of the Debtors***") of the Plan provides that, effective on the Confirmation Date, the Debtors and the Reorganized Debtors, as applicable, will be empowered and authorized to take or cause to be taken, before the Effective Date, all actions necessary or appropriate to achieve the Effective Date and enable the Reorganized Debtors to implement effectively the provisions of the Plan, the Confirmation Order, the Definitive Documents, and the Restructuring Transactions.

Article 5.19 ("***Continuing Effectiveness of Final Orders***") of the Plan provides that payment authorization granted to the Debtors under any prior Final Order entered by the Bankruptcy Court will continue in effect after the Effective Date, and that the Debtors or the Reorganized Debtors may pay or otherwise satisfy any Claim to the extent permitted by, and subject to, the applicable Final Order without regard to the treatment that would otherwise be applicable to such Claim under the Plan.

Finally, as set forth more fully in the Plan, Article V of the Plan provides, among other things, that the Reorganized Debtors shall enter into agreements and amend their Corporate Governance Documents to the extent necessary to implement the terms and provisions of the Plan (Article 5.5).

D. Treatment of Executory Contracts and Unexpired Leases; Employee Benefits; and Insurance Policies

Article VIII of the Plan governs the treatment of the Debtors' Executory Contracts and Unexpired Leases, among other things.

Article 8.1 ("***Assumption of Executory Contracts and Unexpired Leases***") of the Plan provides that, on the Effective Date, all Executory Contracts and Unexpired Leases of the Debtors, including, but not limited to, employee contracts and offer letters (other than any individual

employee contract or offer letter for which the parties separately agree to different treatment), which have not expired by their own terms on or prior to the Confirmation Date will be deemed assumed by the Debtors in accordance with, and subject to, the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, except for those Executory Contracts and Unexpired Leases that, in each case:

(i) have been assumed and assigned, or rejected by the Debtors by prior order of the Bankruptcy Court;

(ii) are the subject of a motion to reject Filed by the Debtors pending on the Effective Date;

(iii) are identified as rejected Executory Contracts and Unexpired Leases by the Debtors on the Schedule of Rejected Executory Contracts and Unexpired Leases to be Filed in the Plan Supplement, which may be amended by the Debtors up to and through the Effective Date to add or remove Executory Contracts and Unexpired Leases by Filing with the Bankruptcy Court a subsequent Plan Supplement and serving it on the affected non-Debtor contract parties prior to the Effective Date;

(iv) are rejected or terminated pursuant to the terms of the Plan; or

(v) are the subject of a pending Cure dispute.

Article 8.1 further provides that, without amending or altering any prior order of the Bankruptcy Court approving the assumption or rejection of any Executory Contract or Unexpired Lease, the Confirmation Order shall constitute an order of the Bankruptcy Court approving such assumptions, assumptions and assignments, and the rejection of Executory Contracts and Unexpired Leases set forth in the Schedule of Rejected Executory Contracts and Unexpired Leases provided for in the Plan pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date.

The Plan further provides that, to the extent any provision in any Executory Contract or Unexpired Lease assumed or assumed and assigned (as applicable) pursuant to the Plan or any prior order of the Bankruptcy Court (including, without limitation, any "change of control" provision, "change of control" provision, or provision with words of similar import) prohibits, restricts or conditions, or purports to prohibit, restrict or condition, or is modified, breached or terminated, or deemed modified, breached or terminated by, (i) the commencement of the Chapter 11 Cases or the insolvency or financial condition of any Debtor at any time before the closing of its respective Chapter 11 Case, (ii) any Debtor's or any Reorganized Debtor's assumption or assumption and assignment (as applicable) of such Executory Contract or Unexpired Lease or (iii) the Confirmation or consummation of the Plan, then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to modify or terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights or remedies with respect thereto, and any required consent under any such contract or lease shall be deemed satisfied by the Confirmation of the Plan.

In addition, each Executory Contract and Unexpired Lease assumed and/or assigned pursuant to the Plan shall revest in and be fully enforceable by the applicable Reorganized Debtor or the applicable assignee in accordance with its terms and conditions, except as modified by the provisions of the Plan, any order of the Bankruptcy Court approving its assumption and/or assignment, or applicable law.

The Debtors reserve the right, on or before the Effective Date, to amend the Schedule of Rejected Executory Contracts and Unexpired Leases and/or to add or remove any Executory Contract and Unexpired Lease; *provided*, the Debtors or Reorganized Debtors, as applicable, may (with the prior written consent of the Required Consenting First Lien Lenders) amend the Schedule of Rejected Executory Contracts or Unexpired Leases to add or delete any Executory Contracts or Unexpired Leases after such date to the extent agreed to by the relevant counterparties or approved by an order of the Bankruptcy Court.

The Plan further provides that, the inclusion or exclusion of a contract or lease on any schedule or exhibit will not constitute an admission by any Debtor that such contract or lease is an Executory Contract or Unexpired Lease or that any Debtor has any liability thereunder.

Article 8.2 ("***Payments Related to Assumption of Executory Contracts and Unexpired Leases***") of the Plan provides that any monetary defaults under each Executory Contract and Unexpired Lease to be assumed, or assumed and assigned, pursuant to the Plan will be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the amount of the Cure Claim in Cash on the Effective Date or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree.

The Plan further provides that in the event of a dispute regarding (a) the amount of any Cure Claim, (b) the ability of the Reorganized Debtors to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code), if applicable, under the Executory Contract or the Unexpired Lease to be assumed or (c) any other matter pertaining to assumption, the Cure Claims will be paid following the entry of a Final Order resolving the dispute and approving the assumption of such Executory Contracts or Unexpired Leases; *provided*, that the Debtors or the Reorganized Debtors, as applicable, may settle any dispute regarding the amount of any Cure Claim without any further notice to or action, order or approval of the Bankruptcy Court.

Article 8.3 ("***Claims on Account of the Rejection of Executory Contracts or Unexpired Leases***") of the Plan provides that all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to the Plan or the Confirmation Order, if any, must be Filed with the Bankruptcy Court within twenty-one (21) days after service of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection. Any Claim arising from the rejection of Executory Contracts or Unexpired Leases that becomes an Allowed Claim is classified and shall be treated as a General Unsecured Claim.

The Plan further provides that any Person or Entity that is required to File a Proof of Claim arising from the rejection of an Executory Contract or an Unexpired Lease that fails to timely do so will be forever barred, estopped and enjoined from asserting such Claim, and such Claim will not be enforceable, against the Debtors, the Reorganized Debtors or the Estates, and the Debtors,

the Reorganized Debtors, and their Estates and their respective Assets and property will be forever discharged from any and all indebtedness and liability with respect to such Claim unless otherwise ordered by the Bankruptcy Court or as otherwise provided in the Plan. Further, all such Claims will, as of the Effective Date, be subject to the permanent injunction set forth in Article X, Section 10.5 of the Plan.

Article 8.4 ("***Survival of the Debtors' Indemnification Obligations***") of the Plan provides that, except as otherwise provided in the Plan or the Confirmation Order, and subject to the Schedule of Retained Causes of Action, to the fullest extent permitted by applicable law, the Indemnification Obligations shall not be discharged, impaired, or otherwise affected by the Plan; *provided*, that the Debtors or the applicable Reorganized Debtors, as applicable, shall not indemnify any such officers, directors, agents, or employees of the Debtors for any Claims or Causes of Action arising out of or relating to any act or omission for which indemnification is barred under applicable law or that is excluded under the terms of the foregoing organizational documents or applicable agreements governing the Debtors' Indemnification Obligations. Except as otherwise provided in the Plan, all such Indemnification Obligations shall be deemed and treated as Executory Contracts that are assumed by the Debtors under the Plan.

Article 8.5 ("***Employee Plans***") of the Plan concerns the Debtors' Compensation and Benefit Programs and the Debtors' Workers' Compensation Contracts.

Article 8.5(a) provides that all Employee Plans that exist as of the Petition Date shall be assumed on the Effective Date as Executory Contracts pursuant to sections 365 and 1123 of the Bankruptcy Code, and that the assumption of any Employee Plans shall not trigger any applicable change of control, immediate vesting, termination, or similar provisions therein, including any right to severance pay in connection with a change in control.

The Plan further provides that, unless expressly agreed to in writing between the Debtors and the Required Consenting First Lien Lenders (except as provided in the Restructuring Support Agreement) if an Employee Plan provides in part for an award or potential award of Interests or consideration based on the value of Interests that have not vested into Existing Parent Equity Interests as of the Petition Date, such Employee Plan shall be assumed in all respects other than the provisions of such agreement relating to Interest awards, which interest awards shall be canceled and discharged.

Article 8.5(b) provides that, as of the Effective Date, the Debtors and the Reorganized Debtors shall continue to honor their obligations under all applicable workers' compensation programs and in accordance with all applicable workers' compensation Laws in states in which the Reorganized Debtors operate. Any Claims arising under workers' compensation programs shall be deemed withdrawn once satisfied without any further notice to or action, order, or approval of the Bankruptcy Court; *provided*, that nothing in the Plan shall limit, diminish, or otherwise alter the Debtors' or Reorganized Debtors' defenses, Causes of Action, or other rights under applicable law, including non-bankruptcy Law, with respect to any such workers' compensation programs; *provided further*, that nothing therein shall be deemed to impose any obligations on the Debtors in addition to what is provided for under applicable state Law.

Article 8.6 ("***Insurance Policies***") of the Plan provides that all insurance policies to which any Debtor is a party as of the Effective Date, shall be deemed to be and treated as Executory Contracts and shall be assumed by the applicable Debtors or the Reorganized Debtors and shall continue in full force and effect thereafter in accordance with their respective terms and shall survive unimpaired under the Plan, and all such insurance policies shall vest in the Reorganized Debtors. Coverage for defense and indemnity under the D&O Policies shall remain available to all individuals within the definition of "Insured" in any D&O Policy.

In addition, after the Effective Date, all officers, directors, agents, or employees who served in such capacity at any time before the Effective Date shall be entitled to the full benefits of any D&O Policy (including any "tail" policy) for the full term of such policy regardless of whether such officers, directors, agents, and/or employees remain in such positions after the Effective Date, in each case, to the extent set forth in such policies and on terms no less favorable than the Debtors' existing policies.

In addition, after the Effective Date, the Reorganized Debtors shall not terminate or otherwise reduce the coverage under any D&O Policy (including any "tail policy") in effect as of the Petition Date, and any current and former directors, officers, members, managers, agents or employees of any of the Debtors who served in such capacity at any time prior to the Effective Date shall be entitled to the full benefits of any such D&O Policy for the full term of such policy regardless of whether such members, managers, directors, and/or officers remain in such positions after the Effective Date to the extent set forth in such policies.

In the event that the Debtors determine that an Allowed Claim is covered in full or in part under one of the Debtors' insurance policies, no distributions under the Plan shall be made on account of such Allowed Claim unless and until, and solely to the extent that, (i) the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy, and (ii) an insurer authorized to issue a coverage position under such insurance policy, or the agent of such insurer, issues a formal determination, which the Debtors in their sole discretion do not contest, that coverage under such insurance policy is excluded or otherwise unavailable for losses arising from such Allowed Claim. Any proceeds available pursuant to one of the Debtors' insurance policies shall reduce the Allowed amount of a Claim on a dollar-for-dollar basis. To the extent that one or more of the Debtors' insurers agrees to satisfy a Claim in full or in part (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without a Claim objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court. If an applicable insurance policy has a SIR, the Holder of an Insured Claim shall have an Allowed General Unsecured Claim or a Subordinated Claim, as applicable, solely up to the amount of the SIR that may be established upon the liquidation of the Insured Claim. Such SIR shall be considered satisfied pursuant to the Plan through allowance of the General Unsecured Claim or Subordinated Claim, as applicable, solely in the amount of the applicable SIR, if any; *provided*, that nothing herein obligates the Debtors or the Reorganized Debtors to otherwise satisfy any SIR under any insurance policy. Any recovery on account of the Insured Claim in excess of the SIR established upon the liquidation of the Claim shall be recovered solely from the Debtors' insurance coverage, if any, and only to the extent of available insurance coverage and any proceeds thereof. Nothing in the Plan shall be construed to limit, extinguish,

or diminish the insurance coverage that may exist or shall be construed as a finding that liquidated any Claim payable pursuant to an insurance policy.

Article 8.9 ("***Reservation of Rights***") of the Plan provides that neither the exclusion nor inclusion of any contract or lease by the Debtors on any exhibit, schedule, or other annex to the Plan or in the Plan Supplement, nor anything contained in the Plan, will constitute an admission by the Debtors that any contract or lease is or is not in fact an Executory Contract or Unexpired Lease or that the Debtors or the Reorganized Debtor or their respective Affiliates has any liability thereunder.

Article 8.9 further provides that, except as otherwise provided in the Plan, nothing in the Plan will waive, excuse, limit, diminish, or otherwise alter any of the defenses, claims, Causes of Action, or other rights of the Debtors and the Reorganized Debtors under any executory or non-Executory Contract or any Unexpired Lease or expired lease. Further, nothing in the Plan will increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtors or the Reorganized Debtors under any executory or non-Executory Contract or any Unexpired Lease or expired lease.

If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption, the Debtors or Reorganized Debtors, as applicable, will have sixty (60) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease by Filing a notice indicating such altered treatment.

E. Provisions Governing Distributions

Article VI of the Plan sets forth the mechanics by which Plan distributions will be made.

Article 6.1 ("***Distributions Generally***") of the Plan provides that the Distribution Agent shall make all distributions under the Plan to the appropriate Holders of Allowed Claims in accordance with the terms of the Plan, provided that initial Plan distributions shall be made to or at the direction of the Second Lien Notes Trustee, the Subordinated Unsecured Notes Trustee, and the First Lien Agent, as applicable, for further distribution in accordance with the Prepetition Funded Debt Documents, respectively.

If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII of the Plan. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to postpetition interest, dividends, or accruals on the distributions provided for herein, regardless of whether such distributions are delivered on or at any time after the Effective Date.

Article 6.3 ("***Distribution Record Date***") of the Plan provides that, as of the close of business on the Distribution Record Date, the various transfer registers for each of the Classes of Claims or Interests as maintained by the Debtors or their respective agents, shall be deemed closed, and there shall be no further changes in the record Holders of any of the Claims or Interests. It further provides that the Debtors or the Reorganized Debtors shall have no obligation to recognize any transfer of the Claims or Interests occurring on or after the Distribution Record Date, and that with respect to payment of any Cure Claims or disputes over any Cure Claims, neither the Debtors nor the Distribution Agent shall have any obligation to recognize or deal with

any party other than the non-Debtor party to the applicable Executory Contract or Unexpired Lease as of the Distribution Record Date, even if such non-Debtor party has sold, assigned, or otherwise transferred its Cure Claim. Notwithstanding the foregoing, the Distribution Record Date shall not apply to distributions in respect of the Second Lien Notes or any securities deposited with DTC, the Holders of which will receive distributions, if any, in accordance with the customary exchange procedures of DTC or the Plan. For the avoidance of doubt, in connection with a distribution through the facilities of DTC (if any), DTC will be considered a single Holder for purposes of distributions.

Article 6.4 ("***Date of Distributions***") of the Plan provides that, except as otherwise provided in the Plan (including payments made in the ordinary course of the Debtors' business) or as paid pursuant to a prior Bankruptcy Court order, on the Effective Date or, if a Claim or Interest is not Allowed on the Effective Date, on the date that such Claim or Interest becomes Allowed, or, in each case, as soon as reasonably practicable thereafter, or as otherwise determined in accordance with the Plan and the Confirmation Order, including the treatment provisions of Article IV of the Plan, each Holder of an Allowed Claim shall receive the full amount of the distributions that such Holder of an Allowed Claim is entitled to under the Plan; *provided*, that the Reorganized Debtors may implement periodic distribution dates to the extent they determine them to be appropriate (but subject in all respects to the Definitive Documents); *provided further*, that the Reorganized Debtors may make distributions of Plan Securities following the Effective Date, including to Holders of Disputed Claims that become Allowed Claims; *provided further*, that any Holder participating in the Equity Rights Offering may inform the Distribution Agent pursuant to the Equity Rights Offering Procedures that the distributions in respect of such Holder's Allowed Claims shall be made to one or more of its Affiliates, designees or Related Funds. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII of the Plan; *provided*, that any Plan Security that is issuable to Holders of Allowed Claims but is withheld from distribution on account of a Holder of a Disputed Claim shall not be issued until such time such Disputed Claim is resolved and the Plan Securities are to be distributed. Except as specifically provided in the Plan, Holders of Allowed Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

Article 6.4 of the Plan further provides that, for all purposes associated with distributions under the Plan, all guarantees by any Debtor of the obligations of any other Debtor, as well as any joint and several liability of any Debtor with respect to any other Debtor, shall be deemed eliminated so that any obligation that could otherwise be asserted against more than one Debtor shall result in a single distribution under the Plan; *provided*, that Claims held by a single entity against different Debtors that are not based on guarantees or joint and several liability shall be entitled to the applicable distribution for each such Claim against each applicable Debtor. Any such Claims shall be released pursuant to Article X of the Plan and shall be subject to all potential objections, defenses, and counterclaims, and to estimation pursuant to section 502(c) of the Bankruptcy Code. For the avoidance of doubt, this shall not affect the obligation of each and every Debtor to pay fees payable pursuant to section 1930(a) of the Judicial Code until such time as a particular Chapter 11 Case is closed, dismissed, or converted, whichever occurs first.

Article 6.13 ("***Unclaimed Property***") of the Plan provides that, one year from the later of (a) the Effective Date and (b) the date that is ten (10) Business Days after the date of a distribution on an Allowed Claim, all distributions payable on account of such Claim that are undeliverable or otherwise unclaimed shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and shall automatically, without need for any further action by or approval of any Person, including, without limitation, the Bankruptcy Court, revert to the Reorganized Debtors or their successors or assigns, and all Claims of any other person (including the Holder of a Claim in the same Class) to such distribution shall be discharged and forever barred. The Reorganized Debtors and the Distribution Agent shall have no obligation to attempt to locate any Holder of an Allowed Claim other than by reviewing the Debtors' books and records and the Bankruptcy Court's Filings.

Article 6.19 ("***Setoffs***") of the Plan provides that, (a) the Debtors and the Reorganized Debtors, or such Entity's designee as instructed by such Debtor or Reorganized Debtor, as applicable, may, but shall not be required to, set off or recoup against any Claim, and any distribution to be made pursuant to the Plan on account of such Claim, any and all Claims, rights, and Causes of Action of any nature whatsoever that the Debtors or the Reorganized Debtors or their successors may have against the Holder of such Claim pursuant to the Bankruptcy Code or applicable non-bankruptcy law; *provided*, that neither the failure to do so nor the allowance of any Claim thereunder shall constitute a waiver or release by a Debtor or a Reorganized Debtor or its successor of any claims, rights, or Causes of Action that a Debtor or Reorganized Debtor or its successor or assign may possess against the Holder of such Claim, and (b) in no event shall any Holder of Claims be entitled to set off any such Claim against any claim, right, or Cause of Action of the Debtor or Reorganized Debtor, unless (i) the Debtors or the Reorganized Debtors, as applicable, have consented or (ii) such Holder has Filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date, and notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise. Notwithstanding the foregoing, this does not create any new rights to setoff or recoupment that did not exist under any applicable law or agreement in existence prior to the Effective Date.

Finally, as set forth more fully in the Plan, Article VI of the Plan provides, among other things, that: (a) to the extent applicable, the Reorganized Debtors will comply with all tax withholding and reporting requirements, and all distributions pursuant to the Plan will be subject to such requirements (6.22); (b) except as otherwise provided in the Plan or as otherwise required by law, distributions with respect to an Allowed Claim will be allocated first to the principal portion of such Allowed Claim (as determined for United States federal income tax purposes) and, thereafter, to the remaining portion of such Allowed Claim, if any (6.20); (c) unless otherwise specifically provided for in the Plan, any other Definitive Document, the Confirmation Order, or any other Final Order of the Bankruptcy Court, or required by applicable bankruptcy law (including as required pursuant to section 506(b) or section 511 of the Bankruptcy Code), postpetition interest will not accrue or be paid on any Claims and no Holder of a Claim or Interest will be entitled to interest accruing on or after the Petition Date on any Claim (6.10); and (d) the Distribution Agent shall not be required to make any distribution of Cash less than one hundred dollars ($100) to any Holder of an Allowed Claim; *provided*, that if any distribution is

not made pursuant to Article VI, Section 6.18, such distribution shall be added to any subsequent distribution to be made on behalf of the Holder's Allowed Claim (6.18).

F. Procedures for Resolving Disputed, Contingent, and Unliquidated Claims or Interests

As noted in Section VI of this Disclosure Statement, the Bar Date Order established (i) October 1, 2025, at 5:00 p.m. (prevailing Central Time) as the deadline for any entity to file a proof of claim based on a prepetition claim against any Debtor and (ii) February 16, 2026 at 5:00 p.m. (prevailing Central Time) as the deadline for any governmental unit to file a proof of claim against an Debtor.

Article 7.1(a) ("***Allowance and Disallowance of Claims***") of the Plan provides that, after the Effective Date, and except as otherwise provided in the Plan, the Reorganized Debtors will have and will retain any and all available rights and defenses that the Debtors had with respect to any Claim immediately before the Effective Date, including the right to assert any objection to Claims based on the limitations imposed by section 502 of the Bankruptcy Code. The Debtors and the Reorganized Debtors may, but are not required to, contest the amount and validity of any Disputed Claim or contingent or unliquidated Claim in the ordinary course of business in the manner and venue in which such Claim would have been determined, resolved or adjudicated if the Chapter 11 Cases had not been commenced.

All Claims and Interests of any Entity from which property is sought by the Debtors under sections 542, 543, 550, or 553 of the Bankruptcy Code or that the Debtors or the Reorganized Debtors allege is a transferee of a transfer that is avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code will be disallowed if: (a) the Entity, on the one hand, and the Debtors or the Reorganized Debtors, as applicable, on the other hand, agree or the Bankruptcy Court has determined by Final Order that such Entity or transferee is liable to turn over any property or monies under any of the aforementioned sections of the Bankruptcy Code; and (b) such Entity or transferee has failed to turn over such property by the date set forth in such agreement or Final Order.

Article 7.2 ("***Claims Administration Responsibilities***") of the Plan provides that except as otherwise specifically provided in the Plan, after the Effective Date, the Reorganized Debtors will have the sole authority: (a) to File, withdraw, or litigate to judgment, objections to Claims or Interests; (b) to settle or compromise any Disputed Claim or Interest without any further notice to or action, order, or approval by the Bankruptcy Court; and (c) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court. For the avoidance of doubt, except as otherwise provided in the Plan, from and after the Effective Date, each Reorganized Debtor will have and retain any and all rights and defenses such Debtor had immediately before the Effective Date with respect to any Disputed Claim or Interest, including the Causes of Action retained pursuant to the Plan.

Article 7.3 ("***Adjustments to Claims or Interests Without Objection***") of the Plan provides that any duplicate Claim or Interest or any Claim or Interest that has been paid, satisfied, amended, or superseded may be adjusted or expunged on the claims register by the Reorganized Debtors without the Reorganized Debtors having to File an application, motion, complaint, objection, or

any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Bankruptcy Court.

Article 7.4 ("***No Distributions Pending Allowance***") of the Plan provides that if any portion of a Claim is Disputed, no payment or distribution provided hereunder will be made on account of such Claim unless and until such Claim becomes an Allowed Claim; *provided* that if only a portion of a Claim is Disputed, such Claim will be deemed Allowed in the amount not Disputed and payment or distribution will be made on account of such undisputed amount.

Section 7.5 ("***Distributions After Allowance***") of the Plan provides that to the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) will be made to the Holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Reorganized Debtors will provide to the Holder of such Claim the distribution (if any) to which such Holder is entitled under the Plan as of the Effective Date, without any postpetition interest to be paid on account of such Claim.

G. Conditions Precedent to the Occurrence of the Effective Date

Article IX of the Plan sets forth the conditions precedent to the Effective Date, and related matters. The conditions precedent set forth at Article 9.1(b) of the Plan ("***Conditions Precedent to the Occurrence of the Effective Date***") include:

(i) the Restructuring Support Agreement shall not have been terminated as to the Required Consenting First Lien Lenders or the Required Consenting Second Lien Noteholders, and shall be in full force and effect;

(ii) the Bankruptcy Court shall have entered the Final DIP Order, which order shall not have been reversed, stayed, amended, modified, dismissed, vacated, or reconsidered;

(iii) the Bankruptcy Court shall have entered the Confirmation Order, and such Confirmation Order shall not have been reversed, stayed, amended, modified, dismissed, vacated, or reconsidered;

(iv) the Exit Facilities Document shall have been entered into by the Reorganized Debtors, and all conditions precedent to the effectiveness of the Exit Facilities Documents, other than the occurrence of the Effective Date, shall have been satisfied or waived in accordance with the terms thereof, such that the Exit Facilities Documents will be in full force and effect on the occurrence of the Effective Date;

(v) all Restructuring Fees and Expenses shall have been paid in full in Cash in accordance with the terms of the Plan and the Restructuring Support Agreement;

(vi) the Definitive Documents shall (a) be consistent with the Restructuring Term Sheet and the Restructuring Support Agreement and otherwise approved by the applicable parties thereto consistent with their respective consent and approval

rights as set forth in the Restructuring Support Agreement, (b) shall have been executed or deemed executed and delivered by each party thereto, and any conditions precedent related thereto shall have been satisfied or waived by the applicable party, and (c) to the extent applicable, shall be adopted by the applicable Entity on terms consistent with the Restructuring Support Agreement and the Restructuring Term Sheet;

(vii) all governmental and third-party approvals and consents necessary, if any, in connection with the transactions contemplated by the Restructuring Term Sheet and the Restructuring Support Agreement shall have been obtained, not subject to unfulfilled conditions, and be in full force and effect, and all applicable waiting periods shall have expired without action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose materially adverse conditions on such transactions;

(viii) the Debtors shall have implemented the Restructuring Transactions and all transactions contemplated by the Plan; and

(ix) the Professional Fee Escrow shall have been established and funded in full in Cash.

Article 9.2 ("***Timing of Conditions Precedent***") of the Plan provides that, notwithstanding when a Condition Precedent to the Effective Date occurs, for the purposes of the Plan, such Condition Precedent shall be deemed to have occurred simultaneously upon the completion of the Conditions Precedent to the Effective Date; *provided*, that to the extent a Condition Precedent (the "***Prerequisite Condition***") may be required to occur prior to another Condition Precedent (a "***Subsequent Condition***") then, for purposes of the Plan, the Prerequisite Condition shall be deemed to have occurred immediately prior to the applicable Subsequent Condition regardless of when such Prerequisite Condition or Subsequent Condition shall have occurred.

Article 9.3 ("***Waiver of Conditions Precedent***") provides that each of the conditions precedent of the Plan may be waived in writing by the Debtors and the Required Consenting First Lien Lenders (except as otherwise provided in the Restructuring Support Agreement); *provided*, that the waiver of the Conditions Precedent in Article IX, Section 9.1(b)(ix) shall require the consent of the affected Professionals; *provided*, *further*, that the waiver of the Condition Precedent in Article IX, Section 9.1(b)(v) shall require the consent of the affected First Lien Agent or Second Lien Notes Trustee, as applicable and each with respect to payment of their Restructuring Expenses.

Article 9.3 further provides that the stay of the Confirmation Order pursuant to Bankruptcy Rule 3020(c) shall be deemed waived by and upon the entry of the Confirmation Order, and the Confirmation Order shall take effect immediately upon its entry.

Article 9.4 ("***Effect of Non-Occurrence of the Effective Date***") of the Plan addresses the effect of non-occurrence of the Effective Date. It provides that if the Effective Date does not occur Plan will be null and void in all respects and nothing contained in the Plan or this Disclosure Statement shall: (a) constitute a waiver or release of any claims by or Claims against or Interests

in the Debtors; (b) prejudice in any manner the rights of any Entity; or (c) constitute an admission, acknowledgement, offer, or undertaking by the Debtors, any of the Consenting Creditors, or any other Entity.

H. Discharge, Release, Injunction, and Related Provisions

Article X of the Plan addresses releases, injunctions, exculpatory provisions and related provisions as follows: *Discharge of Claims and Termination of Interests* (10.3); *Releases by the Debtors* (10.6(a)); *Releases by Holders of Claims and Interests* (10.6(b)); *Exculpation* (10.7); and *Permanent Injunction* (10.5).[13]

Article 10.6(b) of the Plan contains a Third-Party Release by all Releasing Parties. Pursuant to Article 10.6(b) of the Plan, the following are the Releasing Parties: (a) each Debtor; (b) each Reorganized Debtor; (c) the Consenting Creditors; (d) the First Lien Agent; (e) the DIP Lenders; (f) the DIP Backstop Commitment Parties; (g) the DIP Agent; (h) the Second Lien Notes Trustee; (i) [reserved]; (j) each Holder of a Claim in a Voting Class that does not affirmatively elect to "opt out" of the Third-Party Release as provided on its respective ballot; (k) each Holder of a Claim or Interest in a Non-Voting Class that does not affirmatively elect to "opt out" of the Third-Party Release as provided on its respective Release Opt-Out Form; (l) each Related Party of each Entity in clauses (a) through (k), solely to the extent such Related Party (I) would be obligated to grant a release under principles of agency if it were so directed by the Entity in the foregoing clauses (a) through (k) to whom they are related or (II) may assert Claims or Causes of Action on behalf of or in a derivative capacity by or through an Entity in clause (a) through (i); *provided*, that, any Holder of a Claim or Interest that timely objects to the Third-Party Release, either through (i) a formal objection Filed on the docket of the Chapter 11 Cases or (ii) an informal objection provided to the Debtors by electronic mail, and such objection is not withdrawn on the docket of the Chapter 11 Cases or via electronic mail, as applicable, before the Confirmation Hearing, shall not be a "Releasing Party;" *provided, further,* that the Second Lien Notes Trustee and the First Lien Agent shall be Releasing Parties solely in their respective capacities as Second Lien Notes Trustee and the First Lien Agent and not individually or in any other capacity.

I. Definitions Relating to Releases

The following definitions are important to understanding the scope of the releases being given under the Plan:

"***Exculpated Parties***" means each of the following in their capacities as such and, in each case, to the maximum extent permitted by law: (a) the Debtors and their Estates; (b) each independent director of the Debtors; and (c) the Committee and each member of the Committee.

"***Released Parties***" means, collectively, each of: (a) the Debtors; (b) the Reorganized Debtors; (c) the Consenting Creditors, (d) the First Lien Agent; (e) the DIP Lenders; (f) the DIP Backstop

[13] The Debtors and their Estates are continuing their ongoing internal investigation. Nothing herein will constitute or be deemed a waiver of any rights related to such internal investigation.

Commitment Parties; (g) the DIP Agent; (h) the Second Lien Notes Trustee; (i) each Holder of a Claim in a Voting Class that does not affirmatively elect to "opt out" of the Third-Party Releases as provided on its respective ballot; (j) each Holder of a Claim or Interest in a Non-Voting Class that does affirmatively elect to "opt out" of the Third-Party Releases as provided on its respective Release Opt-Out Form; and (k) with respect to each of the foregoing persons in clauses (a) through (j), ~~all Related Parties~~**each Related Party, solely to the extent such Related Party would be liable whether directly or under principles of agency for any such Claims or Causes of Action asserted against the applicable Entity in the foregoing clauses (a) through (j) to whom they are related**. Notwithstanding the foregoing, any Person that opts out of the releases set forth in the Plan shall not be deemed a "Released Party" thereunder; *provided*, that any Holder of a Claim or Interest that timely objects to the Third-Party Release, either through (i) a formal objection Filed on the docket of the Chapter 11 Cases, or (ii) an informal objection provided to the Debtors by electronic mail, and such objection is not withdrawn on the docket of the Chapter 11 Cases or via electronic mail, as applicable, before or at the Confirmation Hearing (and in the case of the latter on the record), shall not be a "Released Party" thereunder; *provided, further*, any Person or Entity (and each such Person or Entity's Related Parties) that files an objection with the Bankruptcy Court to any substantive pleading in the Chapter 11 Cases, including to approval of the DIP Facility or the confirmation of the Plan, or commences any Cause of Action in the Bankruptcy Court or any other court of competent jurisdiction against any director of the Debtors, or against any Consenting Creditor relating to such Consenting Creditor's secured Claims, shall not be a Released Party.

"***Releasing Parties***" means, collectively, each of, and in each case in its capacity as such: (a) each Debtor; (b) each Reorganized Debtor; (c) the Consenting Creditors; (d) the First Lien Agent; (e) the DIP Lenders; (f) the DIP Backstop Commitment Parties; (g) the DIP Agent; (h) the Second Lien Notes Trustee; (i) [reserved]; (j) each Holder of a Claim in a Voting Class that does not affirmatively elect to "opt out" of the Third-Party Release as provided on its respective ballot; (k) each Holder of a Claim or Interest in a Non-Voting Class that does not affirmatively elect to "opt out" of the Third-Party Release as provided on its respective Release Opt-Out Form; (l) each Related Party of each Entity in clauses (a) through (k), solely to the extent such Related Party (I) would be obligated to grant a release under principles of agency if it were so directed by the Entity in the foregoing clauses (a) through (k) to whom they are related or (II) may assert Claims or Causes of Action on behalf of or in a derivative capacity by or through an Entity in clause (a) through (i); *provided*, that, any Holder of a Claim or Interest that timely objects to the Third-Party Release, either through (i) a formal objection Filed on the docket of the Chapter 11 Cases or (ii) an informal objection provided to the Debtors by electronic mail, and such objection is not withdrawn on the docket of the Chapter 11 Cases or via electronic mail, as applicable, before the Confirmation Hearing, shall not be a "Releasing Party;" *provided, further,* that the Second Lien Notes Trustee and the First Lien Agent shall be Releasing Parties solely in their respective capacities as Second Lien Notes Trustee and the First Lien Agent and not individually or in any other capacity.

1. Releases, Exculpation and Injunction

i. ***Releases by the Debtors (10.6(a))***

To the fullest extent permitted by applicable law and approved by the Bankruptcy Court, and except as otherwise expressly set forth in the Plan or the Confirmation Order, pursuant to section 1123(b) of the Bankruptcy Code, as of the Effective Date, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, each of Debtors, Reorganized Debtors, Reorganized Parent, and the Estates, in each case on behalf of itself and its respective successors, assigns, and Representatives, and any and all other Persons who may purport to assert any Claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Persons, has and is deemed to have, forever and unconditionally released, and absolved each Released Party from any and all Claims, obligations, rights, suits, damages, and Causes of Action, remedies, and liabilities whatsoever whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims asserted or assertable on behalf of the Debtors, the Estates, Reorganized Parent, or the Reorganized Debtors, that such Entity would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, including (i) the governance, management, transactions, ownership, or operation of the Debtors or the Non-Debtor Affiliates, (ii) the purchase, acquisition, sale, merger or rescission of any business line, Assets, or Security of the Debtors or the Non-Debtor Affiliates, (iii) the subject matter of, or the transactions, events, circumstances, acts or omissions giving rise to, any Claim or Interest that is treated in the Restructuring Transactions, including the negotiation, formulation, or preparation of the Restructuring Transactions, (iv) the business or contractual arrangements between any Debtor or Non-Debtor Affiliate and any other Entity (including Consenting Creditors), (v) the Prepetition Funded Debt Documents, (vi) the Debtors' and Non-Debtor Affiliates' in- or out-of-court restructuring efforts, (vii) intercompany transactions, (viii) the formulation, preparation, dissemination, negotiation, solicitation, entry into, Filing, or consummation of the Plan, the Plan Supplement the Disclosure Statement, the Restructuring Support Agreement and related prepetition transactions, the Definitive Documents, the Equity Rights Offering Documents, the Corporate Governance Documents, the New Corporate Governance Documents, the Chapter 11 Cases, or any Restructuring Transaction, (ix) any contract, instrument, release, or other agreement or document created or entered into in connection with the Plan, the Plan Supplement, the Disclosure Statement, the Restructuring Support Agreement, the Definitive Documents, the Equity Rights Offering Documents, the Corporate Governance Documents, the New Corporate Governance Documents, the Chapter 11 Cases, the pursuit of Confirmation and consummation of the Plan, the administration and implementation of the Plan or Confirmation Order, including the issuance or distribution of securities pursuant to the Plan, (x) the distribution, including any disbursements made by a Distribution Agent, of property under the Plan, or any other related agreement, or (xi) any other act or omission, transaction, agreement, event, or other occurrence related to any of the foregoing and taking place on or before the Effective Date; *provided*, that the Debtors do not release Claims or Causes of Action (1) that are of a commercial nature and arise in the ordinary course of business, such as accounts receivable and accounts payable on account of goods being sold and services being performed; (2) arising under an Executory Contract or Unexpired Lease that is assumed by the Debtors; or (3) arising out of, or related to, any act or omission of a

Released Party that is determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction to have constituted actual fraud, gross negligence, or willful misconduct (it being agreed that any Released Parties' consideration, approval, or receipt of any distribution did not arise from or relate to actual fraud (but not, for the avoidance of doubt, fraudulent transfers),gross negligence, or willful misconduct). Notwithstanding anything to the contrary in the foregoing, the Releases set forth above do not release (1) any obligations of any Person under the Plan, the Confirmation Order, any other Definitive Document, any Restructuring Transaction, any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or any agreement, Claim, or obligation arising or assumed under the Plan or (2) any Causes of Action specifically retained by the Debtors pursuant to the Schedule of Retained Causes of Action.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Debtor Release, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that the Debtor Release is: (1) in exchange for the good and valuable consideration provided by each of the Released Parties, including the Released Parties' substantial contributions to facilitating the Restructuring Transactions and implementing the Plan; (2) a good-faith settlement and compromise of the Claims released by the Debtors; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors, the Reorganized Debtors, the Reorganized Parent or the Debtors' Estates asserting any Claim or Cause of Action released pursuant to the Debtor Release.

ii. ***Releases by Holders of Claims or Interests (10.6(b))***

To the fullest extent permitted by applicable law and approved by the Bankruptcy Court, and except as otherwise expressly set forth in the Plan or the Confirmation Order, as of the Effective Date, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, each Releasing Party, in each case on behalf of itself and its respective successors, assigns, and Representatives, and any and all other Persons who may purport to assert any Claim or Cause of Action, directly or derivatively, by, through, for, or because of the foregoing Persons, has and is deemed to have, forever and unconditionally, released, and absolved each Released Party from any and all Claims, obligations, rights, suits, damages, and Causes of Action, remedies, and liabilities whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims asserted or assertable on behalf of the Debtors, the Estates, the Reorganized Parent, or the Reorganized Debtors that such Person would have been legally entitled to assert in its own right (whether individually or collectively) or on behalf of the Holder of any Claim against, or Interest in, a Debtor or other Person, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, including (i) the governance, management, transactions, ownership, or operation of the Debtors or the Non-Debtor Affiliates, (ii) the purchase, acquisition, sale, merger, or rescission of any business line, Assets, or Security of the Debtors or the Non-Debtor Affiliates, (iii) the subject matter of, or the transactions, events, circumstances, acts or

omissions giving rise to, any Claim or Interest that is treated in the Restructuring Transactions, including the negotiation, formulation, or preparation of the Restructuring Transactions, (iv) the business or contractual arrangements between any Debtor or Non-Debtor Affiliate and any other Person (including Consenting Creditors), (v) the Prepetition Funded Debt Documents, (vi) the Debtors' and Non-Debtor Affiliates' in- or out-of-court restructuring efforts, (vii) intercompany transactions, (viii) the formulation, preparation, dissemination, negotiation, solicitation, entry into, Filing, or consummation of the Plan, the Plan Supplement the Disclosure Statement, the Restructuring Support Agreement and related prepetition transactions, the Definitive Documents, the Equity Rights Offering Documents, the Corporate Governance Documents, the New Corporate Governance Documents, the Chapter 11 Cases, or any Restructuring Transaction, (ix) any contract, instrument, release, or other agreement or document created or entered into in connection with the Plan, the Plan Supplement, the Disclosure Statement, the Restructuring Support Agreement, the Definitive Documents, the Equity Rights Offering Documents, the Corporate Governance Documents, or the New Corporate Governance Documents, the Chapter 11 Cases, the pursuit of Confirmation and consummation of the Plan, the administration and implementation of the Plan or Confirmation Order, including the issuance or distribution of securities pursuant to the Plan, (x) the distribution, including any disbursements made by a Distribution Agent, of property under the Plan, or any other related agreement, or (xi) any other act or omission, transaction, agreement, event, or other occurrence related to any of the foregoing and taking place on or before the Effective Date; *provided*, that the Releasing Parties do not release Claims or Causes of Action (1) arising out of, or related to, any act or omission of a Released Party that is determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction to have constituted actual fraud (but not, for the avoidance of doubt, fraudulent transfers), gross negligence, or willful misconduct (it being agreed that any Released Parties' consideration, approval, or receipt of any distribution did not arise from or relate to actual fraud, gross negligence, or willful misconduct) or (2) against a Released Party arising from any obligations owed to the Releasing Party that are wholly unrelated to the Debtors, the Reorganized Parent, or the Reorganized Debtors. Notwithstanding anything to the contrary in the foregoing, the Releases set forth above do not release (1) any obligations of any Person under the Plan, the Confirmation Order, any other Definitive Document, any Restructuring Transaction, any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan or any agreement, Claim, or obligation arising or assumed under the Plan or (2) any Causes of Action specifically retained by the Debtors pursuant to the Schedule of Retained Causes of Action.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the Third-Party Release, which includes by reference each of the related provisions and definitions contained in the Plan, and, further, shall constitute the Bankruptcy Court's finding that the Third-Party Release is: (1) consensual; (2) given and made after due notice and opportunity for hearing; and (3) a bar to any of the Releasing Parties asserting any Claim or Cause of Action released pursuant to the Third-Party Release.

iii. *Exculpation (10.7)*

Effective as of the Effective Date, to the fullest extent permitted by law, the Exculpated Parties shall neither have nor incur any liability to any Person for any Claims or Causes of Action for any act taken or omitted to be taken between the Petition Date and the Effective Date in connection with, or related to, formulating, negotiating, preparing, disseminating, implementing, administering, confirming or effecting the Confirmation or consummation (as applicable) of the Plan, the Restructuring Support Agreement and related prepetition transactions, and the Disclosure Statement including any disbursements made by a Distribution Agent in connection with the Plan, the Disclosure Statement, the Definitive Documents, the Corporate Governance Documents, the Prepetition Funded Debt Documents, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Plan, or any other postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors, the approval of the Disclosure Statement or Confirmation or consummation of the Plan; *provided*, that the foregoing provisions of this exculpation shall not operate to waive or release: (a) any Claims or Causes of Action arising from willful misconduct, gross negligence, or actual fraud (but not, for the avoidance of doubt, fraudulent transfers) of such applicable Exculpated Party as determined by Final Order of the Bankruptcy Court or any other court of competent jurisdiction; and/or (b) the rights of any Person to enforce the Plan. and the contracts, instruments, releases, indentures, and other agreements and documents delivered under or in connection with the Plan, or assumed pursuant to the Plan or Final Order of the Bankruptcy Court; *provided further*, that each Exculpated Party shall be entitled to rely upon the advice of counsel concerning its respective duties pursuant to, or in connection with, the above referenced documents, actions, or inactions.

The Exculpated Parties have, and upon consummation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

The foregoing exculpation shall be effective as of the Effective Date without further notice to or order of the Bankruptcy Court, act, or action under applicable law, regulation, order, or rule or the vote, consent, authorization, or approval of any Person. For the avoidance of doubt and notwithstanding anything else contained in the Plan, the foregoing exculpation shall be limited to Persons that served as Estate fiduciaries during the Chapter 11 Cases.

iv. *Permanent Injunction (10.5)*

Except as otherwise expressly provided in the Restructuring Support Agreement, the Plan or the Confirmation Order, from and after the Effective Date, all Persons are, to the fullest extent permitted under Section 524 and other applicable provisions of the Bankruptcy Code, permanently enjoined from (1) commencing or continuing, in any manner or in any place, any suit, action or other proceeding of any kind; (2) enforcing, attaching, collecting, or recovering in any manner or means any judgment, award, decree, or order; (3) creating, perfecting, or enforcing any Lien or encumbrance; (4) asserting a right of setoff or

subrogation of any kind; or (5) commencing or continuing in any manner any action or other proceeding of any kind, in each case on account of or with respect to any Claim, demand, liability, obligation, debt, right, Cause of Action, Interest, or remedy released or to be released, exculpated or to be exculpated, settled or to be settled, or discharged or to be discharged pursuant to the Plan or the Confirmation Order against any Person so released, discharged, or exculpated (or the property or estate of any Person or Entity so released, discharged, or exculpated). All injunctions or stays provided for in the Chapter 11 Cases under Sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

No Person may commence or pursue a Claim or Cause of Action, as applicable, of any kind against the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties, as applicable, that relates to or is reasonably likely to relate to any act or omission in connection with, relating to, or arising out of a Claim or Cause of Action, as applicable, subject to Article IX hereof, without the Bankruptcy Court (i) first determining, after notice and a hearing, that such Claim or Cause of Action, as applicable, represents a colorable Claim of any kind, and (ii) specifically authorizing such Person to bring such Claim or Cause of Action, as applicable, against any such Debtor, Reorganized Debtor, Exculpated Party, or Released Party, as applicable; *provided*, that the foregoing shall only apply to Claims or Causes of Action brought against a Released Party if such Person bringing such Claim or Cause of Action is a Releasing Party. At the hearing for the Bankruptcy Court to determine whether such Claim or Cause of Action represents a colorable Claim of any kind, the Bankruptcy Court may, or shall if any Debtor, Reorganized Debtor, Exculpated Party, Released Party, or other party in interest requests by motion (oral motion being sufficient), direct that such Person seeking to commence or pursue such Claim or Cause of Action File a proposed complaint with the Bankruptcy Court embodying such Claim or Cause of Action, such complaint satisfying the applicable Rules of Federal Procedure, including Rule 8 and Rule 9 (as applicable), which the Bankruptcy Court shall assess before making a determination. For the avoidance of doubt, any party that obtains such determination and authorization and subsequently wishes to amend the authorized complaint or petition to add any Claims or Causes of Action not explicitly included in the authorized complaint or petition must obtain authorization from the Bankruptcy Court before filing any such amendment in the court where such complaint or petition is pending. The Bankruptcy Court reserves jurisdiction to adjudicate any such claims to the maximum extent provided by the law.

v. *SEC Reservation of Rights (10.12)*

Notwithstanding any language to the contrary contained in this Disclosure Statement, the Plan, and/or the Confirmation Order, no provision of this Disclosure Statement, the Plan or the Confirmation Order shall (i) preclude the SEC from enforcing its police or regulatory powers; or (ii) enjoin, limit, impair, or delay the SEC from commencing or continuing any claims, causes of action, proceedings or investigations against any non-debtor person or entity in any forum.

vi. *No Governmental Releases (10.13)*

Except as expressly provided for in the Plan, nothing in the Plan, the Confirmation Order, or other related Plan documents shall affect a release or limit any Claim arising solely under the

enforcement of the police powers or regulatory activities of the United States Government or any of its agencies, or any state and local authority.

VIII.
TRANSFER RESTRICTIONS AND CONSEQUENCES UNDER FEDERAL SECURITIES LAWS

The Reorganized Debtors believe that the offer and sale of New Common Interests (other than New Common Interests issued pursuant to the Equity Rights Offering) and the New Warrants (and the sale of New Common Interests upon exercise of the Warrants) under the Plan (collectively, the "***1145 Securities***") to each Person who is not deemed to be an "underwriter" as defined in section 1145(b) of the Bankruptcy Code will be exempt pursuant to section 1145(a) of the Bankruptcy Code, without further act or action by any Entity, from registration under (i) section 5 of the Securities Act, and all rules and regulations promulgated thereunder, and (ii) any state or local law requiring registration for the offer or sale of securities. To the extent section 1145(a) of the Bankruptcy Code is not applicable for the offer and sale of any Plan Securities (including the New Common Interests issued pursuant to the Equity Rights Offering), the Reorganized Debtors may rely upon other applicable exemptions from registration, including the exemptions provided by Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder.

The 1145 Securities offered or sold by the Reorganized Debtors under the Plan pursuant to section 1145(a) of the Bankruptcy Code will be unrestricted securities as set forth in section 1145(c) of the Bankruptcy Code and, generally, may be sold without registration under the Securities Act by the recipients thereof. Plan Securities that are not issued pursuant to section 1145 of the Bankruptcy Code will be considered "restricted securities" (within the meaning of Rule 144 under the Securities Act) and may not be transferred except pursuant to an effective registration statement or under an available exemption from the registration requirements of the Securities Act. Any transfers of Plan Securities will also be subject to (i) compliance with any applicable state or foreign securities laws, if any, and the rules and regulations of the SEC, if any, applicable at the time of any future transfer of such securities or instruments; (ii) the restrictions, if any, on the transferability of such securities under the terms of the Reorganized Debtors' organizational documents; and (iii) any other applicable regulatory approvals and requirements.

A. Section 1145 of the Bankruptcy Code Exemption and Subsequent Transfers

Section 1145(a) of the Bankruptcy Code generally exempts from registration under the Securities Act and state and local laws the offer or sale under a chapter 11 plan of a security of the debtor, of an affiliate participating in a joint plan with the debtor, or of a successor to the debtor under a plan, if such securities are offered or sold in exchange for a claim (including a claim for an administrative expense) against, or an interest in, the debtor or such affiliate, or principally in such exchange and partly for cash. Section 1145(a) of the Bankruptcy Code also exempts from registration (i) the offer of a security through any warrant, option, right to subscribe or conversion privilege that is sold in the manner provided in the prior sentence, and (ii) the sale of a security upon the exercise of such warrant, option, right or privilege. The Reorganized Debtors believe that, pursuant to section 1145(a) of the Bankruptcy Code, without further act or action by any Entity, the offer and sale of the 1145 Securities will be exempt from the registration requirements under (i) section 5 of the Securities Act, and all rules and regulations promulgated

thereunder, and (ii) any state or local law requiring registration for the offer or sale of securities, in each case except for offers and sales to any Person who is deemed to be an "underwriter" as defined in section 1145(b) of the Bankruptcy Code.

Securities issued pursuant to section 1145(a) of the Bankruptcy Code generally may be resold without registration under the Securities Act unless the holder is an "underwriter" with respect to such securities, as that term is defined in section 1145(b) of the Bankruptcy Code. In addition, these securities generally may be resold without registration under state securities laws pursuant to various exemptions provided by the respective laws of the several states. To the extent that Persons who receive securities issued under the Plan are deemed to be "underwriters," resales by those Persons would not be exempted from registration under the Securities Act or other applicable law by section 1145 of the Bankruptcy Code. Persons deemed to be "underwriters" may, however, be permitted to sell such securities without registration pursuant to the provisions of Rule 144 under the Securities Act as described below.

Section 1145(b) of the Bankruptcy Code defines "underwriter" for purposes of the Securities Act as one who, except with respect to ordinary trading transactions, (i) purchases a claim against, interest in, or claim for an administrative expense in the case concerning, the debtor, if such purchase is with a view to distribution of any security received or to be received in exchange for such a claim or interest, (ii) offers to sell securities offered or sold under the plan of reorganization for the holder of such securities, (iii) offers to buy securities offered or sold under the plan of reorganization from the holder of such securities, if the offer to buy is with a view to distribution of such securities and under an agreement made in connection with the plan of reorganization, with the consummation of the plan of reorganization, or with the offer or sale of securities under the plan of reorganization, or (iv) is an issuer, as used in section 2(a)(11) of the Securities Act, with respect to such securities. The definition of an "issuer" for purposes of whether a person is an underwriter under section 1145(b)(1)(D) of the Bankruptcy Code, includes Persons directly or indirectly controlling, controlled by or under direct or indirect common control with the issuer. "Control," as defined in Rule 405 of the Securities Act, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. The legislative history of section 1145 of the Bankruptcy Code suggests that a creditor who owns ten percent (10%) or more of a class of voting securities of a reorganized debtor may be presumed to be a "controlling person" and, therefore, an underwriter. However, the staff of the SEC has not endorsed this view.

Whether or not any particular Person would be deemed to be an "underwriter" with respect to the 1145 Securities or any other security to be issued pursuant to the Plan depends upon various facts and circumstances applicable to that Person. Accordingly, the Debtors express no view as to whether any particular Person receiving 1145 Securities or any other securities under the Plan would be considered an "underwriter" under section 1145(b) of the Bankruptcy Code with respect to such securities.

B. Section 4(a)(2) of the Securities Act Exemption and Subsequent Transfers

Section 4(a)(2) of the Securities Act provides that the offer and sale of securities by an issuer in transactions not involving a public offering is exempt from the registration requirements under

the Securities Act. Regulation D is a non-exclusive safe harbor from the registration requirements under the Securities Act promulgated by the SEC under section 4(a)(2) of the Securities Act. In reliance upon this exemption, Plan Securities other than the 1145 Securities will be offered and sold pursuant to section 4(a)(2) of the Securities Act or Regulation D thereunder and will be exempt from registration under the Securities Act. Such securities will be considered "restricted securities" (within the meaning of Rule 144 under the Securities Act), will bear customary legends, and may not be transferred except pursuant to an effective registration statement or under an available exemption from the registration requirements of the Securities Act, such as, under certain circumstances, the resale provision of Rule 144 under the Securities Act.

Generally, Rule 144 under the Securities Act permits the public sale of securities if certain conditions are met, including a required holding period, certain current public information regarding the issuer being available, and compliance with applicable volume, manner of sale and notice requirements. If the issuer is not subject to the reporting requirements of section 13 or 15(d) of the Exchange Act, adequate current public information as specified under Rule 144 is available if certain company information is made publicly available, as specified in Rule 144(c)(2). As promptly as reasonably practicable following the Effective Date, Reorganized Parent expects to terminate the registration of all Securities under sections 13 and 15(d) of the Exchange Act and continue as a private company, and therefore there can be no assurance that current public information as specified in Rule 144 will be available.

To the extent certificated or issued by way of direct registration on the records of Reorganized Parent's transfer agent, each book entry position or certificate representing, or issued in exchange for or upon the transfer, sale or assignment of, any Plan Security that is not an 1145 Security shall, upon issuance, be deemed to contain or be stamped or otherwise imprinted, as applicable, with a restrictive legend in substantially the following form:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, OFFERED FOR SALE, OR OTHERWISE TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND QUALIFICATION UNDER APPLICABLE STATE SECURITIES LAWS OR AN AVAILABLE EXEMPTION FROM REGISTRATION AND QUALIFICATION THEREUNDER."

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In any case, recipients of securities issued under the Plan are advised to consult with their own legal advisors as to the availability of any such exemption from registration requirements under state law in any given instance and as to any applicable requirements or conditions to such availability.

IX.
CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion is a summary of certain material U.S. federal income tax consequences of the implementation of the Plan to the Debtors and to certain Holders of Claims. The following summary does not address the U.S. federal income tax consequences to Holders of Claims who are unimpaired, deemed to accept or reject the Plan, or otherwise entitled to payment in full in Cash under the Plan. In addition, this discussion does not address any consideration that is received on account of a person's capacity other than as a Holder of such Claims or that is not described in Article IV. of the Plan (including the DIP Backstop Premium), except where expressly stated otherwise.

The discussion of U.S. federal income tax consequences below is based on the Internal Revenue Code of 1986, as amended (the "***Tax Code***"), regulations promulgated by the United States Department of the Treasury under the Tax Code (the "***Treasury Regulations***"), judicial authorities, published positions of the Internal Revenue Service ("***IRS***"), and other applicable authorities, all as in effect on the date of this Disclosure Statement, and all of which are subject to change or differing interpretations (possibly with retroactive effect). The U.S. federal income tax consequences of the contemplated transactions are complex and subject to significant uncertainties. The Debtors have not requested an opinion of counsel or a ruling from the IRS or any other taxing authority with respect to any of the tax aspects of the contemplated transactions, and the discussion below is not binding upon the IRS or any court. Accordingly, there can be no assurance that the IRS would not assert, or that a court would not sustain, a contrary position as to the U.S. federal income tax consequences described herein.

This summary does not address non-U.S., state, local, gift, or estate tax consequences of the Plan, nor does it purport to address all aspects of U.S. federal income taxation that may be relevant to a Holder in light of its individual circumstances, including the impact of the Medicare contribution tax on net investment income and any alternative minimum tax, or to a Holder that may be subject to special tax rules (such as persons who are related to any Debtor within the meaning of one of various provisions of the Tax Code; broker-dealers; banks; mutual funds; insurance companies; financial institutions; small business investment companies; real estate investment trusts; regulated investment companies; tax-exempt organizations; trusts; governmental authorities or agencies; dealers and traders in securities; retirement plans; individual retirement and other tax-deferred accounts; Holders that are, or hold Claims through, S corporations, partnerships or other pass-through entities for U.S. federal income tax purposes; persons whose functional currency is not the U.S. dollar; dealers in foreign currency; Holders who hold Claims as part of a straddle, hedge, conversion transaction or other integrated investment; Holders using a mark-to-market method of accounting; Holders of Claims who are themselves in bankruptcy; and Holders who are accrual method taxpayers that report income on an "applicable financial statement"). In addition, this discussion does not address U.S. federal taxes other than income taxes.

Furthermore, this discussion assumes that the various debt and other arrangements to which the Debtors are a party will be respected for U.S. federal income tax purposes in accordance with their form and that, except where otherwise indicated, the Claims are held as "capital assets" (generally, property held for investment) within the meaning of section 1221 of the Tax Code.

In accordance with the Restructuring Support Agreement and in connection with the implementation of the Plan, the Consenting Creditors were given the right to participate in providing the DIP Facility. A Consenting Creditor that participates in providing the DIP Facility will receive its allocable share of the DIP Backstop Premium in the form of New Common Interests equal to twenty percent (20%) of the aggregate New Common Interests, subject to dilution by the MIP, the New Warrants and the New Common Interests issued pursuant to the Equity Rights Offering. The U.S. federal income tax treatment of the receipt of the DIP Backstop Premium by a Consenting Creditor is uncertain, and it is possible that it may be considered for income tax purposes as value received by such Consenting Creditor in part as a recovery on its Claims under the Plan. Each Consenting Creditor is urged to consult its tax advisors regarding the tax treatment of the receipt of the DIP Backstop Premium.

The following summary of certain material U.S. federal income tax consequences is for informational purposes only and is not a substitute for careful tax planning and advice based upon a Holder's individual circumstances. Each Holder of a Claim is urged to consult its tax advisor regarding the U.S. federal, state, local, non-U.S., and other tax consequences applicable under the Plan.

A. Consequences to Debtors

For U.S. federal income tax purposes, ModivCare is the common parent of an affiliated group of corporations that files a consolidated U.S. federal income tax return (the "***ModivCare Group***"), of which the other Debtors are members or are disregarded entities, directly or indirectly, wholly-owned by a member of the ModivCare Group. For the taxable year ending December 31, 2024, the ModivCare Group reported on its consolidated U.S. federal income tax return carryforwards of disallowed business interest expense of approximately $293 million, and the Debtors also possess certain other favorable tax attributes, including certain asset tax basis and state net operating losses (such tax attributes allocable to the Debtors or their subsidiaries, collectively, the "***Tax Attributes***"). The Debtors may also generate additional Tax Attributes in the 2025 taxable year, including during the pendency of the Chapter 11 Cases. The amount of any such Tax Attributes remains subject to further analysis of the Debtors and potential audit and adjustment by the IRS. Certain equity trading and the claiming of worthlessness deductions prior to the Effective Date could result in an ownership change of ModivCare independent of the Plan, which could adversely affect the ability to utilize the ModivCare Group's Tax Attributes. In an attempt to minimize the likelihood of such an ownership change occurring, the Debtors obtained at the inception of the Chapter 11 Cases an order from the Bankruptcy Court authorizing protective procedures with respect to certain equity trading and worthlessness deductions.

As discussed below, in connection with the implementation of the Plan, the Debtors expect that the amount of certain of the Tax Attributes, including a portion of their asset tax basis, will be reduced, and the subsequent utilization of their remaining Tax Attributes, including carryforwards of disallowed business interest expense, may be limited. Furthermore, the Debtors' analysis of the tax consequences of the Restructuring Transactions is ongoing, and the Debtors and Required Consenting First Lien Lenders have not yet determined the tax structure of the Restructuring Transactions. The Debtors are analyzing, among other alternatives, the potential benefits of certain internal restructuring steps undertaken before or after emergence,

including the conversion or merger of one or more of the subsidiary Debtors into one or more limited liability companies, as well as of a transaction structure commonly described as "Bruno's" transaction, which generally would constitute, for U.S. federal income tax purposes, a taxable transfer of the Debtors' assets to new entities. A "Bruno's" transaction might be pursued if it is determined that it would better preserve the Debtors' Tax Attributes and/or mitigate the adverse consequences of COD (as defined below) attribute reduction. The Debtors currently expect that upon completion of the analysis, the Debtors will file a Restructuring Transaction Steps Memorandum describing the steps of the Restructuring Transactions.

1. Cancellation of Debt

In general, absent an exception, a debtor will realize and recognize cancellation of debt ("***COD***") income upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied over (b) the sum of (i) the amount of cash paid, (ii) the fair market value of any consideration (including equity of a debtor or a party related to such debtor) given, and (iii) the issue price of any debt issued, in each case, in satisfaction, or as part of the discharge, of such indebtedness at the time of the exchange. However, COD income should not arise to the extent that payment of the indebtedness would have given rise to a deduction. The Plan provides that certain Holders of Claims will receive Exit Term Loans, New Common Interests or New Warrants in exchange for their Claims, so the amount of COD income for the ModivCare Group will depend in part on the issue price of the Exit Term Loans and the fair market value of the New Common Interests and New Warrants on the Effective Date. In addition, as discussed above, the receipt of the DIP Backstop Premium by Consenting Creditors may be treated as value received in part as a recovery on the Consenting Creditors' Claims. Accordingly, the estimated amount of COD income is uncertain at this time.

Under section 108 of the Tax Code, a taxpayer is not required to include COD in gross income (i) if the debtor is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding or (ii) to the extent that the taxpayer is insolvent immediately before the discharge. As a consequence of such an exclusion, a debtor generally must reduce its tax attributes by the amount of COD income that it excluded from gross income. In general, such tax attributes are reduced in the following order: (a) net operating losses ("***NOLs***"); (b) general business credit carryovers; (c) minimum tax credit carryovers; (d) capital loss carryovers; (e) tax basis in assets (but not below the amount of liabilities to which the taxpayer remains subject immediately after the cancellation of indebtedness); (f) passive activity loss and credit carryovers; and (g) foreign tax credit carryovers. Alternatively, a taxpayer with excluded COD may elect first to reduce the tax basis of its depreciable assets (a "***Section 108(b)(5) Election***"), in which case the limitation described in (e) does not apply to the reduction in tax basis of depreciable property and, following such reduction, any remaining COD income that is excluded from gross income reduces any remaining tax attributes in the order specified in the prior sentence. The reduction of the taxpayer's tax attributes occurs at the end of the taxable year for which the excluded COD income is realized, but only after the taxpayer's net income or loss for the taxable year of the debt discharge has been determined; in this way, the attribute reduction is generally effective as of the start of the taxable year following the discharge. If the amount of excluded COD income exceeds available tax attributes, the excess generally is not subject to U.S. federal income tax.

Where a taxpayer joins in the filing of a consolidated U.S. federal income tax return, applicable Treasury Regulations require, in certain circumstances, that certain tax attributes of other members of the group also be reduced.

In connection with the implementation of the Plan, the Debtors expect to realize a substantial amount of excluded COD income for U.S. federal income tax purposes. The Debtors currently do not intend to make a Section 108(b)(5) Election and expect that a portion of their stock and asset tax basis and potentially certain other Tax Attributes will be reduced as a result of the COD attribute reduction arising in connection with the Plan.

2. Limitation on Tax Attributes

Following the Effective Date, any carryforwards of disallowed business interest expense and certain other Tax Attributes, if any, allocable to tax periods or portions thereof ending on or prior to the Effective Date (collectively, "***Pre-Change Losses***") may be subject to certain limitations under sections 382 and 383 of the Tax Code. Any such limitations apply in addition to, and not in lieu of, the attribute reduction that results from the exclusion of COD income arising in connection with the Plan.

If a corporation or consolidated group undergoes an "ownership change" as defined under section 382 of the Tax Code, the amount of its "pre-change losses" that may be utilized to offset future taxable income generally is subject to an annual limitation. In general, an "ownership change" occurs if the percentage of the value of the loss corporation's stock owned by one or more direct or indirect "5-percent shareholders" increases by more than fifty (50) percentage points over the lowest percentage of value owned by the 5-percent shareholders at any time during the applicable testing period. The testing period generally is the shorter of (a) the three (3)-year period preceding the testing date and (b) the period of time since the most recent ownership change of the corporation. The Debtors anticipate that the distribution of the New Common Interests pursuant to the Plan will result in an ownership change of the Reorganized Debtors for these purposes, and that the Reorganized Debtors' use of their Pre-Change Losses will be subject to limitation unless an exception to the general rules of sections 382 and 383 of the Tax Code applies.

(a) General Annual Limitation

In general, the amount of the annual limitation to which a corporation or consolidated group that undergoes an ownership change would be subject is equal to the product of (a) the fair market value of the stock of the corporation (or parent of the consolidated group) immediately before the ownership change (with certain adjustments) and (b) the "long-term tax-exempt rate" (which is the highest of the adjusted federal long-term rates in effect for any month in the three (3)-calendar-month period ending with the calendar month in which the ownership change occurs, *e.g.*, 3.65% for ownership changes occurring in October 2025). For a corporation or consolidated group in bankruptcy that undergoes an ownership change pursuant to a confirmed bankruptcy plan, unless the special exception described below applies, the annual limitation is generally determined by reference to the fair market value of the stock of the corporation (or the parent of the consolidated group) immediately after (rather than before) the ownership change and after giving effect to the discharge of creditors' claims, subject to certain adjustments; in no

event, however, can the stock value for this purpose exceed the pre-change gross value of the assets of the corporation. Any portion of the annual limitation that is not used in a given year may be carried forward, thereby adding to the annual limitation for the subsequent taxable year.

Under certain circumstances, the annual limitation otherwise computed may be increased if the corporation or consolidated group has an overall built-in gain in its assets at the time of the ownership change. If a "loss corporation" (as defined in section 382(k)(1) of the Tax Code) or consolidated group has such "net unrealized built-in gain" ("***NUBIG***") at the time of an ownership change (taking into account most assets and items of "built-in" income, gain, loss, and deduction), any built-in gains recognized (or, according to a currently effective IRS notice, treated as recognized) during the following sixty (60)-month period (up to the amount of the original NUBIG) generally will increase the annual limitation in the year of such recognition, such that the loss corporation or consolidated group would be permitted to use its pre-change losses against such built-in gain income in addition to its otherwise applicable annual limitation. Alternatively, if a loss corporation or consolidated group has a "net unrealized built-in loss" ("***NUBIL***") at the time of an ownership change, then any built-in losses existing at such time that are recognized (including, but not limited to, amortization or depreciation deductions attributable to such built-in losses) during the sixty (60)-month period following the ownership change (up to the amount of the original NUBIL) will be treated as pre-change losses, the deductibility of which will be subject to the annual limitation. In general, the NUBIG or NUBIL will be deemed to be zero unless it is greater than the lesser of (a) $10 million or (b) fifteen percent (15%) of the fair market value of the corporation's or consolidated group's assets (with certain adjustments) before the ownership change. The Debtors have not determined at this time whether the ModivCare Group will have a NUBIG or a NUBIL as of the Effective Date.

If the corporation or consolidated group does not continue its historic business or use a significant portion of its historic assets in a new business for at least two (2) years after the ownership change, the annual limitation resulting from the ownership change is reduced to zero, thereby precluding any utilization of the corporation's or consolidated group's pre-change losses (subject to potential increase for recognized built-in gains in the manner described above if the corporation is in a NUBIG position at the time of the ownership change). As discussed above, the Debtors currently anticipate that a portion of their asset tax basis and potentially certain other Tax Attributes will be reduced as a result of the COD attribute reduction arising in connection with the consummation of the Plan. In addition, section 382 of the Tax Code may limit the subsequent utilization of the remaining Tax Attributes, such as the carryforwards of disallowed business interest expense allocable to the period through the Effective Date.

(b) Section 382(l)(5) Bankruptcy Exception

Under section 382(l)(5) of the Tax Code, an exception to the foregoing annual limitation rules generally applies when, among other requirements, so-called "qualified creditors" and shareholders of a debtor corporation in chapter 11 receive, in respect of their claims or equity interests, respectively, at least fifty percent (50%) of the vote and value of the stock of the reorganized debtor (or a controlling corporation if also in chapter 11) pursuant to a confirmed chapter 11 plan (the "***382(l)(5) Exception***"). The IRS has in private letter rulings applied the 382(l)(5) Exception on a consolidated basis where the parent corporation is in bankruptcy. Generally, qualified creditors are creditors who (a) held their claims continuously for at least

eighteen (18) months at the time the bankruptcy petition is filed and continue to hold thereafter, (b) hold claims incurred in the ordinary course of the debtor's business continuously since they were incurred, or (c) in certain cases, do not become five percent (5%) shareholders of the reorganized corporation.

Under the 382(l)(5) Exception, a debtor's pre-change losses are not subject to the annual limitation. However, if the 382(l)(5) Exception applies, the amount of the debtor's pre-change losses is re-determined as if no interest deductions were allowable during the three (3) taxable years preceding the taxable year that includes the effective date of the plan of reorganization, and during the part of the taxable year prior to and including the effective date of the plan of reorganization, in respect of all debt converted into stock in the reorganization. If the 382(l)(5) Exception applies and the debtor thereafter undergoes another ownership change within two (2) years after the effective date, the base limitation with respect to such later ownership change would be zero, effectively precluding the utilization of the debtor's pre-change losses at the time of such later ownership change against future income of the debtor. A debtor that qualifies for this exception may, if it so desires, elect not to have the 382(l)(5) Exception apply and instead remain subject to the annual limitation described above.

The Debtors have not yet determined whether the application of the 382(l)(5) Exception could result in significant future cash tax savings or whether the consummation of the Plan will satisfy all of the requirements of the 382(l)(5) Exception. Furthermore, even if the Plan satisfies the requirements of section 382(l)(5) of the Tax Code, Reorganized Parent may elect not to apply the 382(l)(5) Exception, in which case the ModivCare Group's Pre-Change Losses would be subject to an annual limitation pursuant to the rules described above.

B. Consequences to Holders of Claims

The summary below generally assumes that Holders of the applicable Claims will, each as a class, vote to accept the Plan. As used herein, the term "U.S. Holder" means a beneficial owner of First Lien Claims, General Unsecured Claims, Subordinated Unsecured Notes Claims, Exit Term Loans, New Common Interests, New Warrants or Subscriptions Rights (as defined below) that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a court within the United States is able to exercise primary jurisdiction over its administration and one or more United States persons have authority to control all of its substantial decisions, or if the trust has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

A "Non-U.S. Holder" is a beneficial owner of First Lien Claims, General Unsecured Claims, Subordinated Unsecured Notes Claims, Exit Term Loans, New Common Interests, New Warrants or Subscriptions Rights that is neither a U.S. Holder nor an entity or arrangement classified as a partnership for U.S. federal income tax purposes.

If a partnership or other entity or arrangement classified as a partnership for U.S. federal income tax purposes holds such First Lien Claims, General Unsecured Claims, Subordinated Unsecured Notes Claims, Exit Term Loans, New Common Interests, New Warrants or Subscriptions Rights, the tax treatment of a partner in such partnership generally will depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner-level. Each U.S. Holder that is a partnership or a partner in a partnership holding any of such instruments should consult its tax advisor.

1. U.S. Holders of First Lien Claims, General Unsecured Claims or Subordinated Unsecured Notes Claims

(a) U.S. Holders of First Lien Claims—Recognition of Gain or Loss

Pursuant to the Plan, a Holder of Allowed First Lien Claims will receive in satisfaction of its Claims its Pro Rata Share (subject to application of the Equity Option) of the Exit Term Loans, the New Common Interests and Cash from the proceeds of the Equity Rights Offering (if applicable), as more fully described in the Plan.

Under applicable Treasury Regulations, the modification of the terms of a debt instrument (including pursuant to an exchange of a new debt instrument for the existing debt instrument) generally is a significant modification if, based on all of the facts and circumstances and taking into account all modifications of the debt instrument, the legal rights or obligations that are altered and the degree to which they are altered is "economically significant." A modification that changes the timing of payments due under a debt instrument is a significant modification if it results in a material deferral of scheduled payments. However, a deferral of one or more scheduled payments is not a material deferral if it is within a safe-harbor period beginning on the original due date of the first scheduled payment that is deferred and extending for a period equal to the lesser of five (5) years and fifty percent (50%) of the original term of the instrument. A modification that changes the yield of a debt instrument is a significant modification if the yield of the modified instrument (as computed under the applicable Treasury Regulations) varies from the annual yield of the unmodified instrument (determined as of the date of the modification) by more than the greater of (i) twenty-five basis points (0.25%) or (ii) five percent (5%) of the annual yield of the unmodified instrument.

Whether the exchange of a particular Allowed First Lien Claim held by a Holder pursuant to the Plan constitutes for U.S. federal income tax purposes an "exchange" of such Claim in part for the Exit Term Loans depends, among other things, on the date on which such Claim arose and the maturity date of such Claim, the interest rate applicable to such Claim, and the extent (if any) to which a Holder exercises its Equity Option. Accordingly, each Holder is strongly urged to consult its tax advisors regarding whether an exchange of each particular Allowed Claim held by such Holder pursuant to the Plan constitutes an "exchange" for U.S. federal income tax purposes and regarding the consequences to such Holder of the receipt of the recovery pursuant to the Plan if such an exchange does not constitute an "exchange" for U.S. federal income tax purposes.

The following summary discusses certain U.S. federal income tax consequences if the exchange of an Allowed First Lien Claim pursuant to the Plan constitutes an "exchange" of such Claim for the Exit Term Loans, New Common Interests and Cash (if applicable) (and the DIP Backstop Premium to the extent it is treated as recovery on such Claim).

Each U.S. Holder of Allowed First Lien Claims should realize gain or loss in an amount equal to the difference, if any, between (i) the sum of the "issue price" of the Exit Term Loans, the fair market value of the New Common Interests and the amount of Cash, in each case, received in respect of the Claims (and the fair market value of the DIP Backstop Premium to the extent it is treated as a recovery) and (ii) the sum of the U.S. Holder's adjusted tax basis in the Claims exchanged therefor. Whether a U.S. Holder of Allowed First Lien Claims will recognize any such realized gain or loss will depend on whether the receipt of the Exit Term Loans in exchange for such Claims constitutes a taxable exchange or a tax-deferred (or partially tax-deferred) exchange for such U.S. Holder, which will in part depend on whether the Claims surrendered in the exchange constitute "securities" for U.S. federal income tax purposes.

The term "security" is not defined in the Tax Code or in the Treasury Regulations issued thereunder and has not been clearly defined by judicial decisions. The determination of whether a particular debt obligation constitutes a "security" depends on an overall evaluation of the nature of the debt, including whether the holder of such debt obligation is subject to a material level of entrepreneurial risk and whether a continuing proprietary interest is intended or not. One of the most significant factors considered in determining whether a particular debt obligation is a "security" is its original term. In general, debt obligations issued with a weighted average maturity at issuance of less than five (5) years do not constitute "securities," whereas debt obligations with a weighted average maturity at issuance of ten (10) years or more constitute "securities." Although not free from doubt, the Debtors currently intend to take the position that the Initial Term Loans (as defined in the First Lien Credit Agreement) and the Exit Term Loans constitute "securities." Each Holder of First Lien Claims is urged to consult its tax advisors regarding the appropriate status for U.S. federal income tax purposes of such Holder's First Lien Loans and of the Exit Term Loans.

If the exchange of Allowed First Lien Claims constitutes a tax-deferred transaction to a U.S. Holder, such U.S. Holder should not recognize any loss and should only recognize any gain equal to the lesser of (i) the amount of gain realized and (ii) the sum of the amount of Cash (if any) and the fair market value of any other "boot" received in exchange for such Claims. The Exit Term Loans, if they are not treated as "securities" for U.S. federal income tax purposes, may constitute "boot."

If the exchange of Allowed First Lien Claims constitutes a tax-deferred transaction to a U.S. Holder and the Exit Term Loans constitute "securities," such U.S. Holder will have an aggregate tax basis in the Exit Term Loans and New Common Interests (and the DIP Backstop Premium to the extent it is treated as a recovery) received in exchange for its Claims equal to the U.S. Holder's tax basis in such Claims, increased by the amount of any gain recognized in the exchange, and decreased by the amount of Cash received (if any). If the exchange of the Allowed First Lien Claims constitutes a tax-deferred transaction to a U.S. Holder but the Exit Term Loans do not constitute "securities," such U.S. Holder will have an aggregate tax basis in the New Common Interests (and the DIP Backstop Premium to the extent it is treated as a

recovery) received in exchange for its Claims equal to the U.S. Holder's tax basis in such Claims, increased by the amount of any gain recognized in the exchange, and decreased by the sum of the amount of Cash (if any) and the "issue price" of any of the Exit Term Loans received. The aggregate tax basis of a U.S. Holder would be allocated among the New Common Interests, the Exit Term Loans (to the extent not constituting "boot") and the DIP Backstop Premium (to the extent treated as a recovery) in proportion to their fair market values as of the Effective Date. The U.S Holder's tax basis in any "boot" received will be its fair market value.

The U.S. Holder's holding period in the New Common Interests and, to the extent not constituting "boot", the Exit Term Loans (and the DIP Backstop Premium to the extent it is treated as a recovery) received as part of the tax-deferred exchange generally should include the period the U.S. Holder held its First Lien Claims. The U.S Holder's holding period in any "boot" received generally will commence on the day following the Effective Date.

If the exchange of Allowed First Lien Claims constitutes a taxable transaction to a U.S. Holder, such U.S. Holder should recognize all realized gain or loss, will have a tax basis in the Exit Term Loans equal to the issue price of such instruments for U.S. federal income tax purposes and will have an aggregate tax basis in the New Common Interests (and the DIP Backstop Premium to the extent it is treated as a recovery) equal to their fair market value, and the holding period in the Exit Term Loans and New Common Interests (and the DIP Backstop Premium to the extent it is treated as a recovery) generally will commence on the day following the Effective Date.

For a discussion as to the possible recognition of accrued interest income and original issue discount ("***OID***") in connection with an exchange of Allowed First Lien Claims and related tax basis and holding period considerations, see "*—Distributions with Respect to Accrued But Unpaid Interest or OID*" below.

(b) U.S. Holders of General Unsecured Claims—Recognition of Gain or Loss

Pursuant to the Plan, a Holder of Allowed General Unsecured Claims will receive in satisfaction of its Claims its Pro Rata Share of New Common Interests**, New Warrants** and, if such Holder is an Eligible Holder, ~~**New Warrants and**~~ the ~~**transferrable**~~ right to purchase **(determined on a *pro rata* basis with the Holder of Allowed General Unsecured Claims and Holders of Allowed Subordinated Unsecured Notes Claims)** up to $200,000,000, in the aggregate, of New Common Interests (the "***Subscription Right***"), unless such a Holder elects to receive in lieu thereof its ~~**pro rata share**~~**Pro Rata Share** of the GUC Cashout Value, as more fully described in the Plan.

Each U.S. Holder of Allowed General Unsecured Claims will realize gain or loss in an amount equal to the difference, if any, between (i) the sum of the fair market values of the New Common Interests**, New Warrants,** and, if applicable, ~~**New Warrants and**~~ Subscription Rights or the amount of Cash, as the case may be, received in respect of the Claims and (ii) the sum of the U.S. Holder's adjusted tax basis in the Claims exchanged therefor. Whether a U.S. Holder of Allowed General Unsecured Claims will recognize any such realized gain or loss will depend on whether the receipt of the New Common Interests ~~**and, if applicable**~~, New Warrants and**, if applicable,** Subscription Rights in exchange for such Claims constitutes a taxable exchange or a tax-deferred (or partially tax-deferred) exchange for such U.S. Holder, which will in part depend

on whether the Claims surrendered in the exchange and, if applicable, the Subscription Rights constitute "securities" for U.S. federal income tax purposes or, alternatively, on whether the exchange meets the requirements of Section 351 of the Tax Code (including that one or more persons transfer property to a corporation in exchange for stock in such corporation and, immediately after the transfer, such persons own at least 80% of the total combined voting power of all classes of stock entitled to vote and at least 80% of the total number of shares of all other classes of stock in the corporation (the "***Section 351 Requirements***")).

Unless otherwise indicated, the discussion below assumes that a Subscription Right will be treated for U.S. federal income tax purposes as an option to acquire New Common Interests, and see "*—Right to Participate in the Equity Rights Offering*" below for a more complete discussion. As discussed above, the term "security" is not defined in the Tax Code or in the Treasury Regulations issued thereunder and has not been clearly defined by judicial decisions. See "*—U.S. Holders of First Lien Claims—Recognition of Gain or Loss*" above. A right to acquire stock and, presumably, a right to acquire a "security" generally can also be treated as a "security." Unless otherwise indicated, the discussion herein assumes that the Subscription Rights are treated as "securities" for U.S. federal income tax purposes. Although not free from doubt, the Debtors currently intend to take the position that the Second Lien Notes do not constitute "securities," although it is possible that the Second Lien Notes acquired in exchange for Unsecured Notes (which, as discussed below, the Debtors currently intend to treat as "securities") will constitute "securities." Furthermore, the Debtors currently intend the Restructuring Transactions Steps Memorandum to provide for certain steps to be undertaken (or deemed to be undertaken) that will result in the exchange of Allowed General Unsecured Claims to not meet the Section 351 Requirements. Each Holder of General Unsecured Claims is urged to consult its tax advisors regarding the appropriate status for U.S. federal income tax purposes of such Holder's Claims, as well as the potential applicability of section 351 of the Tax Code to such Holder's exchange. The following discussion assumes that the exchange by a Holder of Allowed General Unsecured Claims pursuant to the Plan will not meet the Section 351 Requirements.

If the exchange of Allowed General Unsecured Claims constitutes a tax-deferred transaction to a U.S. Holder, such U.S. Holder should not recognize any loss and should only recognize any gain equal to the lesser of (i) the amount of gain realized and (ii) the fair market value of any "boot" received. The New Common Interests will and, although not free from doubt, the New Warrants and Subscription Rights should, be treated as "securities" for U.S. federal income tax purposes and, accordingly, the following discussion assumes that neither will constitute "boot" for such purposes. If the exchange of Allowed General Unsecured Claims constitutes a tax-deferred transaction to a U.S. Holder, such U.S. Holder will have an aggregate tax basis in the New Common Interests**, New Warrants,** and, if applicable, ~~**New Warrants and**~~ Subscription Rights received in exchange for its Claims equal to the U.S. Holder's tax basis in such Claims (allocated between the New Common Interests**, New Warrants,** and, if applicable, ~~**New Warrants and**~~ Subscription Rights in proportion to their fair market values as of the Effective Date). The U.S. Holder's holding period in the New Common Interests**, New Warrants,** and, if applicable, ~~**New Warrants and**~~ Subscription Rights received as part of the tax-deferred exchange generally should include the period the U.S. Holder held its General Unsecured Claims.

If the exchange of Allowed General Unsecured Claims constitutes a taxable transaction to a U.S. Holder, such U.S. Holder should recognize all realized gain or loss, will have an aggregate tax basis in the New Common Interests**, New Warrants,** and, if applicable, ~~**New Warrants and**~~ Subscription Rights equal to their fair market value on the Effective Date, and the holding period in the New Common Interests**, New Warrants,** and, if applicable, ~~**New Warrants and**~~ Subscription Rights will commence on the day following the Effective Date.

For a discussion as to the possible recognition of accrued interest income and OID in connection with an exchange of Allowed General Unsecured Claims and related tax basis and holding period considerations, see "*—Distributions with Respect to Accrued But Unpaid Interest or OID*" below.

(c) U.S. Holders of Subordinated Unsecured Notes Claims—Recognition of Gain or Loss

Pursuant to the Plan, a Holder of Allowed Subordinated Unsecured Notes Claims will receive in satisfaction of its Claims either no distribution or, if such a Holder is an Eligible Holder, its Pro Rata Share of the Subscription Rights, as more fully described in the Plan.

Each U.S. Holder of Subordinated Unsecured Notes Claims who receives Subscription Rights pursuant to the Plan will realize gain or loss in an amount equal to the difference, if any, between (i) the fair market value of the Subscription Rights received in respect of the Claims and (ii) the sum of the U.S. Holder's adjusted tax basis in the Claims exchanged therefor. Each U.S. Holder of Subordinated Unsecured Notes Claims who receives no distribution generally will recognize loss in an amount equal to such U.S. Holder's adjusted tax basis in the Claims. Whether a U.S. Holder of Subordinated Unsecured Notes Claims who receives Subscription Rights will recognize any such realized gain or loss will depend on whether the receipt of the Subscription Rights in exchange for such Claims constitutes a taxable exchange or a tax-deferred (or partially tax-deferred) exchange for such U.S. Holder, which will in part depend on whether both the Claims surrendered and the Subscription Rights received in the exchange constitute "securities" for U.S. federal income tax purposes.

As discussed under "*—U.S. Holders of General Unsecured Claims—Recognition of Gain or Loss*" above, the discussion below assumes that a Subscription Right will be treated for U.S. federal income tax purposes as an option to acquire New Common Interests (and see "*—Right to Participate in the Equity Rights Offering*" below for a more complete discussion) and a "security" for U.S. federal income tax purposes. Although not free from doubt, the Debtors currently intend to take the position that the Unsecured Notes constitute "securities." Each Holder of Subordinated Unsecured Notes Claims is urged to consult its tax advisors regarding the appropriate status for U.S. federal income tax purposes of such Holder's Claims and of the Subscription Rights.

If the exchange of Subordinated Unsecured Notes Claims for Subscription Rights constitutes a tax-deferred transaction to a U.S. Holder, such U.S. Holder should not recognize any gain or loss and will have an aggregate tax basis in the Subscription Rights received in exchange for its Claims equal to the U.S. Holder's tax basis in such Claims, and the U.S. Holder's holding period

in the Subscription Rights received as part of the tax-deferred exchange generally should include the period the U.S. Holder held its Subordinated Unsecured Notes Claims.

If the exchange of Subordinated Unsecured Notes Claims for Subscription Rights constitutes a taxable transaction to a U.S. Holder, such U.S. Holder should recognize all realized gain or loss, will have a tax basis in the Subscription Rights received equal to their fair market value on the Effective Date, and the holding period in such Subscription Rights will commence on the day following the Effective Date.

For a discussion as to the possible recognition of accrued interest income and OID in connection with an exchange of Allowed Subordinated Unsecured Notes Claims and related tax basis and holding period considerations, see "*—Distributions with Respect to Accrued But Unpaid Interest or OID*" below.

(d) Ownership and Disposition of Exit Term Loans

The issue price of a debt instrument issued in exchange for another debt instrument depends on whether either debt instrument is considered "traded on an established market" ("publicly traded"). If the Exit Term Loans are treated as "publicly traded" for U.S. federal income tax purposes, the "issue price" of the Exit Term Loans will be the fair market value of the Exit Term Loans as of their issue date. If the applicable First Lien Loans are, but the Exit Term Loans exchanged therefor are not, treated as publicly traded for U.S. federal income tax purposes, then the issue price of the Exit Term Loans received in exchange for such First Lien Loans will be the fair market value of such First Lien Loans, as determined on the issue date of the Exit Term Loans. If neither the applicable First Lien Loans nor the Exit Term Loans exchanged therefor are treated as publicly traded, then the issue price of the Exit Term Loans issued in exchange for such First Lien Loans will be the principal amount of the Exit Term Loans.

The Exit Term Loans will be considered to be publicly traded if, at any time during the thirty-one (31)-day period ending fifteen (15) days after their issue date, such loans are traded on an "established market." The Exit Term Loans will be considered to trade on an established market if (i) there is a price for an executed purchase or sale of the Exit Term Loans that is reasonably available within a reasonable period of time after the sale, (ii) there is at least one price quote for the Exit Term Loans from at least one reasonably identifiable broker, dealer or pricing service, which price quote is substantially the same as the price for which the person receiving the quoted price could purchase or sell the Exit Term Loans (a "firm quote"), or (iii) there is at least one price quote for the Exit Term Loans, other than a firm quote, available from at least one such broker, dealer or pricing service.

Under the applicable Treasury Regulations, the Debtors may be required to make a determination as to whether the First Lien Loans or the Exit Term Loans are publicly traded and the "issue price" of the Exit Term Loans, and to make such determinations available to U.S. Holders in a commercially reasonable fashion, including by electronic publication, within ninety (90) days of the issue date of the Exit Term Loans. These Treasury Regulations provide that each of these determinations is binding on a holder unless the holder satisfies certain conditions. Because the relevant trading period for determining whether the Exit Term Loans are publicly traded and the

issue price of the Exit Term Loans has not yet occurred, the Debtors are unable to determine the issue price of the Exit Term Loans at this time.

In addition, where a holder receives debt instruments and also receives other property in an exchange (such as an exchange of an old debt instrument for a new debt instrument and stock), the "investment unit" rules may apply to the determination of the issue price of any such debt instrument. If the exchange of a particular Allowed First Lien Claim by a U.S. Holder pursuant to the Plan constitutes an "exchange" of such Claim for U.S. federal income tax purposes in part for the Exit Term Loans, the U.S. Holder will receive, in satisfaction of such Claim, a debt instrument (the Exit Term Loans) as well as other property (the New Common Interests and, to the extent treated as part of the recovery, the DIP Backstop Premium). Accordingly, the investment unit rules may apply to determine the issue price of the Exit Term Loans. In such a case, the issue price of the Exit Term Loans will depend, in part, on the issue price of the investment unit and the respective fair market values of the elements of consideration that comprise the investment unit. The issue price of an investment unit is generally determined in the same manner as the issue price of a debt instrument. If the investment unit is treated as publicly traded, although unlikely, the issue price of the investment unit will generally be equal to the fair market value of the investment unit. If the investment unit is not treated as publicly traded, but the First Lien Claims are treated as publicly traded, then the issue price of the investment unit will be determined based on the fair value of the First Lien Claims for which it is exchanged. Such issue price determined for the investment unit under the above rules is allocated among the elements of consideration comprising the investment unit (i.e., the Exit Term Loans and New Common Interests and, to the extent treated as part of the recovery, the DIP Backstop Premium) based on their relative fair market values, with such allocation determining the issue price of the Exit Term Loans. An issuer's allocation of the issue price of an investment unit is binding on all U.S. Holders of the investment unit unless a U.S. Holder explicitly discloses a different allocation on a timely filed income tax return for the taxable year that includes the acquisition date of the investment unit. Furthermore, the law is unclear on whether an investment unit is treated as publicly traded if some, but not all, elements of such investment unit are publicly traded. In such a case, it is unclear whether the issue price of the element of the investment that is publicly traded may be determined by reference to such element's fair market value or, instead, by the fair market value of the surrendered claims. In particular, if the Exit Term Loans are treated as publicly traded on an established market but the New Common Interests (and, to the extent treated as part of the recovery, the DIP Backstop Premium) are not, although not free from doubt, it may be the case that the trading value of the Exit Term Loans will ultimately determine their issue price notwithstanding the potential application of the investment unit rules. U.S. Holders are urged to consult their tax advisors regarding the consequences to them of the potential application of the investment unit rules to the consideration received pursuant to the Plan.

Payments of qualified stated interest on an Exit Term Loan generally will be taxable to a U.S. Holder as ordinary income at the time such interest is received or accrued, in accordance with such U.S. Holder's method of tax accounting for U.S. federal income tax purposes. Qualified stated interest generally means stated interest that is unconditionally payable in cash or in property (other than debt instruments of the issuer) at least annually at a single fixed rate or a

single qualified floating rate. The stated interest on the Exit Term Loans is expected to be treated as qualified stated interest.

The Exit Term Loans will be treated as issued (or deemed reissued) with OID for U.S. federal income tax purposes if the "stated redemption price at maturity" exceeds their "issue price" by an amount equal to or more than a statutorily defined *de minimis* amount (generally, 0.0025 multiplied by the product of the stated redemption price at maturity and the number of complete years to maturity). The "stated redemption price at maturity" of the Exit Term Loans is the total of all payments to be made under the Exit Term Loans other than qualified stated interest.

If the Exit Term Loans were treated as having been issued (or deemed reissued) with more than *de minimis* OID, U.S. Holders would be required to include the OID in ordinary income on an annual basis under a constant yield accrual method regardless of such U.S. Holder's regular method of accounting for U.S. federal income tax purposes, subject to reduction in the case of any acquisition premium. A U.S. Holder must include in income in each taxable year the sum of the daily portions of OID for each day on which it held the Exit Term Loans during the taxable year. To determine the daily portions of OID, the amount of OID allocable to an accrual period is determined, and a ratable portion of such OID is allocated to each day in the accrual period. An accrual period may be of any length and the length of the accrual periods may vary over the life of the Exit Term Loans, provided that no accrual period may be longer than one (1) year and each scheduled payment of interest or principal on the Exit Term Loans must occur on either the first (1st) day or last day of an accrual period. The amount of OID allocable to an accrual period will equal (a) the product of (i) the Exit Term Loan's adjusted issue price at the beginning of the accrual period and (ii) the Exit Term Loan's yield to maturity (adjusted to reflect the length of the accrual period), less (b) any qualified stated interest allocable to the accrual period.

The Exit Term Loan's adjusted issue price at any time generally will be its original issue price, increased by the amount of OID on the Exit Term Loans accrued for each prior accrual period and decreased by the amount of payments on the Exit Term Loans other than payments of qualified stated interest. The Exit Term Loan's yield to maturity is the discount rate that, when used in computing the present value of all principal and interest payments to be made on the Exit Term Loans, produces an amount equal to the Exit Term Loans' original issue price.

A U.S. Holder of Exit Term Loans will recognize gain or loss upon the sale, redemption, retirement or other taxable disposition of the Exit Term Loans equal to the difference between the amount realized upon the disposition (less a portion allocable to any accrued interest that has not yet been included in income by the U.S. Holder, which generally will be taxable as ordinary income) and the U.S. Holder's adjusted tax basis in the Exit Term Loans. In general, a U.S. Holder's adjusted tax basis in an Exit Term Loan will be its initial tax basis in the Exit Term Loans, increased by any accrued OID previously included in the U.S. Holder's income with respect to the Exit Term Loan and reduced by any payments on the Exit Term Loan other than qualified stated interest. Any gain or loss on the sale, redemption, retirement or other taxable disposition of the Exit Term Loans generally will be capital gain or loss, and generally will be long-term capital gain or loss if the U.S. Holder has held the Exit Term Loans for more than one (1) year as of the date of disposition. The deductibility of capital losses is subject to limitations.

It is possible that the Exit Term Loans may be required to be treated as a contingent payment debt instrument (a "***CPDI***") that is subject to the regulations governing such instruments, which could significantly affect the amount, timing and character of income, gain or loss in respect of an investment in the Exit Term Loans. In particular, a U.S. Holder might be required to include OID in income at a different rate, and might recognize ordinary income or loss upon a taxable disposition of the Exit Term Loans. U.S. Holders should consult their tax advisors regarding the consequences of the treatment of the Exit Term Loans as CPDIs. The balance of this disclosure assumes that the Exit Term Loans will not be treated as CPDIs.

(e) Ownership and Disposition of New Common Interests

If Reorganized Parent makes cash distributions with respect to the New Common Interests, the distributions generally will be includible as ordinary dividend income on the day on which the dividends are actually or constructively received by a U.S. Holder to the extent of the Reorganized Parent's current and accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent the amount of any such distribution exceeds such current and accumulated earnings and profits, the excess will be treated as a non-taxable return of capital to the extent, and in reduction, of the U.S. Holder's adjusted tax basis in the New Common Interests, and as gain from the sale or exchange of such New Common Interests to the extent it exceeds the U.S. Holder's adjusted tax basis. Non-corporate U.S. Holders may be eligible for reduced rates of taxation on dividends. Dividends paid to corporate U.S. Holders that meet certain holding period and other requirements may be eligible for a dividends received deduction.

U.S. Holders generally will recognize gain or loss upon the sale or taxable disposition of the New Common Interests in an amount equal to the difference, if any, between (i) the U.S. Holder's adjusted tax basis in the New Common Interests exchanged and (ii) the sum of the cash and the fair market value of any property received in such disposition. Any such gain or loss generally should be long-term capital gain or loss if the U.S. Holder's holding period for its New Common Interests exceeds one (1) year at the time of the sale or exchange. A reduced tax rate on long-term capital gain may apply to non-corporate U.S. Holders. The deductibility of capital losses is subject to limitations.

In general, any gain recognized by a U.S. Holder upon a disposition of the New Common Interests received in exchange for an Allowed Claim will be treated as ordinary income for U.S. federal income tax purposes to the extent of (i) any ordinary loss deductions previously claimed as a result of the write-down of the Claim, decreased by any income (other than interest income) recognized by the U.S. Holder upon exchange of the Claim, and (ii) with respect to a cash-basis holder and in addition to clause (i) above, any amounts which would have been included in its gross income if the U.S. Holder's Claim had been satisfied in full but which was not included by reason of the cash method of accounting.

(f) Exercise and Disposition of New Warrants

A U.S. Holder generally will not recognize gain or loss when New Warrants are exercised for cash to acquire the underlying New Common Interests, and the U.S. Holder's aggregate tax basis in the New Common Interests acquired generally will be equal to the U.S. Holder's aggregate tax

basis in the exercised New Warrants increased by the exercise price. It is unclear whether a U.S. Holder's holding period in the New Common Interests received upon exercise of a New Warrant will commence on the day of exercise of such New Warrant or the day following the exercise of such New Warrant. Upon the lapse of a New Warrant, a U.S. Holder generally will recognize loss equal to its tax basis in the New Warrant.

The U.S. federal income tax consequences of a cashless exercise of a New Warrant to a U.S. Holder are not clear under current tax law. A cashless exercise may, for example, be tax-free, either because the exercise is not a realization event or, if it is treated as a realization event, because the exercise is treated as a tax-deferred recapitalization, in which case a U.S. Holder's tax basis in the New Common Interests received would be equal to the tax basis in the surrendered New Warrants. If the cashless exercise were treated as a recapitalization, the U.S. Holder's holding period in the New Common Interests received on exercise would include the holding period of the surrendered New Warrants. Alternatively, it is possible that a cashless exercise of a New Warrant would be treated as a taxable exchange in which gain or loss is recognized. In such event, a U.S. Holder could be deemed to have surrendered a number of New Warrants with a fair market value equal to the exercise price for the number of New Warrants deemed exercised. For this purpose, the number of New Warrants deemed exercised would be equal to the number of New Warrants that would entitle the U.S. Holder to receive upon exercise the number of New Common Interests issued pursuant to the cashless exercise of the New Warrants. In this situation, the U.S. Holder would recognize capital gain or loss in an amount equal to the difference between the fair market value of the New Warrants deemed surrendered to pay the exercise price and the U.S. Holder's tax basis in the New Warrants deemed surrendered.

Due to the absence of authority as to the U.S. federal income tax treatment of a cashless exercise, there can be no assurance which, if any, of the alternative tax consequences described above, or of other possible characterizations of a cashless exercise, would be adopted by the IRS or a court. Accordingly, U.S. Holders are urged to consult their tax advisors with respect to the tax consequences of making a cashless exercise of the New Warrants.

Unless a nonrecognition provision applies, U.S. Holders generally will recognize gain or loss upon the sale or exchange of the New Warrants in an amount equal to the difference, if any, between (i) the U.S. Holder's adjusted tax basis in the New Warrants exchanged and (ii) the sum of the cash and the fair market value of any property received in such disposition. Any such gain or loss generally should be long-term capital gain or loss if the U.S. Holder's holding period for its New Warrants exceeds one (1) year at the time of the sale or exchange. A reduced tax rate on long-term capital gain may apply to non-corporate U.S. Holders. The deductibility of capital loss is subject to limitations.

The exercise price of the New Warrants is subject to adjustment under certain circumstances. Treasury Regulations promulgated under section 305 of the Tax Code would treat a U.S. Holder of the New Warrants as having received a constructive distribution includible in such U.S. Holder's income if and to the extent that certain adjustments to the exercise price increase the proportionate interest of a U.S. Holder in the Reorganized Parent's assets or earnings and profits. For example, a reduction in the exercise price to reflect a taxable dividend to holders of Reorganized Parent's equity generally will give rise to a deemed taxable dividend to the Holders

of the New Warrants to the extent of the Reorganized Debtor's current or accumulated earnings and profits. Thus, under certain circumstances, U.S. Holders may recognize income in the event of a constructive distribution even though they may not receive any cash or property. Adjustments to the exercise price made pursuant to a bona fide reasonable adjustment formula that has the effect of preventing dilution in the interest of the U.S. Holders of the New Warrants, however, generally will not be considered to result in a constructive dividend distribution.

(g) Character of Gain or Loss

Where gain or loss is recognized by a U.S. Holder in an exchange of Allowed Claims pursuant to the Plan, the character of such gain or loss as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of such U.S. Holder, whether the Claims constitute capital assets in the hands of such U.S. Holder and how long they have been held, whether the Claims were acquired at a market discount, and whether and to what extent the Holder previously claimed a worthlessness deduction with respect to the Claims. In general, any gain or loss generally should be long-term capital gain or loss if the U.S. Holder held the Claims, as applicable, as capital assets and such U.S. Holder's holding period in the Claims is more than one (1) year at the time of the relevant exchange. A reduced tax rate on long-term capital gain may apply to non-corporate U.S. Holders. The deductibility of capital losses is subject to limitations.

A U.S. Holder that purchased its Claims from a prior holder at a "market discount" (relative to the principal amount of the Claims at the time of acquisition) may be subject to the market discount rules of the Tax Code. In general, a debt instrument is considered to have been acquired with market discount if the holder's adjusted tax basis in the debt instrument is less than (i) its "stated redemption price at maturity" (which generally would be equal to the stated principal amount if all stated interest was required to be paid in cash or property at least annually) or (ii) in the case of a debt instrument issued with OID, its adjusted issue price, in each case, by more than a *de minimis* amount. Under these rules, any gain recognized on the exchange of Claims (which, as discussed below, does not include amounts received in respect of accrued but unpaid interest or OID, if any) generally will be treated as ordinary income to the extent of the market discount accrued (on a straight line basis or, at the election of the U.S. Holder, on a constant yield basis) during the U.S. Holder's period of ownership, unless such U.S. Holder elected to include the market discount in income as it accrued. If a U.S. Holder of Claims did not elect to include market discount in income as it accrued and, thus, under the market discount rules, was required to defer all or a portion of any deductions for interest on debt incurred or maintained to purchase or carry its Claims, such deferred amounts should become deductible at the time of the exchange. To the extent that Claims acquired with a market discount are exchanged in a tax-deferred transaction for other property, any market discount that accrued on such Claims but was not recognized by the U.S. Holder generally is carried over to the property received therefor, and any gain recognized on the subsequent sale or other disposition of the property may be treated as ordinary income to the extent of the accrued, but not recognized, market discount with respect to such Claims. U.S. Holders who acquired their Claims other than at original issuance should consult their tax advisors regarding the possible application of the market discount rules.

(h) Distributions with Respect to Accrued But Unpaid Interest or OID

In general, to the extent that any consideration received pursuant to the Plan by a U.S. Holder of Allowed Claims is received in satisfaction of interest accrued or OID accrued, in each case during such U.S. Holder's holding period, such amount will be taxable to the U.S. Holder as ordinary interest income (if not previously included in the U.S. Holder's gross income under such U.S. Holder's normal method of accounting). Conversely, a U.S. Holder may be entitled to recognize a loss to the extent any accrued interest or amortized OID was previously included in its gross income and is not paid in full. It is unclear whether a U.S. Holder would be required to recognize a capital loss, rather than an ordinary loss, with respect to previously included OID that is not paid in full. In addition, tax basis in the consideration received by a U.S. Holder pursuant to the Plan in satisfaction of interest accrued or OID accrued generally will be equal to the fair market value of such consideration, and such U.S. Holder's holding period in such consideration should commence on the day following the Effective Date.

Article VI.20 of the Plan provides that distributions to U.S. Holders with respect to any Allowed Claim will, to the extent permitted by applicable law, be allocated first to the principal amount of such Allowed Claims, with any excess allocated to the remaining portion of such Allowed Claim. There is no assurance that the IRS will respect such allocation for U.S. federal income tax purposes.

Holders of Claims should consult their tax advisors regarding the proper allocation of the consideration received by them under the Plan, as well as the character of any loss claimed with respect to accrued but unpaid interest (including OID) previously included in income for U.S. federal income tax purposes.

(i) Right to Participate in the Equity Rights Offering

The characterization of a Subscription Right and its subsequent exercise for U.S. federal income tax purposes—as the exercise of an option to acquire New Common Interests or, alternatively, as an integrated transaction pursuant to which New Common Interests are acquired directly in partial satisfaction of a Holder's Claim—is uncertain. As indicated above, the discussion herein generally assumes that a Subscription Right is respected as an option to acquire New Common Interests.

Regardless of the characterization of a Subscription Right, a U.S. Holder of an Allowed General Unsecured Claim or an Allowed Subordinated Unsecured Notes Claims generally would not recognize any gain or loss upon the exercise of such right. A U.S. Holder's aggregate tax basis in the New Common Interests received upon exercise of a Subscription Right should be equal to the sum of (i) the amount paid for the New Common Interests and (ii) the Holder's tax basis, if any, in either (a) the Subscription Rights, or (b) under an integrated transaction analysis, any New Common Interests received pursuant to the exercise of a Subscription Right to the extent that they are treated as directly acquired in partial satisfaction of the Holder's Claim. A U.S. Holder's holding period in the New Common Interests received upon exercise of a Subscription Right (that is respected as an option) generally should commence the day following the Effective Date. Under an integrated transaction analysis, a U.S. Holder's holding period in the New Common Interests received in respect of its Claims would be determined as described under "—

U.S. Holders of First Lien Claims," above, whereas the holding period for New Common Interests treated as purchased for Cash should commence on the day following the Effective Date.

It is uncertain whether a U.S. Holder that receives but does not exercise the Subscription Right should be treated as receiving anything of additional value in respect of its Claim. If the U.S. Holder is treated as having received a Subscription Right of value (despite its subsequent lapse), such that it obtains a tax basis in the right, the U.S. Holder generally would recognize a loss to the extent of the U.S. Holder's tax basis in the Subscription Right. In general, such loss would be a capital loss, long-term or short-term, depending upon whether the requisite holding period was satisfied (which in the case of an exchange for an Allowed General Unsecured Claim or an Allowed Subordinated Unsecured Notes Claims, as the case may be, that qualifies for reorganization treatment, even if the right goes unexercised, should include the holding period of the Claims exchanged therefor).

2. Non-U.S. Holders of First Lien Claims, General Unsecured Claims or Subordinated Unsecured Notes Claims

The following discussion includes only certain U.S. federal income tax consequences of the Plan to Non-U.S. Holders. The discussion does not include any non-U.S. tax considerations. The rules governing the U.S. federal income tax consequences to Non-U.S. Holders are complex. Non-U.S. Holders are urged to consult their tax advisors regarding the U.S. federal, state, and local and non-U.S. tax consequences of the consummation of the Plan to such Non-U.S. Holders and the ownership and disposition of any consideration received pursuant to or in connection with the Plan.

(a) Recognition of Gain or Loss

Whether a Non-U.S. Holder of First Lien Claims, General Unsecured Claims or Subordinated Unsecured Notes Claims recognizes gain or loss on the exchange of such Claims pursuant to the Plan or upon a subsequent disposition of the consideration received under the Plan, as well as the amount of such gain or loss, is determined in the same manner as set forth above in connection with U.S. Holders of the applicable Claims. See "—U.*S. Holders of First Lien Claims—Recognition of Gain or Loss*," "*—U.S. Holders of General Unsecured Claims—Recognition of Gain or Loss*," and "*U.S. Holders of Subordinated Unsecured Notes Claims—Recognition of Gain or Loss*" above. Any gain recognized (which, as discussed above, does not include amounts received in respect of accrued but unpaid interest or OID, if any) by a Non-U.S. Holder on the exchange of its Claims generally will not be subject to U.S. federal income taxation unless (i) the Non-U.S. Holder is an individual who was present in the United States for one hundred and eighty-three (183) days or more during the taxable year in which the gain is realized and certain other conditions are met, (ii) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and, if required by an income tax treaty, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States), or (iii) solely with respect to the sale, exchange or other disposition of the New Common Interests and the New Warrants, such New Common Interests or New Warrants, as applicable, constitute U.S. real property interests ("***USRPIs***") by reason of Reorganized Parent's status as a "United States real property holding corporation"

("***USRPHC***") for U.S. federal income tax purposes at any time within the shorter of the five (5)-year period preceding such disposition or the period in which the Non-U.S. Holder held the New Common Interests or the New Warrants.

If the exception in clause (i) above applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of thirty percent (30%) (or such lower rate under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year. If the exception in clause (ii) above applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax in the same manner as a U.S. Holder with respect to such gain. In addition, if such a Non-U.S. Holder is a corporation for U.S. federal income tax purposes, it may be subject to a branch profits tax equal to thirty percent (30%) (or such lower rate provided by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

If the exception in clause (iii) above applied and certain other requirements were met, a Non-U.S. Holder generally would be subject to U.S. federal income tax on any gain recognized on the sale or disposition of all or a portion of its New Common Interests or New Warrants. The Debtors do not believe that ModivCare is nor has been a USRPHC. Because the determination of whether ModivCare or Reorganized Parent is a USRPHC depends on the fair market value of its USRPIs relative to the fair market value of its non-U.S. real property interests and its other business assets, there can be no assurance that ModivCare or Reorganized Parent will not become a USRPHC in the future. Even if ModivCare or Reorganized Parent were to become a USRPHC, gain arising from the sale or other taxable disposition of New Common Interests ~~(~~or~~, in appliable,~~ New Warrants~~)~~ by a Non-U.S. Holder will not be subject to U.S. federal income tax if the New Common Interests are "regularly traded," as defined by applicable Treasury Regulations, on an established securities market and such Non-U.S. Holder owned, actually and constructively, five percent (5%) or less of the New Common Interests (or, in the case of New Warrants, ~~if applicable,~~ New Warrants of fair market value as of the date of their acquisition equal to the fair market value of five percent (5%) or less of the New Common Interests) throughout the shorter of the five (5)-year period ending on the date of the exchange or other taxable disposition and the Non-U.S. Holder's holding period.

(b) Ownership and Disposition of Exit Term Loans

Generally, payments to a Non-U.S. Holder that are attributable to interest on applicable Exit Term Loans (including, for purposes of this discussion of Non-U.S. Holders, any OID) that is not effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States generally will not be subject to U.S. federal income or withholding tax, provided that:

- the Non-U.S. Holder does not actually or constructively own ten percent (10%) or more of the total combined voting power of all classes of voting stock of Reorganized Parent;

- the Non-U.S. Holder is not a "controlled foreign corporation" that is a "related person" (each, within the meaning of the Tax Code) with respect to Reorganized Parent; and

- either (1) the Non-U.S. Holder certifies in a statement provided to the applicable withholding agent under penalties of perjury that it is not a United States person and provides its name and address; (2) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business and holds the Exit Term Loans on behalf of the Non-U.S. Holder certifies to the applicable withholding agent under penalties of perjury that it, or the financial institution between it and the Non-U.S. Holder, has received from the Non-U.S. Holder a statement under penalties of perjury that such holder is not a United States person and provides a copy of such statement to the applicable withholding agent; or (3) the Non-U.S. Holder holds the Exit Term Loans directly through a "qualified intermediary" (within the meaning of applicable Treasury Regulations) and certain conditions are satisfied.

A Non-U.S. Holder that does not qualify for the above exemption with respect to interest that is not effectively connected income generally will be subject to withholding of U.S. federal income tax on such interest at a thirty percent (30%) rate, unless such Non-U.S. Holder is entitled to a reduction in or exemption from withholding on such interest as a result of an applicable income tax treaty. To claim such entitlement, the Non-U.S. Holder generally must provide the applicable withholding agent with a properly executed IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) claiming a reduction in or exemption from withholding tax on such payments of interest under the benefit of an income tax treaty between the United States and the country in which the Non-U.S. Holder resides or is established. For purposes of providing a properly executed IRS Form W-8BEN or W-8BEN-E, special procedures are provided under applicable Treasury Regulations for payments through qualified foreign intermediaries or certain financial institutions that hold customers' securities in the ordinary course of their trade or business.

If interest paid to a Non-U.S. Holder is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and if required by an applicable income tax treaty, such interest is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States), the Non-U.S. Holder generally will not be subject to U.S. federal withholding tax but will be subject to U.S. federal income tax with respect to such interest in the same manner as a U.S. Holder under rules similar to those discussed above with respect to gain that is effectively connected with the conduct of a trade or business in the United States. See "*—Non-U.S. Holders of First Lien Claims, General Unsecured Claims or Subordinated Unsecured Notes Claims—Recognition of Gain or Loss*" above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that interest paid on the Exit Term Loans is not subject to withholding tax because it is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States.

For a discussion of the rules applicable to the recognition of gain or loss in connection with sale, redemption, retirement or other taxable disposition of Exit Term Loans by Non-U.S. Holders, see

"*—Non-U.S. Holders of First Lien Claims, General Unsecured Claims or Subordinated Unsecured Notes Claims—Recognition of Gain or Loss*" above.

(c) Ownership and Disposition of New Common Interests

Distributions on New Common Interests will generally constitute dividends for U.S. federal income tax purposes to the extent of Reorganized Parent's current year earnings and profits and earnings and profits accumulated as of the end of the prior year, as determined under U.S. federal income tax principles. To the extent the amount of any such distribution exceeds such current and accumulated earnings and profits, the excess will be treated as a non-taxable return of capital to the extent, and in reduction, of the Non-U.S. Holder's adjusted tax basis in the New Common Interests and as gain from the sale or exchange of such New Common Interests to the extent such excess exceeds the U.S. Holder's adjusted tax basis. Dividends paid to a Non-U.S. Holder of New Common Interests will generally be subject to withholding of U.S. federal income tax at a thirty percent (30%) rate or such lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business by the Non-U.S. Holder within the United States (and, if an income tax treaty applies, are attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) are not subject to withholding, provided certain certification and disclosure requirements are satisfied. Instead, such dividends are generally subject to U.S. federal income tax on a net income basis in the same manner as if the Non-U.S. Holder were a U.S. Holder. Any such effectively connected dividends received by a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may be subject to an additional branch profits tax at a thirty percent (30%) rate or such lower rate as may be specified by an applicable income tax treaty.

A Non-U.S. Holder of New Common Interests who wishes to claim the benefit of an applicable income tax treaty and avoid backup withholding, as discussed below, for dividends, will be required (a) to complete the applicable IRS Form W-8BEN or Form W-8BEN-E (or other applicable documentation) and certify under penalty of perjury that such holder is not a United States person and is eligible for treaty benefits or (b) if such New Common Interests are held through certain intermediaries, to satisfy the relevant certification requirements of applicable Treasury Regulations. Special certification and other requirements apply to certain Non-U.S. Holders that are passthrough entities or arrangements rather than corporations or individuals. A Non-U.S. Holder of New Common Interests eligible for a reduced rate of U.S. withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

For a discussion of the rules applicable to the recognition of gain or loss in connection with sales, exchanges or other dispositions of New Common Interests by Non-U.S. Holders, see "*—Non-U.S. Holders of First Lien Claims, General Unsecured Claims or Subordinated Unsecured Notes Claims—Recognition of Gain or Loss*" above.

(d) Exercise and Disposition of New Warrants

Whether a Non-U.S. Holder recognizes gain or loss on the exercise, lapse, sale, exchange or other disposition of, or otherwise incurs income in connection with the adjustment of the exercise price of, New Warrants, and the amount of any such gain, loss or income, is determined

in the same manner as set forth above in connection with U.S. Holders. See "*—U.S. Holders of First Lien Claims, General Unsecured Claims or Subordinated Unsecured Notes Claims—Exercise and Disposition of New Warrants*" above. For a discussion of the rules applicable to the recognition of any such gain, loss or income, see "*—Non-U.S. Holders of First Lien Claims, General Unsecured Claims or Subordinated Unsecured Notes Claims—Recognition of Gain or Loss*" above.

3. Information Reporting and Backup Withholding

All distributions to Holders of Allowed Claims under the Plan are subject to any applicable tax withholding and information reporting requirements. Under U.S. federal income tax law, interest, dividends and other reportable payments may, under certain circumstances, be subject to "backup withholding" (currently at a rate of twenty-four percent (24%)) if a recipient of those payments fails to furnish to the payor certain identifying information, fails properly to report interest or dividends, and, under certain circumstances, fails to provide a certification that the recipient is not subject to backup withholding. Backup withholding is not an additional tax. Any amounts deducted and withheld generally should be allowed as a credit against that recipient's U.S. federal income tax, provided that appropriate proof is timely provided under rules established by the IRS. Furthermore, certain penalties may be imposed by the IRS on a recipient of payments who is required to supply information but who does not do so in the proper manner. Backup withholding generally should not apply with respect to payments made to certain exempt recipients, such as certain corporations and financial institutions. Information may also be required to be provided to the IRS concerning payments, unless an exemption applies. Holders of Claims are urged to consult their tax advisors regarding their qualification for exemption from backup withholding and information reporting and the procedures for obtaining such an exemption.

Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of certain thresholds. Holders of Claims are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated under the Plan would be subject to these regulations and require disclosure on their tax returns.

4. Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under sections 1471 to 1474 of the Tax Code (such sections, commonly referred to as the Foreign Account Tax Compliance Act ("***FATCA***")) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a thirty percent (30%) withholding tax may be imposed on dividends or interest or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of stock or debt instruments, in each case paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Tax Code), unless (a) the foreign financial institution undertakes certain diligence and reporting obligations, (b) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Tax Code) or furnishes identifying information regarding each substantial United States owner, or (c) the foreign financial institution or non-financial foreign

entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (a) above, it must enter into an agreement with the United States Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Tax Code), annually report certain information about such accounts, and withhold thirty percent (30%) on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends or interest. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of such instruments on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued. Holders should consult their tax advisors regarding the potential application of withholding under FATCA.

The foregoing summary has been provided for informational purposes only and does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular Holder of a Claim. All Holders of Claims are urged to consult their tax advisors concerning the federal, state, local, non-U.S., and other tax consequences applicable under the Plan.

X.
CERTAIN RISK FACTORS TO BE CONSIDERED

Prior to voting to accept or reject the Plan, holders of Claims should read and carefully consider the risk factors set forth below, in addition to the information set forth in this Disclosure Statement together with any attachments, exhibits, or documents incorporated by reference hereto. The factors below should not be regarded as the only risks associated with the Plan or its implementation. Additional risk factors identified in ModivCare's public filings with the SEC may also be applicable to the matters set out herein and should be reviewed and considered in conjunction with this Disclosure Statement, to the extent applicable. The risk factors set forth in ModivCare's annual report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on March 6, 2025, as may be updated by ModivCare's other public filings with the SEC, are hereby incorporated by reference. New factors, risks and uncertainties emerge from time to time and it is not possible to predict all such factors, risks and uncertainties.

A. Certain Bankruptcy Law Considerations

i. *General*

Although the Debtors believe that the Chapter 11 Cases will not be materially disruptive to their business, the Debtors cannot be certain that this will be the case, including if the Effective Date is prolonged. Although the Plan is designed to minimize the length of the Chapter 11 Cases, it is

impossible to predict with certainty the amount of time that one or more of the Debtors may spend in bankruptcy or to assure parties in interest that the Plan will be confirmed. The Chapter 11 Cases will also involve additional expense and may divert some of the attention of the Debtors' management away from business operations.

ii. *Risk of Material Adverse Effect on Operations*

The commencement of the Chapter 11 Cases could adversely affect the relationship between the Debtors and their customers, employees, vendors, lenders, partners and others. There is a risk, due to uncertainty about the Company's future, that: (i) customers could terminate or choose not to renew existing contracts and seek alternative providers; (ii) customers' confidence in the Debtors' ability to provide products and services could erode and, as a result, there could be a significant and precipitous decline in revenues, profitability, and cash flow; (iii) it may be more difficult to attract or replace employees; (iv) employees could be distracted from performance of their duties or more easily attracted to other career opportunities; (v) suppliers, vendors, and service providers could terminate their relationship with the Debtors or require financial assurances or enhanced performance; and (vi) additional involvement by regulatory, taxing, and other authorities may increase the administrative burden on the Debtors and their operations. These factors could adversely affect the Debtors' ability to obtain confirmation of the Plan.

iii. *Risk of Non-Confirmation of the Plan*

Although the Debtors believe that the Plan will satisfy all requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will reach the same conclusion or that modifications to the Plan will not be required for confirmation or that such modifications would not necessitate re-solicitation of votes on the Plan. Moreover, the Debtors can make no assurances that they will receive the requisite votes for acceptance to confirm the Plan or satisfy all of the conditions for confirmation required under the Plan. Even if all Voting Classes vote in favor of the Plan or the requirements for "cramdown" are met with respect to any Class that rejected the Plan, the Bankruptcy Court could decline to confirm the Plan if it finds that any of the statutory requirements for confirmation are not met. If the Plan is not confirmed, it is unclear what distributions holders of Claims or Interests ultimately would receive with respect to their Claims or Interests in a subsequent plan of reorganization or otherwise. Non-confirmation of the Plan could result in protracted Chapter 11 Cases, which could significantly and detrimentally impact the Debtors' relationships with vendors, suppliers, employees, and major customers. In such circumstances, the Debtors may no longer have consent to use Cash Collateral, or have access to the DIP Facility, such that there would likely be a significant strain on liquidity and the Debtors' ability to continue its businesses.

Even if the Plan is confirmed and implemented, the Debtors may not be able to achieve their stated goals. The Debtors continue to face a number of risks, such as changes in economic conditions, changes in the Debtor's regulatory environment or industry, changes in demand for their services and increasing expenses. Some of these risks become more acute when a case under the Bankruptcy Code continues for a protracted period without indication of how or when the case may be completed. As a result of these risks and others, there is no guarantee that the implementation of the Plan will achieve the Debtors' stated goals. Furthermore, even if ModivCare's debt and other liabilities are reduced or discharged through the implementation of

the Plan, the Debtors may need to raise additional funds through public or private debt or equity financing or other various means to fund our business after the completion of the Chapter 11 Cases. The Debtors' access to additional financing may be limited, if it is available at all. Therefore, adequate funds may not be available when needed or may not be available on favorable terms, or at all.

iv. ***Severability of the Plan***

The Debtors cannot guarantee that the Bankruptcy Court will approve every provision of the Plan, and certain provisions may be modified or removed, while the rest of the Plan will be confirmed.

v. ***Risk of Failing to Satisfy the Vote Requirement***

In the event that the Debtors are unable to get sufficient votes from the Classes that are entitled to vote on the Plan, the Debtors may seek to accomplish an alternative chapter 11 plan or seek to cram down the Plan on non-accepting Classes. There can be no assurance that the terms of any such alternative chapter 11 plan would be similar or as favorable to holders of Allowed Claims as those proposed in the Plan.

vi. ***Non-Consensual Confirmation***

If any impaired class of claims or equity interests does not accept or is deemed not to accept a plan of reorganization, a bankruptcy court may nevertheless confirm such plan at the proponent's request if at least one impaired class has voted to accept the plan (with such acceptance being determined without including the vote of any "insider" in such class), and as to each impaired class that has not accepted the Plan, the Bankruptcy Court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired classes. If any Class votes to reject the plan, then these requirements must be satisfied with respect to such rejecting Classes. The Debtors believe that the Plan satisfies these requirements.

vii. ***Risk Related to Parties in Interest Objecting to the Debtors' Classification of Claims and Interests***

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class. The Debtors believe that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code. However, there can be no assurance that a party in interest will not object or that the Bankruptcy Court will approve the classifications.

viii. ***Risk of Non-Occurrence of the Effective Date***

Although the Debtors believe that the Effective Date will occur soon after the Confirmation Date, there can be no assurance as to the timing of the Effective Date. If the conditions precedent to the Effective Date set forth in the Plan have not occurred or have not been waived as set forth in Article IX of the Plan, then the Confirmation Order may be vacated, in which event no distributions would be made under the Plan, the Debtors and all holders of Claims or

Interests would be restored to the status quo as of the day immediately preceding the Confirmation Date, and the Debtors' obligations with respect to Claims and Interests would remain unchanged. Nonoccurrence of the Effective Date could result in substantial changes to the Plan and protracted Chapter 11 Cases, which could significantly and detrimentally impact the Debtors' relationships with vendors, suppliers, employees, and major customers. In such circumstances, the Debtors may no longer have consent to use Cash Collateral, or have access to the DIP Facility, such that there would likely be a significant strain on liquidity and the Debtors' ability to continue its businesses.

ix. ***Risk of Termination of the Restructuring Support Agreement***

The Restructuring Support Agreement contains certain provisions that give the Debtors and the Consenting Creditors (as defined in the Restructuring Support Agreement) the ability to terminate the Restructuring Support Agreement if various conditions are satisfied. Termination of the Restructuring Support Agreement could result in substantial changes to the Plan and protracted Chapter 11 Cases, which could significantly and detrimentally impact the Debtors' relationships with vendors, suppliers, employees, and major customers. In such circumstances, the Debtors may no longer have consent to use Cash Collateral, or have access to the DIP Facility, such that there would likely be a significant strain on liquidity and the Debtors' ability to continue its businesses.

x. ***Conversion into Chapter 7 Cases***

If no plan of reorganization can be confirmed, or if the Bankruptcy Court otherwise finds that it would be in the best interest of holders of Claims and Interests, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed or elected to liquidate the Debtors' assets for distribution in accordance with the priorities established by the Bankruptcy Code. Please refer to section XIII.C hereof, as well as the Liquidation Analysis attached hereto as **Exhibit C**, for a discussion of the effects that a chapter 7 liquidation would have on the recoveries of holders of Claims and Interests.

xi. ***Risks Related to Possible Objections to the Plan***

There is a risk that certain parties could oppose and object to either the entirety of the Plan or specific provisions of the Plan. Although the Debtors believe that the Plan complies with all relevant Bankruptcy Code provisions, there can be no guarantee that a party in interest will not file an objection to the Plan or that the Bankruptcy Court will not sustain such an objection.

xii. ***Releases, Injunctions, and Exculpations Provisions May Not Be Approved***

Article X of the Plan provides for certain releases, injunctions, and exculpations for Claims and Causes of Action that may otherwise be asserted against the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties, as applicable. The releases, injunctions, and exculpations provided in the Plan are subject to objection by parties in interest and may not be approved. If the releases and exculpations are not approved, certain parties may not be

considered Releasing Parties, Released Parties, or Exculpated Parties, and certain Released Parties or Exculpated Parties may withdraw their support for the Plan.

B. Additional Factors Affecting the Value of Reorganized Debtors

i. *Claims Could Be More than Projected*

There can be no assurance that the estimated Allowed amount of Claims in certain Classes will not be significantly more than projected, which, in turn, could reduce the value of distributions substantially. Inevitably, some assumptions will not materialize, and unanticipated events and circumstances may affect the ultimate results. Therefore, the actual amount of Allowed Claims may vary from the Debtors' projections and feasibility analysis, and the variation may be material.

ii. *Projections and Other Forward-Looking Statements Are Not Assured, and Actual Results May Vary*

Certain of the information contained in this Disclosure Statement is, by nature, forward-looking, and contains estimates and assumptions which might ultimately prove to be incorrect, and contains projections that may differ materially from actual future experiences. There are uncertainties associated with any projections and estimates, and they should not be considered assurances or guarantees of the amount of funds or the amount of Claims in the various Classes that might be Allowed.

The Debtors have prepared financial projections (the "***Financial Projections***") on a consolidated basis based on certain assumptions, as set forth in **Exhibit D** hereto. The Financial Projections have not been compiled, audited, or examined by independent accountants, and neither the Debtors nor their advisors make any representations or warranties regarding the accuracy of the Financial Projections or the ability to achieve forecasted results.

Many of the assumptions underlying the Financial Projections are subject to uncertainties that are beyond the control of the Debtors or Reorganized Debtors including the timing, confirmation, and consummation of the Plan, demand or price for services, inflation, and other unanticipated market and economic conditions. Some assumptions may not materialize, and unanticipated events and circumstances may affect the actual results. Projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic, and competitive risks, and the assumptions underlying the Financial Projections may be inaccurate in material respects. In addition, unanticipated events and circumstances occurring after the approval of this Disclosure Statement by the Bankruptcy Court, including any natural disasters, terrorist attacks, or health epidemics, may affect the actual financial results achieved. Such results may vary significantly from the forecasts and such variations may be material.

iii. *Risks Associated with Debtors' Business and Industry and Financial Conditions*

(a) Risks Associated with Potential Litigation, Including Litigation Arising Out of the Chapter 11 Cases

In the future, the Reorganized Debtors may become parties to litigation. In general, litigation can be expensive and time consuming to bring or defend against. Such litigation could result in settlements or damages that could significantly affect the Reorganized Debtors' financial results. It is also possible that certain parties will commence litigation with respect to the treatment of their Claims under the Plan. It is not possible to predict the potential litigation that the Reorganized Debtors may become party to, nor the final resolution of such litigation. The impact of any such litigation on the Reorganized Debtors' businesses and financial stability, however, could be material.

(b) Risks Associated with the Loss of Key Personnel

The Debtors' recent liquidity issues and the Chapter 11 Cases have created distractions and uncertainty for key management personnel and employees. As a result, the Debtors may experience increased levels of employee attrition. Because competition for experienced personnel can be significant, the Debtors may be unable to find acceptable replacements with comparable skills and experience, and the loss of such key management personnel could adversely affect the Debtors' ability to operate their businesses. In addition, a loss of key personnel or material erosion of employee morale could have a material adverse effect on the Debtors' ability to meet expectations and to execute our strategy and implement operational initiatives thereby adversely affecting the Debtors' businesses and the results of operations.

(c) Risks Associated with Governmental Laws and Regulations and Compliance

The Company's operations are subject to federal, state, local, foreign and international laws and regulations regulating the healthcare industry and budgeting of the same. Such laws and regulations have impacted, and may continue to impact the Company, including but not limited to anticipated reductions in the funding of and services covered by Medicaid, as well as the number of persons enrolled in Medicaid. Changes to the regulatory landscape applicable to the Debtors' businesses could have a material adverse effect on their results of operations and financial condition. If changes in Medicare, Medicaid or other state and local medical and social programs result in a reduction in available funds for the services the Debtors offer, a reduction in the number of beneficiaries eligible for our services or a reduction in the number of hours or amount of services that beneficiaries eligible for our services may receive, then the Debtors' revenues and profitability could be negatively impacted. The Debtors' profitability depends principally on the levels of government-mandated payment rates and their ability to manage the cost of providing services. These are critical components of the Debtors' businesses, and therefore, any reduction in the funding of, or enrollment in, such programs could have a material adverse effect on the Debtors' business.

Further, the United States healthcare industry is subject to extensive federal and state oversight. Both federal and state government agencies have increased coordinated civil and criminal enforcement efforts related to the healthcare industry. Regulations related to the healthcare industry are extremely complex and, in many instances, the industry does not have the benefit of significant regulatory or judicial interpretation of those laws. Medicare and Medicaid anti-fraud and abuse laws prohibit certain business practices and relationships related to items and services reimbursable under Medicare, Medicaid and other governmental healthcare programs, including the payment or receipt of remuneration to induce or arrange for referral of patients or recommendation for the provision of items or services covered by Medicare or Medicaid or any other federal or state healthcare program, often referred to as the Anti-Kickback Statute. Federal and state laws also prohibit the submission of false or fraudulent claims, including claims to obtain reimbursement under Medicare and Medicaid, under what is commonly referred to as the False Claims Act. The Debtors have implemented policies to help assure compliance with these regulations as they become effective, but interpretations different from our interpretations or enforcement of these laws and regulations in the future could subject the Debtors' practices to allegations of impropriety, illegality, or overpayment, or could require the Debtors to make changes in their facilities, equipment, personnel, services or the manner in which they conduct their business, any of which could increase costs and could materially adversely affect their business and results of operations.

(d) Risks Associated with Cost-Saving Initiatives

The Debtors have and may continue to undertake internal restructurings, contract negotiations, and other initiatives intended to reduce expenses. These initiatives may not lead to the benefits the Debtors expect, may be disruptive to the Debtors' personnel and operations, and may require substantial management time and attention. Moreover, the Debtors could encounter delays in executing their plans, which could entail further disruption and associated costs. If these disruptions result in a decline in productivity of the Debtors' personnel, negative impacts on operations, or if they experience unanticipated expenses associated with these initiatives, the Debtors' business and operating results may be harmed.

(e) Risks Associated with Retaining or Attracting Customers

The Debtors generate a significant amount of revenue from a limited number of payors under a relatively small number of contracts. As a result, future revenue is highly dependent in part on the retention of their existing customer base. A significant proportion of the Debtors' key contracts are terminable for convenience, and as such, customers may decide to terminate or reduce the scope of their contracts with the Debtors in the future the Debtors may not be able to replace a customer that elects to terminate or fails to renew its contract with them. The loss of, reduction in amounts generated by, or changes in methods or regulations governing payments for the Debtors' services under these contracts, individually or in the aggregate, could have a material adverse impact on the Debtors' revenue and results of operations.

As noted in Section II above, much of the Debtors' NEMT business depends in large part on contracts awarded by MCOs and state and other governmental entities, many of which are subject to RFPs. From time to time, the Debtors' have experienced the termination, renegotiation, or loss of contracts or segments of contracts. The loss of, or reduction in amounts

generated by, or changes in methods or regulations governing payments for the Debtors' services under these contracts, individually or in the aggregate, could have a material adverse impact on the Debtors' revenue and results of operations. Further, loss of any of these contracts, or segments thereof, could negatively influence its relationships with other contract counterparties.

A variety of factors could affect the Debtors' ability to successfully retain and attract customers, including the level of demand for their products, the quality of the Debtors' customer service, the Debtors' ability to update their products and develop new products needed by customers, and the Debtors' ability to compete with competitors.

(f) Risks Associated with Collections

Prompt billing and collection are important factors in the Debtors' liquidity. Billing and collection of their accounts receivable are subject to the complex regulations that govern Medicare and Medicaid reimbursement and rules imposed by non-government payors. The Debtors' inability to bill and collect on a timely basis pursuant to these regulations and rules could subject them to payment delays that could have a material adverse effect on their business, financial position, results of operations and liquidity. It is possible that documentation support, system problems, Medicare, Medicaid or other payor issues, particularly in markets transitioning to managed care for the first time, or industry trends may extend our collection period, which may adversely affect their working capital, and their working capital management procedures may not successfully mitigate this risk.

The timing of payments made under the Medicare and Medicaid programs is subject to governmental budgetary constraints, resulting in an increased period of time between submission of claims and subsequent payment under specific programs, most notably under the Medicare and Medicaid managed programs. In addition, the Debtors may experience delays in reimbursement as a result of the failure to receive prompt approvals related to change of ownership applications for acquired or other facilities or from delays caused by their or other third parties' information system failures. The Debtors may also experience delayed payment of reimbursement rate increases that are subject to the approval of the CMS and/or various state agencies before claims can be submitted or paid at the new rates. Any delays experienced for the foregoing or other reasons could have a material adverse effect on the Debtors' business, results of operations and financial condition.

(g) Risks Associated with Competition

The Debtors operate in a highly competitive industry. In the NEMT segment, the Debtors compete with a variety of national organizations that provide similar healthcare and social services related to transportation, some of which have greater name recognition as well as greater financial, technical, political, marketing, and other resources that contribute to a larger number of clients or payors than the Debtors. The market in which the Debtors operate is influenced by technological developments that affect cost-efficiency and quality of services. Accordingly, the Debtors' success depends on their ability to develop services that address these customers' changing needs and to provide technology needed to deliver these services on a cost-effective basis.

Further, the personal care services industry in which the Debtors operate is highly competitive and fragmented. There are relatively few barriers to entry in some of the home healthcare services markets in which the Debtors operate. Accordingly, other companies, including hospitals and other healthcare organizations that are not currently providing in-home personal care services, may expand their services to include those services or similar services. In addition, state certificates of need (CON) laws which often limit the ability of competitors to enter into a given market, are not uniform throughout the United States and are frequently the subject of efforts to limit or repeal such laws. If states remove existing CON laws, the Debtors could face increased competition in these states.

In the Monitoring segment, the Debtors currently face competition from a range of companies, including specialized software and solution providers that offer similar solutions, often at substantially lower prices, and that are continuing to develop additional products and becoming more sophisticated and effective. In addition, large, well-financed health plans have in some cases developed their own telehealth, expert medical service or chronic condition management tools and may provide these solutions to their customers at discounted prices. Competition from specialized software and solution providers, health plans and other parties will result in continued pricing pressures, which is likely to lead to price declines in certain product segments, which could negatively impact the Debtors' sales, profitability and market share.

The Debtors have experienced, and expect to continue to experience, competition from new entrants into the markets in which they operate. Increased competition may result in pricing pressures, loss of or failure to gain market share, or loss of or failure to gain clients or payors, any of which could have a material adverse effect on the Debtors' operating results. The Debtors' business may also be adversely affected by the consolidation of competitors, which may result in increased pricing pressure or negotiating leverage with payors, or by the provision of their services by payors or clients directly to customers, including through the acquisition of competitors. Further, as a result of their indebtedness, the Reorganized Debtors may be more vulnerable to such competitive conditions.

(h) Risks Associated with Cybersecurity Attacks

The Debtors' information technology systems are critically important to their operations, and they must implement and maintain appropriate and sufficient infrastructure and IT systems to support their existing and future business processes. The Debtors provide services to individuals and others that require them to collect, process, maintain and retain a variety of sensitive and personal confidential information in their computer systems, including proprietary information, intellectual property, patient identifiable health information, employee information, financial information and other personal information about their customers and end-users, such as names, addresses, phone numbers, email addresses, identification numbers, sensitive health information, and payment account information. The Debtors also rely on their IT systems (some of which are supported by third party vendors) to manage the information, communications and business processes for other business functions, including a wide variety of health care infrastructure and operations such as marketing, sales, logistics, customer service, accounting and administrative functions. The secure operation of such IT systems and the processing and maintenance of this information is critical to business operations and strategy. Despite actions to mitigate or eliminate risk, the Debtors' information systems may be vulnerable to damage, disruptions or

shutdowns due to the activity of hackers, employee error or malfeasance, or other disruptions, including power outages, telecommunication or utility failures, natural disasters, or other catastrophic events. The occurrence of any of these events could compromise the Debtors' information systems, and the information stored there (including customer information) could be accessed, publicly disclosed, lost, or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability or regulatory penalties under laws protecting the privacy of personal information, disruption of operations, and damage to the Debtors' reputation, all of which could adversely affect their business, financial condition and results of operations.

(i) Risks Associated with Accurate Reporting of Financial Results

The Debtors have established internal controls over financial reporting. However, internal controls over financial reporting may not prevent or detect misstatements or omissions in the Debtors' financial statements because of their inherent limitations, including the possibility of human error, and the circumvention or overriding of controls or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If the Debtors fail to maintain the adequacy of their internal controls, the Debtors may be unable to provide financial information in a timely and reliable manner within the time periods required under the terms of the agreements governing the Debtors' indebtedness. Any such difficulties or failure could materially adversely affect the Debtors' business, results of operations, and financial condition. Further, the Debtors may discover other internal control deficiencies in the future and/or fail to adequately correct previously identified control deficiencies, which could materially adversely affect the Debtors' businesses, results of operations, and financial condition.

iv. ***Transfers or Issuances of the Debtors' Equity, Before or in Connection with Their Chapter 11 Proceedings, May Impair Their Ability to Utilize Their Federal Income Tax Net Operating Loss Carryforwards in Future Years***

Under U.S. federal income tax law, a corporation is generally permitted to deduct from taxable income net operating losses carried forward from prior years. The Debtors' consolidated group for U.S. federal income tax purposes of which ModivCare is the parent had consolidated NOLs and NOL carryforwards of approximately $283 million as of December 31, 2024. The Debtors believe that their consolidated group likely generated additional NOLs for the 2025 tax year. The Debtors' ability to utilize their NOL carryforwards to offset future taxable income and to reduce their U.S. federal income tax liability is subject to certain requirements and restrictions. If ModivCare experiences an "ownership change," as defined in section 382 of the Tax Code, the Debtors' ability to use their NOL carryforwards may be substantially limited, which could increase the taxes paid by the Debtors and have a negative impact on their after-tax cash flow, financial position and results of operations. Generally, there is an "ownership change" if one or more stockholders owning 5% or more of a corporation's common stock have aggregate increases in their ownership of such stock of more than 50 percentage points over the prior three-year period. Under section 382 of the Tax Code, absent an applicable exception, if a corporation undergoes an "ownership change," the amount of its NOLs that may be utilized to

offset future table income generally is subject to an annual limitation. Even if the NOL carryforwards are subject to limitation under section 382 of the Tax Code, the NOLs can be further reduced by the amount of discharge of indebtedness arising in a chapter 11 case under section 108 of the Tax Code.

Following the implementation of a plan of reorganization, it is likely that an "ownership change" will be deemed to occur and the Debtors' NOLs will be subject to annual limitation.

v. *Golden Parachute Deduction Limitation*

In connection with the transactions described in the Plan and Disclosure Statement, some or all of the payments and benefits (including potential severance benefits, as applicable) to certain employees and other disqualified individuals may not be deductible for federal income tax purposes as a result of such payments being "excess parachute payments" under section 280G of the Tax Code.

C. Factors Relating to Equity Rights Offering

i. *Debtors Could Modify and/or Cancel the Equity Rights Offering Procedures*

The Debtors may modify the Equity Rights Offering Procedures, to, among other things, adopt additional detailed procedures if necessary in the Debtors' business judgment. This might include if there is insufficient interest and participation in the Equity Rights Offering for it to proceed (given that the Equity Rights offering is not backstopped). Such modifications, or the cancellation of the Equity Rights Offering, may adversely affect the rights of those participating, or wishing to participate, in the Equity Rights Offering.

D. Factors Relating to the Capital Structure of the Reorganized Debtors

i. *Variances from Financial Projections*

The Debtors have prepared financial projections on a consolidated basis with respect to the Reorganized Debtors based on certain assumptions as set forth in **Exhibit D** hereto. The projections have not been compiled, audited, or examined by independent accountants, and neither the Debtors nor their advisors make any representations or warranties regarding the accuracy of the projections or the ability to achieve forecasted results.

Many of the assumptions underlying the projections are subject to significant uncertainties that are beyond the control of the Debtors or Reorganized Debtors, including the timing, confirmation, and consummation of the Plan, consumer demands for the Reorganized Debtors' products and services, macroeconomic, political, legal and regulatory events that may affect the Reorganized Debtors' industries, and other unanticipated market and economic conditions. Some assumptions may not materialize, and unanticipated events and circumstances may affect the actual results. Projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic, and competitive risks, and the assumptions underlying the projections may be inaccurate in material respects.

In addition, if the Debtors emerge from chapter 11, the amounts reported in subsequent consolidated financial statements may materially change relative to historical consolidated financial statements, including as a result of revisions to the Debtors' operating plans pursuant to a plan of reorganization. The Reorganized Debtors also may be required to adopt "fresh start" accounting in accordance with Accounting Standards Codification 852 ("Reorganizations"), in which case their assets and liabilities will be recorded at fair value as of the fresh start reporting date, which may differ materially from the recorded values of assets and liabilities on the Debtors' consolidated balance sheets. The Reorganized Debtors' financial results after the application of fresh start accounting also may be different from historical trends. The Financial Projections contained in **Exhibit D** hereto do not currently reflect the impact of fresh start accounting, which may have a material impact on the Financial Projections.

ii. ***Leverage***

Although the Reorganized Debtors will have less indebtedness than the Debtors, the Reorganized Debtors will still have a significant amount of secured indebtedness. On the Effective Date, after giving effect to the transactions contemplated by the Plan, the Reorganized Debtors will have approximately $300 million in funded indebtedness (exclusive of the Exit Revolving Facility, and the letter of credit sublimit contemplated therein).

The degree to which the Reorganized Debtors will be leveraged could have important consequences, placing the Reorganized Debtors at a competitive disadvantage to other, less leveraged competitors, because, among other things: it could affect the Reorganized Debtors' ability to satisfy their obligations under their indebtedness following the Effective Date; a portion of the Reorganized Debtors' cash flow from operations will be used for debt service and therefore will be unavailable to support operations or for working capital, capital expenditures, expansion, acquisitions or general corporate or other purposes; the Reorganized Debtors' ability to refinance their then-existing debt, obtain additional debt financing or equity financing, or pursue mergers, acquisitions and asset sales, on terms acceptable to them or at all, may be limited and their costs of borrowing may be increased; as a result of their indebtedness, the Reorganized Debtors may be more vulnerable to economic downturns and their ability to withstand competitive pressures may be limited; and the Reorganized Debtors' operational flexibility in planning for, or reacting to, changes, opportunities and challenges in their businesses, including changes in the market sector in which they compete, changes in their business and strategic opportunities, and adverse developments in their operations, may be severely limited.

iii. ***Ability to Service Debt***

Although the Reorganized Debtors will have less indebtedness than the Debtors, the Reorganized Debtors will still have significant interest expense and principal repayment obligations. The Reorganized Debtors' ability to make payments on and to refinance their debt will depend on their future financial and operating performance and their ability to generate cash in the future. This, to a certain extent, is subject to general economic, business, financial, competitive, legislative, regulatory and other factors that are beyond the control of the Reorganized Debtors.

Although the Debtors believe the Plan is feasible, there can be no assurance that the Reorganized Debtors will be able to generate sufficient cash flow from operations or that sufficient future borrowings will be available to pay off the Reorganized Debtors' debt obligations. The Reorganized Debtors may need to refinance all or a portion of their debt on or before maturity; however, there can be no assurance that the Reorganized Debtors will be able to refinance any of their debt on commercially reasonable terms or at all.

If the Reorganized Debtors' cash flows and capital resources are insufficient to fund their debt service obligations and other cash requirements, the Reorganized Debtors could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to sell assets or operations, seek additional capital or restructure or refinance their indebtedness and settlement obligations. The Reorganized Debtors may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, such alternative actions may not allow the Reorganized Debtors to meet their scheduled debt service obligations and settlement obligations. The agreements governing the Reorganized Debtors' indebtedness at emergence are expected to (a) have terms and conditions that restrict their ability to dispose of assets and the use of proceeds from any such dispositions and (b) restrict their ability to raise debt capital.

The Reorganized Debtors' inability to generate sufficient cash flows to satisfy their debt obligations, or to refinance their indebtedness on commercially reasonable terms or at all, would materially and adversely affect their financial position and results of operations.

If the Reorganized Debtors cannot make scheduled payments on their debt, an event of default may result. An event of default may allow the creditors to accelerate the related debt as well as any other debt to which a cross-acceleration or cross-default provision applies. If the Reorganized Debtors are unable to repay amounts outstanding under their financing agreements when due, the lenders thereunder could, subject to the terms of the financing agreements, seek to foreclose on the collateral that is pledged to secure the indebtedness outstanding under such facility.

iv. *Obligations Under Exit Facilities*

The Reorganized Debtors' obligations under the Exit Facilities are expected to be secured by liens on substantially all of the assets of the Reorganized Debtors (subject to certain exclusions set forth therein). If the Reorganized Debtors become insolvent or are liquidated, or if there is a default under certain financing agreements, including, but not limited to, the Exit Facilities, and payment on any obligation thereunder is accelerated, the holders of the loans thereunder would be entitled, subject to the applicable intercreditor agreements and other applicable credit documents, to exercise the remedies available to a secured creditor under applicable law, including foreclosure on the collateral that is pledged to secure the indebtedness thereunder, and they would have a claim on the assets securing the obligations under the applicable facility that would be superior to any claim of the holders of unsecured debt of the obligors of the Exit Facilities.

v. *Restrictive Covenants*

The financing agreements governing the Reorganized Debtors' indebtedness are expected to contain various covenants that may limit the discretion of the Reorganized Debtors' management by restricting the Reorganized Debtors' ability to, among other things, incur additional indebtedness, incur liens, pay dividends or make certain restricted payments, make acquisitions and investments, consummate certain asset sales, enter into certain transactions with affiliates, or merge, consolidate or sell or dispose of all or substantially all of their assets. As a result of these covenants, the Reorganized Debtors will be limited in the manner in which they conduct their business and may be unable to engage in favorable business activities or finance future operations or capital needs.

Any failure to comply with the restrictions of the financing agreements may result in an event of default under such financial agreements. An event of default under a financing agreement may allow the creditors under such financing agreement to accelerate the related debt as well as allow the creditors under any other debt to which a cross-acceleration or cross-default provision applies to accelerate such debt as well. If the Reorganized Debtors are unable to repay amounts outstanding under their financing agreements when due, the creditor thereunder could, subject to the terms of the financing agreements, seek to foreclose on the collateral that is pledged to secure the indebtedness outstanding under such facility.

As a result of these restrictions, the Reorganized Debtors may be limited in how they conduct their business, unable to raise additional debt or equity financing to operate during general economic or business downturns, unable to respond to changing circumstances or to pursue business strategies and unable to compete effectively, execute their growth strategy or take advantage of new business opportunities.

vi. *Additional Financing*

The Reorganized Debtors may be able to incur substantial additional indebtedness in the future. Although agreements governing the Reorganized Debtors' indebtedness are expected to restrict the incurrence of additional indebtedness, these restrictions are and will be subject to a number of qualifications and exceptions and the additional indebtedness incurred in compliance with these restrictions could be substantial. If new debt is added to the Reorganized Debtors' current debt levels, the related risks that the Reorganized Debtors face could intensify.

Moreover, the Reorganized Debtors may need to seek additional financing for general corporate purposes. For example, they may need funds to make acquisitions or for capital expenditures or operating expenses needed to remain competitive in their market sector. The Reorganized Debtors may be unable to obtain any desired additional financing on terms that are favorable or acceptable to them, including as a result of their debt levels or if there is a decline in the demand for their products or in the solvency of their customers, vendors or suppliers or other significantly unfavorable changes in economic conditions occur. Depending on market conditions, adequate funds may not be available to the Reorganized Debtors on acceptable terms or at all, and they may be unable to fund expansion, successfully develop or enhance products, or respond to competitive pressures, any of which could have a material adverse effect on the

Reorganized Debtors' competitive position, business, financial condition, results of operations, and cash flows.

E. Factors Relating to Securities to Be Issued Under Plan

i. *Market for Securities*

There will be no public market for the New Common Interests or the New Warrants. Accordingly, the liquidity of such instruments will be limited. The liquidity of any private market for New Common Interests and New Warrants will depend upon, among other things, the number of holders of New Common Interests or New Warrants, the Reorganized Debtors' financial performance, and the market for similar securities, none of which can be determined or predicted. Accordingly, there can be no assurance that active trading markets for New Common Interests or New Warrants will develop, nor can any assurance be given as to the liquidity or prices at which such securities might be traded. In the event active trading markets do not develop or are not maintained, holders of the New Common Interests or New Warrants may experience substantial difficulty in transferring or reselling such securities or may be unable to transfer or sell them at all. Even if such a market were to exist, such securities could trade at prices higher or lower than the estimated value set forth in this Disclosure Statement depending upon many factors, including prevailing interest rates, markets for similar securities, industry conditions, and the performance of, and investor expectations for, the Reorganized Debtors. Accordingly, holders of the New Common Interests and New Warrants may bear certain risks associated with holding securities for an indefinite period of time.

ii. *Potential Dilution*

The ownership percentage represented by the New Common Interests issued or deemed to be issued on the Effective Date under the Plan will be subject to dilution from the equity issued in connection with the New Warrants, the Equity Rights Offering, the MIP, and the conversion of any options, warrants, convertible securities, exercisable securities, or other securities that may be issued post-emergence. In the future, similar to all companies, additional equity financings or other share issuances by any of the Reorganized Debtors could adversely affect the value of the New Common Interests issuable upon such conversion. The amount and dilutive effect of any of the foregoing could be material.

iii. *Compliance with Terms of the Exit Facilities*

The Plan provides that the Debtors will enter into the Exit Facilities on the Effective Date. The Debtors believe that they will have sufficient cash flow to make all required interest payments on the Exit Facilities. If the Debtors' actual financial performance does not meet their cash flow projections, however, and if other sources of liquidity are not available, there is a risk that the Debtors might be unable to pay interest and principal payments on the Exit Facilities. Additionally, the Exit Facilities will contain restrictive covenants that could limit the Debtors' ability to operate their business flexibly, affecting strategic decisions, capital expenditures, and overall financial performance. Such covenants may include restrictions on incurring additional debt, granting liens, making certain acquisitions and investments, making certain dispositions,

making dividends, stock repurchases and other restricted payments or engaging in specific transactions, which could impact the Company's growth and operational efficiency.

iv. *Significant Holders*

Certain holders of First Lien Claims are expected to, or have the ability to, acquire a significant ownership interest in the New Common Interests pursuant to the Plan. Should these holders act collectively, these holders may, among other things, exercise a controlling influence over the Reorganized Debtors and have the power to elect directors and approve significant transactions. This concentration of ownership could also facilitate or hinder a negotiated change of control of the Reorganized Debtors and, consequently, have an impact upon the value of the New Common Interests. The significant ownership stake may allow these holders, should they act collectively, to appoint a majority of the board of directors, potentially influencing the Company's management and strategic direction. This could lead to changes in corporate governance practices, business strategies, and capital allocation policies that align with the interests of the major shareholders. The interests of these significant holders may not always align with those of other shareholders or the Reorganized Debtors, potentially leading to conflicts in decision-making. Lastly, this ownership structure could either attract potential acquirers due to the ease of negotiating with a small group of major shareholders or deter them if the Holders are not interested in selling their stakes.

v. *Equity Interests Subordinated to Reorganized Debtors' Indebtedness*

In any subsequent liquidation, dissolution, or winding up of the Reorganized Debtors, the New Common Interests would rank below all debt claims against the Reorganized Debtors. As a result, holders of the New Common Interests will not be entitled to receive any payment or other distribution of assets upon the liquidation, dissolution, or winding up of the Reorganized Debtors until after all the Reorganized Debtors' debt obligations have been satisfied.

vi. *Implied Value Not Intended to Represent Trading Value of New Common Interests*

The valuation of the Reorganized Debtors is not intended to represent the trading value of New Common Interests in private markets and is subject to additional uncertainties and contingencies, all of which are difficult to predict. Actual market prices of such securities at issuance will depend upon, among other things: (i) prevailing interest rates; (ii) conditions in the financial markets; (iii) the anticipated initial securities of creditors receiving New Common Interests under the Plan, some of which may prefer to liquidate their investment rather than hold it on a long-term basis; and (iv) other factors that generally influence the prices of securities. The actual market prices of the New Common Interests may be volatile. Many factors, including factors unrelated to the Reorganized Debtors' actual operating performance and other factors not possible to predict, could cause the market prices of the New Common Interests to rise and fall. Accordingly, the implied value, stated herein and in the Plan, of the securities to be issued does not necessarily reflect, and should not be construed as reflecting, values that will be attained for the New Common Interests in private markets.

vii. ***Certain Holders of Securities May Be Restricted in Their Ability to Transfer or Sell Their Securities***

To the extent that securities issued under the Plan are done so in reliance on the exemption from registration under section 1145(a)(1) of the Bankruptcy Code, such securities may be resold by the holders thereof without registration under the Securities Act unless the holder is an "underwriter," as defined in section 1145(b) of the Bankruptcy Code with respect to such securities. Resales by holders of Claims who 1145 Securities pursuant to the Plan that are deemed to be "underwriters" would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or applicable law. In addition, certain securities under the Plan will be issued pursuant to other exemptions from the registration requirements of the Securities Act, including pursuant to section 4(a)(2) thereof and/or Regulation D promulgated thereunder, and such securities will be "restricted" securities under applicable securities laws, and subject to comparable restrictions on transferability. Holders of securities not exempted by section 1145 of the Bankruptcy Code, including the foregoing restricted securities, would only be permitted to sell such securities without registration if they are able to comply with an applicable exemption from registration, including Rule 144 under the Securities Act. Additionally, to the extent any holder is deemed an "affiliate" of the Reorganized Debtors, the resale of any securities issued under section 1145 of the Bankruptcy Code by that holder will be subject to the "control securities" restrictions of Rule 144 under the Securities Act.

The securities issued under the Plan will not initially be registered under the Securities Act or any state securities laws, and the Debtors make no representations regarding the right of any holder of such securities to freely resell such securities.

viii. ***No Dividends***

Reorganized Parent does not anticipate paying any dividends on the New Common Interests as it expects to retain any future cash flows for debt reduction and to support its operations. In addition, covenants in the documents governing the Reorganized Parent's indebtedness may restrict its ability to pay cash dividends and may prohibit the payment of dividends and certain other payments. As a result, the success of an investment in the New Common Interests may depend entirely upon any future appreciation in the value of the New Common Interests. There is, however, no guarantee that the New Common Interests will appreciate in value or even maintain their initial value.

F. Additional Factors

i. ***Debtors Could Withdraw Plan***

Subject to the terms of, and without prejudice to, the rights of any party to the Restructuring Support Agreement, including consent rights contained therein, the Plan may be revoked or withdrawn prior to the Confirmation Date by the Debtors.

ii. ***Debtors Have No Duty to Update***

The statements contained in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that

date does not imply that there has been no change in the information set forth herein since that date. The Debtors have no duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

iii. ***No Representations Outside this Disclosure Statement Are Authorized***

No representations concerning or related to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your vote for acceptance or rejection of the Plan that are other than those contained in, or included with, this Disclosure Statement should not be relied upon in making the decision to vote to accept or reject the Plan.

iv. ***No Legal or Tax Advice Is Provided by this Disclosure Statement***

The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each holder of a Claim or Interest should consult their own legal counsel and accountant as to legal, tax, and other matters concerning their Claim or Interest. This Disclosure Statement is not legal advice to you. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

v. ***No Admission Made***

Nothing contained herein or in the Plan will constitute an admission of, or will be deemed evidence of, the tax or other legal effects of the Plan on the Debtors or holders of Claims or Interests.

vi. ***Certain Tax Consequences***

For a discussion of certain tax considerations to the Debtors and certain holders of Claims in connection with the implementation of the Plan, see Article IX hereof.

XI.
VOTING PROCEDURES AND REQUIREMENTS

Before voting to accept or reject the Plan, each holder of a Claim or Interest entitled to vote on the Plan (a "***Voting Party***") should carefully review the Plan attached hereto as **Exhibit A**. All descriptions of the Plan set forth in this Disclosure Statement are subject to the terms and conditions of the Plan. **This Disclosure Statement has not been approved by the Bankruptcy Court**.

A. Voting Procedures

Voting Parties in each Class should provide all of the information requested by the applicable Ballot, and should complete and return all Ballots received in accordance with the instructions provided.

B. Parties Entitled to Vote

Under the Bankruptcy Code, only holders of claims or interests in "impaired" classes are entitled to vote on a plan. Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "impaired" under a plan unless (i) the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof or (ii) notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default.

If, however, the holder of an impaired claim or interest will not receive or retain any distribution under the plan on account of such claim or interest, the Bankruptcy Code deems such holder to have rejected the plan, and, accordingly, holders of such claims and interests do not actually vote on the plan. If a claim or interest is not impaired by the plan, the Bankruptcy Code presumes the holder of such claim or interest to have accepted the plan and, accordingly, holders of such claims and interests are not entitled to vote on the Plan.

A vote may be disregarded if the Bankruptcy Court determines, pursuant to section 1126(e) of the Bankruptcy Code, that it was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

The Claims in the following Classes are impaired under the Plan and entitled to vote to accept or reject the Plan:

- Class 3 — First Lien Claims;
- Class 4 — General Unsecured Claims; and
- Class 5 — Subordinated Unsecured Notes Claims.

C. Voting Deadline

All Voting Parties have been sent a ballot to vote to accept or reject the Plan (the "***Ballot***") together with this Disclosure Statement. Such Voting Parties should read the Ballot carefully and follow the instructions contained therein. Please use only the Ballot that accompanies this Disclosure Statement to cast your vote. Each Ballot contains detailed voting instructions and sets forth in detail, among other things, the deadlines, procedures, and instructions for voting to accept or reject the Plan, the Voting Record Date for voting purposes, and the applicable standards for tabulating Ballots.

Each Ballot also provides Voting Parties with the ability to opt out of certain of the releases contained in the Plan. To the extent a Voting Party wishes to opt out of the identified releases, the Voting Party must check the box on the Ballot indicating such Voting Party is electing to opt out of the releases and follow the instructions on the applicable Ballot to properly submit their elections.

The Debtors have engaged Kurtzman Carson Consultants, LLC d/b/a Verita Global as their Solicitation Agent to assist in the transmission of voting materials and in the tabulation of votes with respect to the Plan. **FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT OR A MASTER BALLOT CAST ON YOUR BEHALF MUST BE RECEIVED BY THE SOLICITATION AGENT ON OR BEFORE THE VOTING DEADLINE OF 4:00 P.M. (CENTRAL TIME) ON NOVEMBER ~~7~~25, 2025, UNLESS EXTENDED BY THE DEBTORS.**

IF A BALLOT IS DAMAGED OR LOST, YOU MAY CONTACT THE SOLICITATION AGENT AT THE NUMBER SET FORTH BELOW TO RECEIVE A REPLACEMENT BALLOT. ANY BALLOT THAT IS EXECUTED AND RETURNED BUT WHICH DOES NOT INDICATE A VOTE FOR ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED.

IF YOU HAVE ANY QUESTIONS CONCERNING VOTING PROCEDURES, YOU MAY CONTACT THE SOLICITATION AGENT AT:

E-mail: **ModivCareInfo@veritaglobal.com (with a reference to "ModivCare Solicitation Inquiry" in the subject line)**

Additional copies of this Disclosure Statement, the Plan, and the Plan Supplement (when filed) are available upon written request made to the Solicitation Agent, at the e-mail address set forth immediately above or at the following address:

ModivCare Inc.
c/o Verita Ballot Processing Center
222 N. Pacific Coast Highway, Suite 300
El **Segundo**, **CA 90245**

ANY BALLOT THAT IS EXECUTED AND RETURNED BUT WHICH DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED. OTHER THAN A CLASS 4 MASTER BALLOT OR A CLASS 5 MASTER BALLOT, ANY BALLOT THAT INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN WILL NOT BE COUNTED. THE DEBTORS, IN THEIR SOLE DISCRETION, MAY REQUEST THAT THE SOLICITATION AGENT ATTEMPT TO CONTACT SUCH VOTERS TO CURE ANY SUCH DEFECTS IN THE BALLOTS. THE FAILURE TO VOTE DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT THE PLAN. AN OBJECTION TO THE CONFIRMATION OF THE PLAN, EVEN IF TIMELY SERVED, DOES NOT CONSTITUTE A VOTE TO ACCEPT OR REJECT THE PLAN.

D. Notice of Non-Voting Status

Holders of Claims in Class 1 and Class 2 are Unimpaired and presumed to accept the Plan. Holders of Claims in Class 7 and Interests in Class 9 are Impaired and deemed to reject the Plan. Holders of Claims in Class 6 and Class 8 are Affiliates and will be Unimpaired and presumed to accept the Plan.[14] Accordingly, Holders of Claims and Interests in Classes 1, 2, 7, and 9 will receive a notice informing them of their non-voting status (the "***Notice of Non-Voting Status***"). The Debtors are requesting a waiver of any requirement to provide Holders of Claims and Interests in Class 6 and Class 8 a Notice of Non-Voting Status or any other solicitation materials.

E. Release Opt-Out Form

Together with the Notice of Non-Voting Status, Holders of Claims and Interests in Classes 1, 2, 7, and 9 will receive a form to complete and return if the party elects to opt out of the releases contemplated by the Plan ("***Release Opt-Out Form***"). To the extent a Holder of Claims and Interests in Class 1, 2, 7, and 9 wishes to elect to opt-out of the releases, such Holder must return the Release Opt-Out Form, with the box checked indicating such Holder is electing to opt-out of the releases, to the Solicitation Agent **before 4:00 p.m. (prevailing Central Time) on November ~~7~~25, 2025**.

F. Further Information, Additional Copies

If you have any questions or require further information about the voting procedures for voting your Claim, or about the packet of material you received, or if you wish to obtain an additional copy of the Plan, this Disclosure Statement, or any exhibits to such documents, please contact the Solicitation Agent.

[14] The Debtors have asked the Bankruptcy Court to waive the bankruptcy notice requirement with respect to Class 6 – Intercompany Claims and Class 8 – Intercompany Interests to relieve the Debtors of the need to serve a Notice of Non-Voting Status or any other type of notice in connection with the Plan on holders of such Claims and Interests.

XII.
CONFIRMATION OF PLAN

A. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court to hold a confirmation hearing upon appropriate notice to all required parties. Notice of the Confirmation Hearing will be provided to all known creditors and equity holders or their representatives. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for the announcement of the continuation date made at the Confirmation Hearing, at any subsequent continued Confirmation Hearing, or pursuant to a notice filed on the docket for the Chapter 11 Cases.

B. Objections to Confirmation

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to the confirmation of a plan. Any objection to confirmation of the Plan must (i) be in writing; (ii) conform to the applicable Bankruptcy Rules and the Bankruptcy Local Rules; (iii) set forth the name of the objecting party, the basis for the objection, and the specific grounds thereof; (iv) include proposed language that if included in the Plan would remedy the matters set forth in the objection; and (v) be filed with the Court, together with proof of service. In addition to being filed with the Court, any such responses or objections must be served on the following parties so as to be received by November ~~7~~25, 2025 at 4:00 p.m. (prevailing Central Time):

(a) **Debtors** at
ModivCare Inc.,
6900 E. Layton Avenue, Suite 1100 & 1200
Denver, CO 80237
Attn: Faisal Khan (Faisal.Khan@modivcare.com)

(b) **Counsel to Debtors** at
Latham & Watkins LLP
1271 Avenue of the Americas
New York, New York 10020
Attn: Ray C. Schrock (Ray.Schrock@lw.com)
Keith A. Simon (Keith.Simon@lw.com)
George Klidonas (George.Klidonas@lw.com)
Jonathan J. Weichselbaum
(Jon.Weichselbaum@lw.com)

and

Hunton Andrews Kurth LLP
600 Travis Street, Suite 4200
Houston, Texas 77002

Attn: Timothy A. ("Tad") Davidson II (TadDavidson@hunton.com)
Catherine A. Rankin (CRankin@hunton.com)
Brandon Bell (BBell@hunton.com)

Office of U.S. Trustee at
Office of the United States Trustee for the Southern District of Texas
515 Rusk Street, Suite 3516
Houston, Texas 77002
Attn: Jana Whitworth (Jana.Whitworth@usdoj.gov)
Andrew Jimenez (andrew.jimenez@usdoj.gov)

(a) **Counsel to the First Lien Agent, the Consenting Creditors, the DIP Lenders, and the DIP Agent** at
Paul Hastings LLP
200 Park Avenue
New York, NY 10166
Attn: Kris Hansen (krishansen@paulhastings.com)
Matt Warren (mattwarren@paulhastings.com)
Lindsey Henrikson (lindsey.henrikson@paulhastings.com)

IF AN OBJECTION TO CONFIRMATION IS NOT TIMELY SERVED AND FILED BY NOVEMBER ~~7~~25, 2025 AT 4:00 P.M. (PREVAILING CENTRAL TIME), IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

C. Requirements for Confirmation of Plan

i. ***Requirements of Section 1129(a) of Bankruptcy Code***

At the Confirmation Hearing, the Bankruptcy Court will determine whether the confirmation requirements specified in section 1129(a) of the Bankruptcy Code have been satisfied, including whether:

(a) the Plan complies with the applicable provisions of the Bankruptcy Code;

(b) the Debtors have complied with the applicable provisions of the Bankruptcy Code;

(c) the Plan has been proposed in good faith and not by any means forbidden by law;

(d) any payment made or promised by the Debtors, for services or for costs and expenses in or in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been disclosed to the

Bankruptcy Court, and any such payment made before confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable;

(e) the Debtors have disclosed, to the extent known, the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director or officer of the Reorganized Debtors, an affiliate of the Debtors participating in the Plan with the Debtors, or a successor to the Debtors under the Plan, and the appointment to, or continuance in, such office of such individual is consistent with the interests holders of Claims and Interests and with public policy, and the Debtors have disclosed the identity of any insider who will be employed or retained by the Reorganized Debtors, and the nature of any compensation for such insider;

(f) with respect to each Class of Claims or Interests, each holder of an Impaired Claim or Interest has either accepted the Plan or will receive or retain under the Plan, on account of such holder's Claim, property of a value, as of the Effective Date of the Plan, that is not less than the amount such holder would receive or retain if the Debtors were liquidated on the Effective Date of the Plan under chapter 7 of the Bankruptcy Code;

(g) except to the extent the Plan meets the requirements of section 1129(b) of the Bankruptcy Code (as discussed further below), each Class of Claims or Interests either accepted the Plan or is not impaired under the Plan;

(h) except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides that Administrative Expense Claims, Other Priority Claims, and Priority Tax Claims will be paid in full or receive such other treatment consistent with the provisions of section 1129(a)(9) of the Bankruptcy Code;

(i) at least one Class of impaired Claims has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim in such Class;

(j) confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization,

of the Debtors or any successor to the Debtors under the Plan; and

(k) all fees payable under section 1930 of title 28, as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

As provided above, among the requirements for confirmation are that the Plan is: (A) accepted by all impaired Classes of Claims and Interests entitled to vote or, if rejected or deemed rejected by an impaired Class, that the Plan "does not discriminate unfairly" and is "fair and equitable" as to such Class; (B) in the "best interests" of the holders of Claims and Interests impaired under the Plan; and (C) feasible.

ii. ***Acceptance of Plan***

Under the Bankruptcy Code, a class accepts a chapter 11 plan if (i) holders of two-thirds (2/3) in amount and (ii) with respect to holders of claims, more than a majority in number of the allowed claims in such class (other than those designated under section 1126(e) of the Bankruptcy Code) vote to accept the plan. Holders of Claims or Interests that fail to vote are not counted in determining the thresholds for acceptance of the plan.

If any impaired Class of Claims or Interests does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Debtors if at least one Class of Claims has accepted the Plan and, as to each Impaired Class of Claims or Interests that has not accepted the Plan (or is deemed to reject the Plan), the Plan "does not discriminate unfairly" and is "fair and equitable" under the so-called "cramdown" provisions set forth in section 1129(b) of the Bankruptcy Code. The "unfair discrimination" test applies to classes of claims or interests that are of equal priority and are receiving different treatment under the plan. A chapter 11 plan does not discriminate unfairly, within the meaning of the Bankruptcy Code, if the legal rights of a dissenting class are treated in a manner consistent with the treatment of other classes whose legal rights are substantially similar to those of the dissenting class and if no class of claims or interests receives more than it legally is entitled to receive for its claims or interests. The test does not require that the treatment be the same or equivalent, but that such treatment be "fair." The "fair and equitable" test applies to classes of different priority and status (e.g., secured versus unsecured; claims versus interests) and includes the general requirement that no class of claims receive more than 100% of the allowed amount of the claims in such class. As to a dissenting class, if any, the test sets different standards that must be satisfied for the plan to be confirmed, depending on the type of claims or interests in such class. The following sets forth the "fair and equitable" test that must be satisfied as to each type of class for a plan to be confirmed if such class rejects the plan:

- **Secured Creditors**. Each holder of an impaired secured claim either (a) retains its liens on the property, to the extent of the allowed amount of its secured claim, and receives deferred cash payments having a value, as of the effective date of the plan, of at least the allowed amount of such secured claim, (b) has the right to credit bid the amount of its claim if its property is sold and retains its lien on the

proceeds of the sale, or (c) receives the "indubitable equivalent" of its allowed secured claim.

- **Unsecured Creditors**. Either (a) each holder of an impaired unsecured claim receives or retains under the Plan, property of a value, as of the effective date of the Plan, equal to the amount of its allowed claim or (b) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the plan.

- **Interests**. Either (a) each equity interest holder will receive or retain under the plan property of a value equal to the greater of (i) the fixed liquidation preference or redemption price, if any, of such equity interest and (ii) the value of the equity interest or (b) the holders of interests that are junior to the interests of the dissenting class will not receive or retain any property under the plan.

The Debtors believe the Plan satisfies the "fair and equitable" requirement with respect to any rejecting Class.

IF ALL OTHER CONFIRMATION REQUIREMENTS ARE SATISFIED AT THE CONFIRMATION HEARING, THE DEBTORS WILL ASK THE BANKRUPTCY COURT TO RULE THAT THE PLAN MAY BE CONFIRMED ON THE GROUND THAT THE SECTION 1129(b) REQUIREMENTS HAVE BEEN SATISFIED.

iii. *Best Interests Test*

As noted above, with respect to each impaired class of claims and equity interests, confirmation of a plan requires that each such holder either: (a) accept the plan; or (b) receive or retain under the plan property of a value, as of the effective date of the plan, that is not less than the value such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code. This requirement is referred to as the "best interests test."

This test requires a bankruptcy court to determine what the holders of allowed claims and allowed equity interests in each impaired class would receive from a liquidation of the debtor's assets and properties in the context of a liquidation under chapter 7 of the Bankruptcy Code. To determine if a plan is in the best interests of each impaired class, the value of the distributions from the proceeds of the liquidation of the debtor's assets and properties (after subtracting the amounts attributable to the aforesaid claims) is then compared with the value offered to such classes of claims and equity interests under the plan.

Under the Plan, all holders of Impaired Claims and Interests will receive property with a value not less than the value such holder would receive in a liquidation under chapter 7 of the Bankruptcy Code. This conclusion is based primarily on: (a) consideration of the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to holders of Impaired Claims and Interests; and (b) the Liquidation Analysis attached hereto as **Exhibit C**.

Any liquidation analysis is speculative, as it is necessarily premised on assumptions and estimates that are inherently subject to significant uncertainties and contingencies, many of

which would be beyond the control of the Debtors. The Liquidation Analysis provided in **Exhibit C** is solely for the purpose of disclosing to holders of Claims and Interests the effects of a hypothetical chapter 7 liquidation of the Debtors, subject to the assumptions set forth therein. There can be no assurance as to values that would actually be realized in a chapter 7 liquidation nor can there be any assurance that a bankruptcy court will accept the Debtors' conclusions or concur with such assumptions in making its determinations under section 1129(a)(7) of the Bankruptcy Code.

iv. *Feasibility*

Section 1129(a)(11) of the Bankruptcy Code requires that a debtor demonstrate that confirmation of a plan is not likely to be followed by liquidation or the need for further financial reorganization. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan. As part of this analysis, the Debtors have prepared the consolidated financial projections for the Reorganized Debtors (collectively with the reserve information, development of schedules, and financial information, the "***Financial Projections***") for fiscal years 2026 through 2030. The Financial Projections, and the assumptions on which they are based, are attached hereto as **Exhibit D**. Based upon such Financial Projections, the Debtors conclude they will have sufficient resources to make all payments required pursuant to the Plan and that confirmation of the Plan is not likely to be followed by liquidation or the need for further reorganization. Moreover, Article IX hereof sets forth certain risk factors that could impact the feasibility of the Plan.

The Financial Projections assume that the Plan will be consummated in accordance with its terms and that all transactions contemplated by the Plan will be consummated on or prior to December ~~8~~24, 2025 (the "***Effective Date***"). Any significant delay in the Effective Date may have a significant negative impact on the operations and financial performance of the Debtors including, but not limited to, an increased risk or inability to meet forecasts and the incurrence of higher reorganization expenses.

The Debtors do not, as a matter of course, publish their business plans or strategies, projections or anticipated financial position. Accordingly, the Debtors do not anticipate that they will, and disclaim any obligation to, furnish updated business plans or Financial Projections to parties in interest after the Confirmation Date or otherwise make such information public. In connection with the planning and development of the Plan, the Financial Projections were prepared by the Debtors, with the assistance of their professionals, to present the anticipated impact of the Plan. The Financial Projections assume that the Plan will be implemented in accordance with its stated terms. The Financial Projections are based on forecasts of key economic variables and may be significantly impacted by business, industry, regulatory, market and financial uncertainties and contingencies, and a variety of other factors.

Consequently, the estimates and assumptions underlying the Financial Projections are inherently uncertain and are subject to material business, economic, and other uncertainties. Therefore, such Financial Projections, estimates, and assumptions are not necessarily indicative of current values or future performance, which may be significantly less or more favorable than set forth herein.

The Financial Projections should be read in conjunction with the assumptions, qualifications, and explanations set forth in this Disclosure Statement, the Plan, and the Plan Supplement, in their entirety, and the historical consolidated financial statements (including the notes and schedules thereto).

XIII.
ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF PLAN

The Debtors have evaluated several alternatives to the Plan. After studying these alternatives, the Debtors have concluded that the Plan is the best alternative and will maximize recoveries to parties in interest, assuming confirmation and consummation of the Plan. If the Plan is not confirmed and consummated, the alternatives to the Plan are (i) the preparation and presentation of an alternative reorganization, (ii) a sale of some or all of the Debtors' assets pursuant to section 363 of the Bankruptcy Code, or (iii) a liquidation under chapter 7 of the Bankruptcy Code.

A. Alternative Plan of Reorganization

If the Plan is not confirmed, the Debtors (or if the Debtors' exclusive period in which to file a plan of reorganization has expired, any other party in interest) could attempt to formulate a different plan. Such a plan might involve either (i) a reorganization and continuation of the Debtors' business or (ii) an orderly liquidation of their assets. The Debtors, however, believe that the Plan, as described herein, enables their stakeholders to realize the most value under the circumstances. In addition, if the Plan is not confirmed pursuant to the terms of the Restructuring Support Agreement, the Consenting Creditors have the right to terminate the Restructuring Support Agreement (and all obligations thereunder) either in its entirety or as to themselves only, as applicable.

B. Sale Under Section 363 of the Bankruptcy Code

If the Plan is not confirmed, the Debtors could seek from the Bankruptcy Court, after notice and hearing, authorization to sell their assets under section 363 of the Bankruptcy Code. Holders of Allowed Claims in Class 3 would be entitled to credit bid on any property to which their security interest is attached to the extent of the value of such security interest, and to offset their Claims against the purchase price of the property. In addition, the security interests in the Debtors' assets held by Holders of Claims in Class 3 would attach to the proceeds of any sale of the Debtors' assets to the extent of their secured interests therein. Upon analysis and consideration of this alternative, the Debtors do not believe a sale of their assets under section 363 of the Bankruptcy Code would yield a higher recovery for the holders of Claims and Interests under the Plan.

C. Liquidation under Chapter 7 of Bankruptcy Code

If no plan can be confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code in which a trustee would be elected or appointed to liquidate the assets of the Debtors for distribution to their creditors in accordance with the priorities established by the Bankruptcy Code. The effect that a chapter 7 liquidation would have on the recovery of holders of Allowed Claims and Interests is set forth in the Liquidation Analysis attached hereto as **Exhibit C**.

The Debtors believe that liquidation under chapter 7 would result in smaller distributions to creditors than those provided for in the Plan because of, among other things, the delay resulting from the conversion of the Chapter 11 Cases, the additional administrative expenses associated with the appointment of a trustee and the trustee's retention of professionals who would be required to become familiar with the many legal and factual issues in the Chapter 11 Cases, and the loss in value attributable to an expeditious liquidation of the Debtors' assets as required by chapter 7.

[*Remainder of page intentionally left blank*]

XIV.
CONCLUSION AND RECOMMENDATION

The Debtors believe the Plan is in the best interests of all stakeholders and urge the holders of Claims in Classes 3, 4, and 5 to vote in favor thereof.

Dated: October 416, 2025

Respectfully submitted,

On behalf of ModivCare Inc. and
its Debtor Affiliates

By: /s/ *Chad J. Shandler*
Name: Chad J. Shandler
Title: Chief Transformation Officer

Exhibit A

Plan

Exhibit B

Organizational Structure

Exhibit C

Liquidation Analysis

Exhibit D

Financial Projections

Exhibit E

Valuation Analysis