As filed with the Securities and Exchange Commission on April 20, 2021.

Registration No. 333-254981

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 1 TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AVEANNA HEALTHCARE HOLDINGS INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware **(State or Other Jurisdiction of Incorporation or Organization)**	**8082** **(Primary Standard Industrial Classification Code Number)**	**81-4717209** **(I.R.S. Employer Identification Number)**

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Atlanta, GA 30339
(770) 441-1580
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Copies to:

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Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒	Smaller reporting company ☐
			Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(3)
Common Stock, par value $0.01 per share	43,971,400	$18.00	$791,485,200.00	$86,351.04

(1) Includes the shares/offering price of shares of Common Stock that may be sold if the overallotment option to purchase additional shares of Common Stock granted by the registrant to the underwriters is exercised. See "Underwriting (Conflicts of Interest)."

(2) This amount represents the proposed maximum aggregate offering price of the securities registered hereunder. These figures are estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(a) under the Securities Act of 1933, as amended (the "Securities Act").

(3) Of this amount, the Registrant previously paid $10,910 of the total registration fee in connection with the previous filing of the Registration Statement.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the U.S. Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED APRIL 20, 2021

Preliminary Prospectus

38,236,000 Shares

aveanna healthcare

Aveanna Healthcare Holdings Inc.

Common Stock

This is the initial public offering of shares of common stock of Aveanna Healthcare Holdings Inc. (the "common stock"). We are offering 38,236,000 shares of our common stock.

Prior to this offering, there has been no public market for our common stock. We anticipate that the initial public offering price will be between $16.00 and $18.00 per share. We have applied to list our common stock on the Nasdaq Global Select Market ("Nasdaq") under the symbol "AVAH."

After the completion of this offering, assuming an offering size as set forth above, affiliates of the Sponsors (as defined herein) will own approximately 72.0% of our outstanding common stock (or 69.8% of our outstanding common stock if the underwriters' option to purchase additional shares is exercised in full). As a result, we will be a "controlled company" within the meaning of the corporate governance rules of Nasdaq. See "Management—Controlled Company Exception."

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 27 to read about factors you should consider before buying shares of our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions(1)	$	$
Proceeds to us, before expenses	$	$

(1) We have agreed to reimburse the underwriters for certain expenses in connection with this offering. See "Underwriting (Conflicts of Interest)."

We have also granted the underwriters an option for a period of 30 days to purchase up to an additional 5,735,400 shares of our common stock on the same terms set forth above to cover overallotments, if any. See "Underwriting (Conflicts of Interest)."

Delivery of the shares of common stock will be made on or about , 2021.

Barclays **J.P. Morgan**

BMO Capital Markets **Credit Suisse**

BofA Securities **Deutsche Bank Securities** **Jefferies** **RBC Capital Markets** **Truist Securities**

Raymond James **Stephens Inc.** **Drexel Hamilton** **Siebert Williams Shank**

Prospectus dated , 2021

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aveanna
healthcare®

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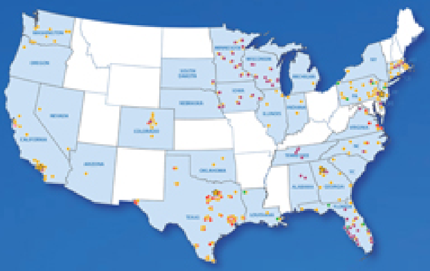
aveanna
healthcare
PRIVATE DUTY NURSING
HOME HEALTH & HOSPICE
ENTERAL NUTRITION
PERSONAL CARE
THERAPY
THE FUTURE OF HOMECARE



30
STATES

245
BRANCH LOCATIONS

42k
CAREGIVERS

39mm
TOTAL HOMECARE HOURS / VISITS

1,500+
DISTINCT PAYERS

$1.5bn
FY2020 REVENUE

Stats based on the fiscal year ended January 2, 2021.

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Neither we nor any of the underwriters have authorized anyone to provide any information or make any representations other than those contained in this prospectus or in any free writing prospectus filed with the Securities and Exchange Commission (the “SEC”). Neither we nor any of the underwriters take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where such offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the common stock. Our business, financial condition, results of operations and prospects may have changed since such date.

For investors outside of the United States, neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about, and to observe any restrictions relating to, this offering and the distribution of this prospectus outside of the United States.

Through and including   , 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer’s obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

ABOUT THIS PROSPECTUS

As used in this prospectus, unless the context otherwise indicates, any reference to “Aveanna,” “our Company,” “the Company,” “us,” “we” and “our” refers, prior to the Formation (as defined herein), to Pediatric Services of America, Inc., together with its consolidated subsidiaries, and after the Formation, to Aveanna Healthcare Holdings Inc., the issuer of the common stock offered hereby, together with its consolidated subsidiaries.

Basis of Presentation

Aveanna’s consolidated financial data for the respective periods as of December 28, 2019 and January 2, 2021 and for the fiscal years ended December 29, 2018, December 28, 2019 and January 2, 2021 have been derived from our audited consolidated financial statements, which are included elsewhere in this prospectus. Our fiscal year ends on the Saturday that is closest to December 31 of a given year, resulting in either a 52- or 53-week fiscal year. “Fiscal year 2019” and “fiscal year 2018” refer to the 52-week fiscal years ended on December 28, 2019 and December 29, 2018, respectively. “Fiscal year 2020” refers to the 53-week fiscal year ending on January 2, 2021.

This prospectus also includes unaudited condensed consolidated pro forma financial information in order to reflect, on a pro forma basis, the impact of this offering and the anticipated use of proceeds therefrom and the acquisitions by us of the businesses described under “Summary—Recent Developments” during fiscal year 2020. See “Unaudited Pro Forma Condensed Consolidated Financial Information.”

Certain monetary amounts, percentages and other figures included elsewhere in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables or charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

Non-GAAP Financial Measures

In this prospectus, we present certain financial measures that are not calculated in accordance with accounting principles generally accepted in the United States of America (“GAAP”), referred to herein as “non-GAAP.” You should review the reconciliation and accompanying disclosures carefully in connection with your consideration of such non-GAAP measures and note that the way in which we calculate these measures may not be comparable to similarly titled measures employed by other companies. Specifically, we make use of the non-GAAP financial measures “EBITDA,” “Adjusted EBITDA,” “Acquisitions Adjusted EBITDA,” “Field contribution” and “Field contribution margin.”

EBITDA, Adjusted EBITDA, Acquisitions Adjusted EBITDA, Field contribution and Field contribution margin have been presented in this prospectus as supplemental measures of financial performance that are not required by, or presented in accordance with, GAAP. We believe EBITDA, Adjusted EBITDA and Acquisitions Adjusted EBITDA assist investors in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. Management believes Field contribution and Field contribution margin are helpful in highlighting trends in our core operating performance and evaluating trends in our branch and regional results, which can vary from year to year. We use Field contribution and Field contribution margin to make business decisions and assess the operating performance and results delivered by our core field operations, prior to corporate and other costs not directly related to our field operations. These metrics are also important because they guide us in determining whether or not our branch and regional administrative expenses are appropriately sized to support our caregivers and direct patient care operations. Additionally, Field contribution and Field contribution margin determine how effective we are in managing our field supervisory and administrative costs associated with supporting our provision of services and sale of products. Management supplements GAAP results with non-GAAP financial measures to provide a more complete understanding of the factors and trends affecting our business than GAAP results alone. EBITDA, Adjusted EBITDA, Acquisitions Adjusted EBITDA, Field contribution and Field contribution margin are not recognized under GAAP and should not be considered as an alternative to any performance measure derived in accordance with GAAP, including net income (loss). The presentations of non-GAAP measures have limitations as analytical tools and should not be considered in isolation, or as a substitute for the analysis of, our results as reported under GAAP. Because not all companies use identical calculations, the presentations of non-GAAP measures may not be comparable to other similarly titled measures of other companies and can differ significantly from company to company. For a discussion of the use of these measures and a reconciliation of the most directly comparable GAAP measures, see “Summary—Summary Historical and Pro Forma Consolidated Financial Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures.”

INDUSTRY AND MARKET DATA

Unless otherwise indicated, information contained in this prospectus concerning our industry, competitive position and the markets in which we operate is based on information from independent industry and research organizations, other third-party sources and management estimates. Management estimates are derived from publicly available information released by third-party sources, as well as data from our internal research, and are based on assumptions made by us upon reviewing such data, and our experience in, and knowledge of, such industry and markets, which we believe to be reasonable. Any industry forecasts are based on data (including third-party data), models and experience of various professionals and are based on various assumptions, all of which are subject to change without notice. In addition, projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to uncertainty and risk due to a variety of factors, including those described in “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements.” These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

PROSPECTUS SUMMARY

This summary contains selected information about our business and this offering contained elsewhere in this prospectus. It may not contain all the information that may be important to you. Investors should carefully read this entire prospectus before making an investment decision, including the information set forth under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and notes thereto included elsewhere in this prospectus. Some of the statements in this prospectus constitute forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements."

Unless we indicate otherwise or the context otherwise requires, all references to "Aveanna," "we," "us," "our" and the "Company" refer to Aveanna Healthcare Holdings Inc. and its consolidated subsidiaries.

Our Diversified Home Care Platform

We are a leading, diversified home care platform focused on providing care to medically complex, high-cost patient populations. We directly address the most pressing challenges facing the U.S. healthcare system by providing safe, high-quality care in the home, the lower cost care setting preferred by patients. Our patient-centered care delivery platform is designed to improve the quality of care our patients receive, which allows them to remain in their homes and minimizes the overutilization of high-cost care settings such as hospitals. Our clinical model is led by our caregivers, primarily skilled nurses, who provide specialized care to address the complex needs of each patient we serve across the full range of patient populations: newborns, children, adults and seniors. We have invested significantly in our platform to bring together best-in-class talent at all levels of the organization and support such talent with industry leading training, clinical programs, infrastructure and technology-enabled systems, which are increasingly essential in an evolving healthcare industry. We believe our platform creates sustainable competitive advantages that support our ability to continue driving rapid growth, both organically and through acquisitions, and positions us as the partner of choice for the patients we serve.

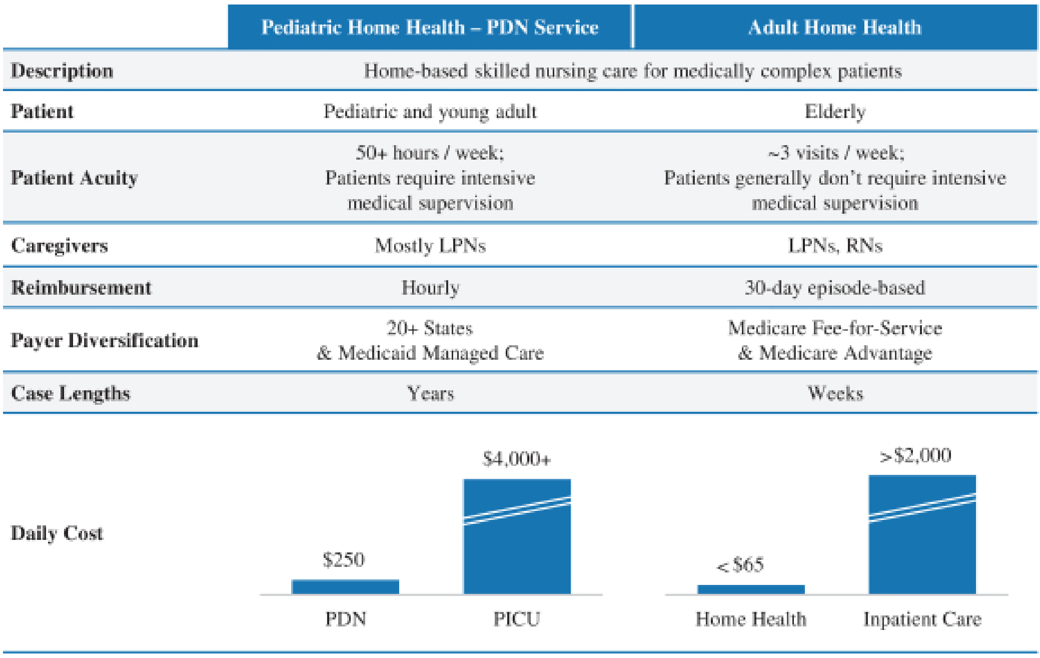
Over the past five years, we have scaled our business by a factor of approximately 5x, expanding from 17 states and $324.6 million of revenue in 2016 to 30 states and $1.5 billion in revenue in fiscal year 2020. We currently have 245 branch locations. We have recently expanded into adult home health and hospice for Medicare populations, adding a new platform to help drive our future growth. Our management team, led by Rodney Windley (Executive Chairman) and Tony Strange (Chief Executive Officer), has a successful track record of building leading businesses, including Gentiva Health Services, Inc. ("Gentiva"), which was the largest U.S. home health company before being acquired by Kindred Healthcare, Inc. ("Kindred") in 2015. Adult home health and hospice are natural extensions of Aveanna's core home health infrastructure. In particular, the adult home health business leverages our platform infrastructure and core competencies in clinical program management, automated and efficient nurse recruitment, technology-driven revenue cycle management, payer contracting and entry into new geographic markets. We believe that we have the opportunity to leverage our national home health infrastructure to develop an industry leading adult home health and hospice business similar in size and scale to our pediatric home health business. We believe this long-term expansion strategy in adult end markets through de novo expansion and acquisitions will provide Aveanna with a highly distinctive profile as compared to its home health peers, with more diversified reimbursement sources, a lower risk profile and a broader set of organic and inorganic growth avenues to pursue opportunistically.

Our pediatric home health business is fundamentally similar to the adult home health business, with many of the same positive attributes, as well as several notable advantages. In particular, adult home health and pediatric home health providers both utilize similar caregivers (including registered nurses, "RNs" and licensed practical nurses, "LPNs") and care models, treat similarly complex patients and serve similarly large and fragmented end markets. The value proposition of pediatric and adult home health is comparable as well: providing high-quality, low-cost care in a more convenient setting for patients as compared to other care settings. As a result, pediatric home health typically benefits from many of the same macro tailwinds benefitting the adult home health market, including alignment with payers and a shift to deliver more care in the home to drive cost savings.

However, pediatric home health differs from adult home health in several respects, including having a meaningfully higher-acuity patient base with higher weekly case hours, longer case duration, clearer patient diagnoses and more stable and diversified payer sources. Pediatric home health patients often need ventilators or tracheostomy tubes, which means they require significantly more hours of care (often greater than 50 weekly hours) and years of in-home nursing care. Moreover, because pediatric home health coverage is federally mandated (when medically necessary) with benefits provided at the state level through Medicaid agencies and managed Medicaid health plans, our payer mix is highly diversified, with no individual payer representing more than 7% of revenue for fiscal year 2020. We currently benefit from structural factors protecting rates, including a cost savings proposition to payers and a fragile population sensitive to access challenges. For example, today we serve more than 5,000 pediatric private duty nursing patients weekly at a cost of roughly $250 per day, providing care that could otherwise cost over $4,000 per day in a hospital’s pediatric intensive care unit. As a result, we have enjoyed a long, consistent and predictable trajectory of reimbursement rate increases consistent with cost inflation over the last five years.

We believe that payers appreciate the cost savings and clinical benefits associated with home health and are highly motivated to move towards value-based arrangements that reward providers for providing high-quality care in the home. We further believe that we are uniquely well-positioned to benefit from this push towards value-based care by virtue of our scale, which allows us to care for a meaningful share of our payer partners’ eligible populations, and the substantial investments we’ve made in our clinical training program, compliance protocols and technology infrastructure, which allow us to provide consistent, high-quality care along with patient data and reporting directly from the home. We therefore see Aveanna as a natural “partner of choice” for payers as the industry moves towards value-based arrangements.

The following table summarizes the key elements of our diversified home health business, of which our primary service is private duty nursing ("PDN") to our pediatric patients.



	Pediatric Home Health – PDN Service	Adult Home Health
Description	Home-based skilled nursing care for medically complex patients	
Patient	Pediatric and young adult	Elderly
Patient Acuity	50+ hours / week; Patients require intensive medical supervision	~3 visits / week; Patients generally don't require intensive medical supervision
Caregivers	Mostly LPNs	LPNs, RNs
Reimbursement	Hourly	30-day episode-based
Payer Diversification	20+ States & Medicaid Managed Care	Medicare Fee-for-Service & Medicare Advantage
Case Lengths	Years	Weeks
Daily Cost		

In addition to PDN and adult home health and hospice, we provide home-based pediatric therapy and enteral nutrition services, also known as tube or intravenous feeding, and related supplies. We have grown our enteral nutrition business significantly through our focus on pediatric and adult patients, which we believe differentiates us from our competitors, as we have the ability to cross-sell those services into our PDN patient populations, many of whom also require enteral nutrition. We believe there is significant opportunity to continue scaling our enteral nutrition business.

We believe our diversified home care platform is differentiated and exceptionally well-positioned to continue driving sustainable long-term growth:

- *Our business model is aligned with the right macro trends in healthcare today.* Healthcare costs in the United States are rising at unsustainable rates. Home health is widely recognized as part of the solution, particularly in a post-COVID-19 world where there is an imperative to avoid unnecessary facility-based care. Our national reach into the homes of many of the highest-cost patient populations positions us to deliver a better experience for our patients and their families, improve clinical outcomes and reduce aggregate costs to the U.S. healthcare system.

- *The markets we operate in are large, highly fragmented and growing rapidly.* Home health, broadly defined, is one of the fastest growing sectors in the healthcare industry, with spending projected to grow at a compound annual growth rate of 7.1% from 2019 through 2028 according to the Centers for Medicare and Medicaid Services ("CMS"). Our management believes that our core pediatric home health, adult home health and hospice end markets today are estimated to be over $90 billion in 2020 and are highly fragmented. The vast majority of our geographic markets are composed of small local or regional providers. For example, our management believes that approximately 75% of the PDN market is composed of small local and regional providers. Conversely, our management believes that we have a national market share of 11% in PDN, which creates significant scale advantages and a differentiated opportunity for us to continue to gain share and consolidate markets.

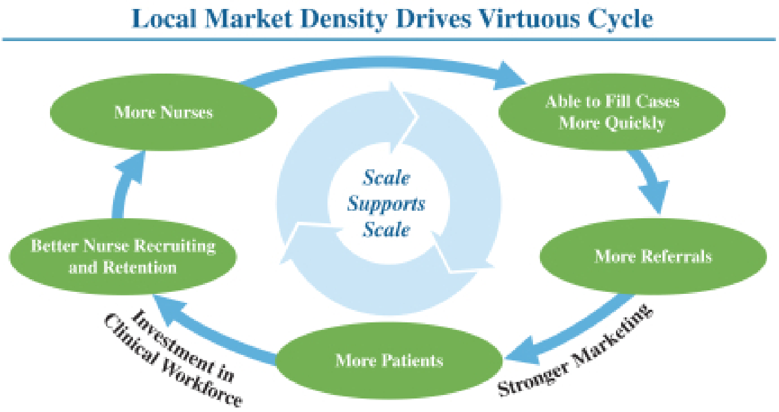
- *Our national and local scale density creates sustainable competitive advantages.* We believe that scale matters in our industry and that it drives sustainable competitive advantages.

  - We believe that we attract more nurses due to our higher number of available shifts near our caregivers' homes, our prestigious brand, our mission-driven culture that puts caregivers and families first, our advanced nurse training platform and industry leading benefits that provide for an attractive career path. The market for nurses and other caregivers in the United States is competitive and supply-constrained, which we believe can be a limiting factor on the ability of home care providers like Aveanna to grow. We believe that our ability to attract, train and retain nurses provides us with a significant competitive advantage. We believe our approximately 42,000 caregivers are a valuable asset and we have the ability to leverage not only our caregiver network, but also our recruiting operations to expand into adult home health in our existing markets.

  - As a result, we obtain more cases, as our large nursing panel allows us to more quickly place nurses with families seeking care, driving (1) higher referent and patient family satisfaction, (2) better brand advocacy, and (3) the ability to fill a high percentage of prescribed patient hours (known as "fill rate"). Our average fill rate was 85% from 2018 to 2020. We believe this in turn drives our high PDN patient satisfaction score (90.4% in 2020), low re-hospitalization rates and more profitable branches. As a result, we believe that we are viewed as the clear "provider of choice" by our patients, their families and referral sources at leading children's hospitals, enabling us to regularly capture a higher share of referral volumes.

  - Our scale allows us to reinvest in our capabilities that deliver more value for nurses and families. Importantly, our national scale and local market density create a profit advantage at the branch level as compared to smaller competitors in that we are able to reinvest each year into deeper capabilities to support our network, including: (1) a sophisticated pediatric home health sales team, training and recruiting team and compliance and payer relations team, which we believe are the largest in the industry, (2) the industry's only scaled, vertically integrated pediatric offering, bundling home health with enteral feeding services, and, critically, (3) a technology-enabled operating platform with tools for nurse recruiting, training and care reporting that we believe allows us to scale in a highly efficient and compliant manner.

- We believe that these operating efficiencies create a sustainable competitive advantage for Aveanna as compared to smaller home health providers, resulting in continued growth. Specifically, our significant capital and technology investments in our platform have distanced us from smaller healthcare providers in our local markets, catalyzing ongoing organic growth and acquisition opportunities. The small local and regional home health providers we compete against often operate with a "paper-based" mentality and face growing challenges operating in today's complex and increasingly digital business environment. Conversely, as a scaled, national platform, we have invested in technology, technology-enabled processes, clinical training, compliance and advanced staffing optimization workflows designed to enable us to drive expanding levels of productivity from our recruiting and clinical workforce. We have also implemented sophisticated revenue cycle management, contracting and administrative systems which help us operate more efficiently and leverage our corporate infrastructure to drive margin improvement. We believe these technology-enabled capabilities will position us to continue to drive competitive advantages and above-market growth, as illustrated in the "virtuous cycle" below.


Local Market Density Drives Virtuous Cycle
More Nurses
Able to Fill Cases More Quickly
Scale Supports Scale
More Referrals
Stronger Marketing
More Patients
Investment in Clinical Workforce
Better Nurse Recruiting and Retention

- *Our management team has decades of experience driving growth in home health through acquisitions.* Our senior management team has more than 100 collective years of home health experience and has a strong track record of building home health platforms through acquisitions. Over the past 30 years, our team has executed more than 50 acquisitions comprising over $6 billion of transaction value.

- *We have a proven ability to source, execute, and integrate acquisitions into the Aveanna platform.* Aveanna was formed through the transformative merger of Epic Health Services Inc. ("Epic") and Pediatric Services of America, Inc. ("PSA") in March 2017 (the "Formation"). Since our Formation, we have successfully completed and integrated ten acquisitions, and are currently in the process of integrating our eleventh acquisition. We have invested heavily in our mergers and acquisitions ("M&A") platform capabilities, developing a purpose built, dedicated acquisition team whose sole function is to identify and execute on M&A transactions. Our Integration Management Office ("IMO") has developed a proven playbook over long M&A careers to lead the quick and synergistic integration of acquisitions. We currently have a robust pipeline of potential acquisition targets, which we continue to actively develop and evaluate.

- *Reimbursement for our services is highly diversified and stable.* We are paid by a diverse group of more than 1,500 distinct payers that include Medicaid managed care organizations ("MCOs"), state-based Medicaid programs, Medicare, Medicare Advantage plans, commercial insurance plans and other governmental payers across 30 states. No single payer source accounted for more than 7% of our revenue for fiscal year 2020. This is due to our diversification across pediatric and adult end markets as well as our geographic diversification across states. Although we cannot control reimbursement rates, predict whether they will remain at current levels or provide assurance that they will always be sufficient to cover the costs allocable for patient services, rates in home health have generally been stable as governmental and commercial payers widely recognize its value proposition relative to higher cost settings. In PDN, our largest business today, reimbursement rates have increased 1.5% per year on a weighted average basis from 2015 to 2020 and tend to track increases in nursing wages, which has supported our highly stable gross margin historically. Furthermore, PDN reimbursement rates have been highly stable to positive over long periods of time, including through the Great Recession, during which time pediatric home health services were not targeted as sources of savings for states facing budget pressure, according to the Marwood Group, a healthcare regulatory consultant ("Marwood"), from which we commissioned research. In particular, in the past three years, 20 states had positive rate increases while only one state reduced rates by more than 1%, according to Marwood. In our PDN business, rates have been stable for several reasons:

- PDN patients are viewed as a "protected population" and supported by strong, vocal family advocacy groups who are highly sensitive to any access constraints;
- PDN services are often essential, life-sustaining care for patients that have a clear clinical diagnosis and demonstrated need;
- Reimbursement for PDN in the aggregate represents approximately 1.6% of total Medicaid expenditures, which we believe makes it an unlikely source for savings for states facing budget pressure; and
- The demand for PDN services in most markets exceeds the supply, placing pressure on payers to reimburse at levels that support adequate nursing wages.

Moreover, we see our home health platform as well-positioned to capitalize on broader shifts to value-based care within the Medicare Advantage market, which is increasingly important to home health providers and where payers have indicated strong interest in shared savings and value-based arrangements. Over the longer-term, we see Aveanna as well-suited to benefit from payers' push towards delivering more high-acuity care in the home, outside of inpatient settings, to drive better outcomes, satisfaction and cost efficiency for both children and adults.

We believe that our financial results have validated the power of our diversified home care platform. Between fiscal year 2018 and fiscal year 2020, we grew revenue at a compound annual growth rate ("CAGR") of 6.0% from $1,253.7 million to $1,495.1 million. Over the same period, our net losses increased by 21.2%, from $47.1 million to $57.1 million; however, we grew Adjusted EBITDA at a CAGR of 14.7%, from $101.1 million to $152.4 million. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures" for more information as to how we define Adjusted EBITDA and for a reconciliation from net income, the most comparable GAAP measure, to Adjusted EBITDA.

Our Value Proposition

We believe that our platform delivers a compelling value proposition to our key stakeholders.

Patients and Families

- We deliver a patient-centered, personalized healthcare experience in the home.
- Our scale enables us to match patients and their families with the right nurses more quickly, avoiding unnecessary discharge delays from the hospital.
- We enable families to continue working rather than foregoing employment to care for loved ones.

- We provide a “one stop shop” range of clinical services to alleviate cost and administrative burden.

Nurses

- We offer nurses a breadth of caseloads from which to choose that better meet their objectives.
- Our technology-enabled tools simplify case selection, shift management and documentation.
- We believe our brand, training, benefits and career advancement programs are highly regarded.

Provider Partners

- We help hospitals and health systems quickly discharge some of their most sensitive, medically complex patients to their homes, with highly skilled and trained nurses.
- We deliver higher fill rates and more adequately meet the prescribed number of hours.
- We provide consistently high quality of care and compliance standards.
- We build long-term, trusted relationships with our provider partners.

Payers

- We are a trusted frontline caregiver with the ability to deliver faster discharges into the home or allow patients to remain in the home as opposed to an acute care setting.
- We offer efficiency as a single-source contracting solution across a wide range of services and markets.
- We are well-positioned to engage in value-based care models to align interests and save costs.

Our Platform

We believe the platform we have built is truly differentiated in our ability to serve our stakeholders and grow rapidly in a range of home care end markets. Key elements of our platform include:

Our Team

Our team is the driving force that has enabled us to build an industry leading home care platform in five years. People at all levels on our team have worked together over several decades and bring a wealth of experience in home health at industry leading companies, such as Healthfield and Gentiva. The passion our team brings for delivering exceptional, patient-centered care supports our ability to attract, recruit and retain strong, operationally minded national and regional operators who are essential to executing on our local market strategy. In turn, we are better able to recruit and train passionate frontline caregivers to provide exceptional care to our patients. We believe the team we have built is the most essential element of our platform.

Our Culture

Our culture is the glue that binds our organization together. We have purposefully built a culture that attracts like-minded people who are aligned with our mission to change the way home care is delivered, one patient at a time. It is easy to overlook “culture” on paper – however, we fundamentally believe it drives our success and we take active steps to promote it. From day one at Aveanna, we welcome new hires into our culture with training centered around our *Core Values* to deliver care with *compassion*, work with *team integrity*, strive for *inclusion*, embody *trust*, seek *innovation* and have *fun*. Compliance is the backdrop that underscores everything we do.

These principles inform our fundamental operating processes, including everything from strategic planning, budgeting, go-to-market strategy and employee compensation and promotion. We believe our culture supports our ability to recruit, motivate and empower our people at all levels to deliver better patient care and drive our operating performance.

Our Systems, Processes and Technology

We have a corporate infrastructure with robust systems and processes in place designed to drive efficiency and support our future growth. We have invested significantly in our infrastructure and technology. Our frontline caregivers leverage our technology-enabled solutions, such as our tablet-based care management tools that we deploy into every patient's home to enhance data collection and the efficiency and quality of the caregiver experience, and our automated tools for patient scheduling which seek to ensure appropriately trained nurses are scheduled for our most clinically complex patients. Our technology infrastructure includes cloud-based solutions that enable essential functions of our business to run more efficiently.

Our Acquisition Team and Integration Management Office

We have a proven team of 16 people dedicated to sourcing, evaluating and executing on all aspects of our M&A strategy. Our IMO team has developed a proven playbook for bringing acquisitions and merger partners onto our platform infrastructure, identifying and quickly capturing significant synergies to the overall enterprise and minimizing the risk of disruption to our underlying business. Our IMO team supports our ability to acquire, integrate and grow our acquired platforms through its members' decades of experience in operations, consulting and administrative roles, and experience integrating home health acquisitions.

Our Broad Range of Capabilities

We provide a broad range of home care capabilities to our distinct pediatric and adult patient populations. Our pediatric home health services, included within the Private Duty Services ("PDS") segment, include PDN (80% of fiscal 2020 PDS segment revenue), employer of record services (14% of fiscal 2020 PDS segment revenue) and pediatric physical therapy, speech therapy, and occupational therapy (6% of fiscal 2020 PDS segment revenues), which we deliver primarily in the home as well as in clinic settings. Through our Medical Solutions ("MS") segment, we provide needed supplies to patients requiring integrated pediatric enteral nutrition or respiratory care both to our home health patients and more broadly, enabling strategic cross-sell opportunities in our patient base. Our Home Health & Hospice ("HHH") segment, which focuses primarily on Medicare-eligible senior populations and also includes personal care services, enables us to prevent hospitalizations before they occur, avoid re-admissions following an acute stay and displace high cost inpatient settings for terminally ill patients who would prefer to receive care end-of-life at home.

Our End Markets

The healthcare sector is one of the largest and fastest-growing sectors of the U.S. economy. We estimate that the home-based healthcare markets in which we operate, which include PDN, pediatric therapy, enteral nutrition, adult home health, hospice and personal care, represented $107 billion in 2020.

Our markets include a range of home care services focused on some of the highest-cost patient populations. Home health is increasingly recognized by industry stakeholders as part of the solution to unsustainably high national healthcare spending growth, particularly in a post-COVID-19 world. Home health is one of the fastest growing sectors within healthcare with spending projected to grow at a CAGR of 7.1% from 2019 through 2028 as it displaces higher cost, facility-based care settings.

PDN, which is our largest business today, is a stable and steadily growing industry with growth tailwinds from rising adoption of home care in lieu of family and institution-based care, and inflationary reimbursement trends that track general inflation in nurse labor. PDN addresses the needs of children with medical complexity ("CMC"), many of whom age into adulthood and continue to require intensive care in the home. This population is characterized as having chronic, functionally limiting conditions that require specialized care, such as spina bifida, cerebral palsy, ventilator dependency or severe developmental delay. In many instances, these children have multiple disorders or medical complexities that require an acute level of care for an extended period of time, often years rather than weeks or months. Our management believes that the cost to care for children in their homes with PDN services is approximately $250 per day compared to potentially more than $4,000 per day in a pediatric intensive care unit.

Our management expects that the PDN market will grow at a CAGR of 3% to 4% between 2020 and 2025. Growth is expected to be driven by factors that include the following:

(i) a rising number of PDN eligible patients with low birthweights, underlying CMC conditions and technology-dependence;

(ii) increasing utilization of PDN services among non-users as states expand waiver programs and advocacy efforts to increase awareness among families as to the benefits of PDN;

(iii) increasing expansion of PDN nursing supply and prescribed hour fill rate growth as states increase reimbursement rates to expand the supply of caregivers available; and

(iv) increasing PDN reimbursement rates set by states to track underlying nursing wage inflation trends.

Our management believes that the PDN market is highly fragmented and is primarily comprised of local and regional providers which make up approximately 75% of the market. We believe we are the largest provider and one of just three national providers.

Our Competitive Strengths

We believe our diversified home care platform affords us several competitive advantages relative to others in our industry, which enables us to grow faster than the market, including:

- Public company management team with a successful track record of building home health platforms;
- Technology-enabled operating platform and corporate infrastructure;
- Platform built to scale nationally across pediatric, adult home health and hospice;
- Acquirer of choice with proven ability to integrate acquisitions and realize synergies; and
- Scale advantages result in a network effect, accelerating growth.

Our Growth Strategy

We intend to continue to leverage our competitive advantages to drive growth through the following strategies, among others:

- Increase volumes within our existing footprint;
- Further expand into adult home health and hospice care;
- Expand pediatric home health presence through acquisitions and de novo expansions;
- Cross-sell enteral services to our PDN and home care patient base where clinically appropriate;

- Reinvest in our platform to optimize performance; and
- Leverage our scale and capabilities to drive value-based care arrangements in partnership with our MCO payer partners.

Recent Developments

Recent Acquisitions

In August 2020, we acquired Total Care, Inc. ("Total Care") for aggregate cash consideration of $11.7 million, subject to customary purchase price adjustments. Total Care is a corporation that provides pediatric PDN and unskilled home care services exclusively in Washington. Total Care reported revenues and operating income of $8.4 million and $0.9 million, respectively, from January 1, 2020 until the date acquired by us. Subsequent to being acquired by us, Total Care accounted for approximately $5.2 million and $1.1 million of our consolidated revenue and operating income, respectively.

In September 2020, we also acquired D&D Services, Inc. (d/b/a Preferred Pediatric Home Health Care, "Preferred Pediatric") for aggregate cash consideration of $40.6 million, subject to customary purchase price adjustments. Preferred Pediatric is a corporation that provides skilled home health nursing, clinical respiratory care, durable medical equipment and supplies sale and rental services, and other similar related services, principally in Illinois and Oklahoma. Preferred Pediatric reported revenues and operating income of $35.5 million and $3.5 million, respectively, from January 1, 2020 until the date acquired by us. Subsequent to being acquired by us, Preferred Pediatric accounted for approximately $13.8 million and $0.4 million of our consolidated revenue and operating income, respectively.

In September 2020, we acquired Evergreen Home Healthcare, LLC ("Evergreen") for aggregate cash consideration of $12.5 million and contingent consideration of $1.9 million, subject to customary purchase price adjustments. Evergreen is a provider of certified nursing aid, PDN, skilled nursing and in-home support services primarily to pediatric patients exclusively in Colorado. Evergreen reported revenues and operating loss of $11.1 million and $0.3 million, respectively, from January 1, 2020 until the date acquired by us. Subsequent to being acquired by us, Evergreen accounted for approximately $3.8 million and $0.1 million of our consolidated revenue and operating income, respectively.

In October 2020, we acquired Five Points Healthcare, LLC ("Five Points") for aggregate cash consideration of $64.4 million, subject to customary purchase price adjustments. Five Points provides home health and hospice services in seven states. Five Points reported revenues and operating income of $35.8 million and $2.4 million, respectively, from January 1, 2020 until the date acquired by us. Subsequent to being acquired by us, Five Points accounted for approximately $10.2 million and $2.2 million of our consolidated revenue and operating income, respectively.

In December 2020, we acquired Recover Health, Inc. ("Recover Health") for aggregate cash consideration of $61.0 million, subject to customary purchase price adjustments. Recover Health is a company that provides home health services in six states. Recover Health reported revenues and operating loss of $68.6 million and $1.5 million, respectively, from January 1, 2020 until the date acquired by us. Subsequent to being acquired by us, Recover Health accounted for approximately $2.9 million and $0.4 million of our consolidated revenue and operating income, respectively.

In April 2021, we acquired Doctor's Choice Holdings, LLC ("Doctor's Choice") for aggregate cash consideration of $115.0 million, subject to customary purchase price adjustments. Doctor's Choice provides home health and hospice service in Florida. Doctor's Choice reported revenue and operating income of $64.4 million and $7.3 million, respectively, for the 2020 fiscal year.

Our agreements in respect to the foregoing acquisitions provided that the acquired businesses be free of debt at their respective closing dates. For more information regarding the foregoing acquisitions, including with respect to their respective historical results of operations, please see "Unaudited Pro Forma Condensed Consolidated Financial Information" contained elsewhere in this prospectus.

COVID-19

In March 2020, the World Health Organization declared the novel coronavirus 2019 disease ("COVID-19") a pandemic. The COVID-19 outbreak has adversely impacted economic activity and conditions worldwide, including workforces, liquidity, capital markets, consumer behavior, supply chains and macroeconomic conditions. After the declaration of a national emergency in the United States on March 13, 2020, in compliance with stay-at-home and physical distancing orders and other restrictions on movement and economic activity intended to reduce the spread of COVID-19, we altered numerous clinical, operational, and business processes. While each of the states deemed healthcare services an essential business, allowing us to continue to deliver healthcare services to our patients, the effects of the pandemic have been wide-reaching. We have implemented contingency planning policies whereby most employees at our corporate support offices in Georgia, Texas and Arizona are working remotely in compliance with recommendations from the Centers for Disease Control and Prevention and federal and state governmental orders. We have invested in technology and equipment that allows our remote workforce to provide continued and seamless functionality to our clinicians who continue to care for our patients.

We are taking precautions to protect the safety and well-being of our employees and patients by purchasing and delivering significant additional supplies of personal protective equipment ("PPE") and other medical supplies to branches and regional offices across the country. We have had success in sourcing our PPE from both traditional and non-traditional suppliers for these needs, and while we have been fortunate to secure the necessary PPE supplies, we have incurred significantly higher per unit costs for such items, as compared to pre-pandemic costs.

With the exception of Employer of Record ("EOR"), patient volumes in our PDS segment have been negatively impacted by COVID-19. While we observed declining PDN, PDN Therapy, and ABA Therapy patient volumes during the first and second fiscal quarters of 2020 with a low point in mid-April 2020, shortly thereafter these volumes stabilized at approximately 11% below our pre-COVID-19 PDS hours run rate. Our MS segment has not been negatively impacted by COVID-19.

While we believe our PDS patient volumes will recover by 2021, the following factors could potentially alter this outlook and negatively impact our recovery from the pandemic: the continued increase or decrease in the number of COVID-19 cases nationwide, any future or prolonged shelter-in-place orders, the return of our patients' families confidence to allow our caregivers into their homes, our ability to attract and retain qualified caregivers as a result of COVID-19 concerns, cost normalization around PPE, and our ability to readily access referrals from children's hospitals. Potential negative impacts of COVID-19 on our results include lower revenue, higher salary and wage expenses due to increased market rate expectations of caregivers, and increased PPE supply costs. The impacts to revenue may consist of the following: lower volumes due to interruption of the operations of our referral sources and patient unwillingness to accept services in their homes; prolonged school closures; and lower reimbursement rates to any negative impacts to state Medicaid budgets as a result of the pandemic. See "Risk Factors—Risks Related to Our Business and Industry—Our business, financial condition and results of operations may be materially adversely affected by the COVID-19 pandemic" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Affecting Results of Operations and Comparability—COVID-19 Pandemic Impact on Our Business."

Preliminary Financial Information

The information below summarizes certain of our preliminary financial data for the periods ended March 28, 2020 and April 3, 2021. Our consolidated financial results for the period ended April 3, 2021 are not yet available. We currently expect that our final results will be consistent with the estimates set forth below, but such estimates are preliminary and our final results could differ from these estimates upon completion of our financial closing procedures due to final adjustments and developments that may arise between now and the time such unaudited interim consolidated financial statements for the three months ended April 3, 2021 are issued. For example, during the course of the preparation of the respective financial statements and related notes, additional items that would require adjustments to be made to the preliminary estimated financial information presented below may be identified. Our independent registered public accounting firm, Ernst & Young LLP, has not audited, reviewed, compiled or performed any procedures on this preliminary financial information, and accordingly, does not express an opinion or other form of assurance with respect to this preliminary financial information. There can be no assurance that our final results will not differ from this preliminary financial information. Any such changes could be material. Therefore, you should not place undue reliance on these preliminary numbers or assume that they are indicative of what our results for the completed quarter will be.

EBITDA and Adjusted EBITDA are non-GAAP financial measures and are not intended to replace financial performance measures determined in accordance with GAAP, such as net income (loss). These non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as substitutes or alternatives to net income (loss), revenue, operating income (loss), cash flows from operating activities, total indebtedness or any other financial measures calculated in accordance with GAAP. For an explanation of how we define EBITDA and Adjusted EBITDA and why we believe the presentation of EBITDA and Adjusted EBITDA is useful to investors, see "—Summary Historical And Pro Forma Consolidated Financial Data."

	Period Ended March 28, 2020	**Period Ended April 3, 2021**	
(Amounts in thousands)		**Low**	**High**
Consolidated Statement of Operations Data and Other Financial Data:			
Net Revenue	$ 355,223	$412,801	$418,365
Gross margin	107,541	$128,341	$132,210
Gross margin percentage	*30.3%*	*31.1%*	*31.6%*
Operating income	$ 17,867	$ 24,883	$ 30,909
Net Income	**$ 37,637**	**$ 2,245**	**$ 8,884**
Interest expense, net	21,017	22,666	21,805
Income taxes	1,131	113	446
Depreciation and amortization	4,183	4,938	4728
EBITDA	**$ 63,968**	**$ 29,962**	**$ 35,863**
Goodwill, intangible and other long-lived asset impairment (a)	48	60	10
Non-cash share-based compensation	318	712	712
Sponsor fees (b)	808	808	808
Loss on extinguishment of debt	(127)	—	—
Bank fees related to debt modifications	—	—	—
Interest rate derivatives (c)	8,292	(112)	(112)
Acquisition-related costs (d)	2,520	1,996	1,700
Integration costs (e)	1,043	4,244	3,473

	Period Ended March 28, 2020	Period Ended April 3, 2021	
(Amounts in thousands)		Low	High
Legal costs and settlements associated with acquisition matters (f)	(49,088)	675	525
COVID-related costs, net of reimbursement (g)	461	1,760	1,550
ABA exited operations (h)	860	—	—
Non-acquisition related legal settlements (i)	—	—	—
Other system transition costs, professional fees and other (j)	719	1,431	1,271
Total adjustments	(34,146)	11,574	9,937
Adjusted EBITDA	**$ 29,822**	**$41,536**	**$45,800**

(a) Represents loss on the disposal of equipment.

(b) Represents annual management fees payable to our Sponsors under our Management Agreement (as defined in the section titled "Certain Relationships and Related Party Transactions"). This Management Agreement will be terminated upon completion of our initial public offering.

(c) Represents costs associated with interest rate derivatives not included in interest expense.

(d) Represents (i) transaction costs incurred in connection with planned, completed, or terminated acquisitions, which include investment banking fees, legal diligence and related documentation costs, as presented on the Company's consolidated statement of operations, and (ii) corporate salary and severance costs in connection with our January 2020 corporate restructuring in response to the terminated 2019 Transaction (as defined herein).

(e) Represents (i) costs associated with our Integration Management Office, which focuses solely on our integration efforts, and (ii) transitionary costs incurred to integrate acquired companies into Aveanna's field and corporate operations. Transitionary costs incurred to integrate acquired companies include IT consulting costs and related integration support costs; salary, severance and retention costs associated with duplicative acquired company personnel until such personnel are exited from Aveanna; accounting, legal and consulting costs; expenses and impairments related to the closure and consolidation of overlapping markets of acquired companies, including lease termination and relocation costs; and one-time costs associated with rebranding our acquired companies and locations to the Aveanna brand.

(f) Represents legal and forensic costs, as well as settlements associated with resolving legal matters arising during or as a result of our acquisition related activity. This includes costs associated with pursuing certain claims in connection with the Epic acquisition, as well as a settlement received pertaining to such matter in the three-month period ended March 28, 2020. It also includes, among other amounts, costs to comply with the U.S. Department of Justice, Antitrust Division's grand jury subpoena related to nurse wages and hiring activities in certain of our markets, which arose as a result of the 2019 Transaction.

(g) Represents costs incurred as a result of the COVID-19 environment, primarily including, but not limited to (i) relief and hero pay provided to our caregivers and other incremental compensation costs (ii) incremental PPE costs, (iii) salary, severance and lease termination costs associated with workforce reductions necessitated by COVID-19 and (iv) costs of remote workforce enablement, all of which are net of temporary reimbursement rate increases provided by certain state Medicaid and Medicaid Managed Care programs as well as stimulus payments received from Pennsylvania DHS to replace lost revenue.

(h) Represents the results of operations for the periods indicated related to the ABA Therapy services business that we exited as a result of the COVID-19 environment, as well as one-time costs incurred in connection with exiting the ABA Therapy services business.

(i) Represents legal settlements not associated with acquisition-related matters.

(j) Represents (i) costs associated with the transition to new electronic medical record systems, billing, collection and payroll systems, implementation of a business intelligence system, duplicative system costs while such transformational projects are in-process, and other system transition costs and (ii) professional fees associated with preparation for Sarbanes-Oxley compliance and other advisory fees associated with preparation for our initial public equity offering, and advisory costs associated with the adoption of new accounting standards.

Summary of Principal Risk Factors

Investing in our common stock involves a high degree of risk. You should carefully consider these risks before investing in our common stock, including the risks related to our business and industry described under “Risk Factors” elsewhere in this prospectus. Such risks may offset our competitive strengths or have a negative effect on our business strategy, which could cause a decline in the price of our common stock and result in a loss of all or a portion of your investment. In particular, the principal factors and uncertainties that make investing in our common stock risky include:

- ***Competition***. Competition among home health, hospice and durable medical equipment companies is intense;
- ***Referral source relationships***. If we are unable to maintain relationships with existing patient referral sources, our business and consolidated financial condition, results of operations and cash flows could be materially adversely affected;
- ***COVID-19***. Our business, financial condition and results of operations may be materially adversely affected by the COVID-19 pandemic;
- ***Reimbursement***. The cost of healthcare is funded substantially by government and private insurance programs. If such funding is reduced or limited or no longer available, our business may be adversely impacted;
- ***Medicare and Medicaid***. Changes to Medicare or Medicaid rates or methods governing Medicare or Medicaid payments for our services could materially adversely affect our business;
- ***Costs***. Because we are limited in our ability to control reimbursement rates received for our services, our business could be materially adversely affected if we are not able to maintain or reduce our costs to provide such services;
- ***Collections***. Delays in collection or non-collection of our accounts receivable, particularly during the business integration process, could adversely affect our business, financial position, results of operations and liquidity;
- ***Patient mix***. Changes in the case-mix of our patients, as well as payer mix and payment methodologies, may have a material adverse effect on our profitability;
- ***Payer contracting***. Our failure to negotiate favorable managed care contracts, or our loss of existing favorable managed care contracts, could have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows;
- ***Competition for labor***. The home health and hospice industries have historically experienced shortages in qualified employees and management, and competition for qualified personnel may increase our labor costs and reduce profitability;
- ***Cybersecurity***. Failure to maintain the security of our information systems, or to defend against or otherwise prevent a cybersecurity attack or breach, could adversely affect our business, financial position, results of operations and liquidity; and
- ***Regulation***. We conduct business in a heavily regulated industry, and changes in regulations, the enforcement of these regulations, or violations of regulations may result in increased costs or sanctions that reduce our revenues and profitability.

Our Principal Stockholders and our Status as a Controlled Company

Bain Capital L.P. is one of the world's leading private, multi-asset alternative investment firms with over $105 billion of assets under management. Bain Capital invests across asset classes including private equity, credit, public equity, and venture capital and real estate, and leverages its shared platform to capture cross-asset opportunities in its strategic areas of focus. Currently, Bain Capital has a team of over 500 investment professionals supporting its various asset classes. Headquartered in Boston, Bain Capital has offices in Chicago, Dublin, Guangzhou, Hong Kong, London, Luxembourg, Madrid, Melbourne, Mumbai, Munich, New York, Palo Alto, San Francisco, Seoul, Shanghai, Singapore, Sydney and Tokyo.

Established in 1946, J.H. Whitney Capital Partners (together with Bain Capital, the "Sponsors") is a leader in the private equity industry, having invested in over 400 companies since formation and currently manages approximately $1.0 billion in private capital. J.H. Whitney Capital Partners remains privately owned by its investing professionals and its main activity is to provide private equity capital to small and middle market companies with strong growth prospects in a number of industries including consumer, healthcare and specialty manufacturing. J.H. Whitney Capital Partners has made numerous investments in the healthcare industry, including PSA, Caris Life Sciences, Precision for Medicine and 3B Scientific.

After giving effect to the consummation of this offering, certain affiliates of the Sponsors (the "Sponsor Affiliates") will own approximately 72.0% of our outstanding common stock, or approximately 69.8% if the underwriters exercise in full their option to purchase additional shares. As a result, we expect to be a "controlled company" within the meaning of the corporate governance rules of Nasdaq on which we intend to list our shares. For a discussion of certain risks, potential conflicts and other matters associated with the Sponsor Affiliates' ownership of our common stock, see "Risk Factors—Risks Related to this Offering and Ownership of Our Common Stock—Our Sponsors can significantly influence our business and affairs and may have conflicts of interest with us in the future," "Certain Relationships and Related Party Transactions" and "Description of Capital Stock."

Corporate Information

Aveanna is a Delaware corporation and was incorporated on November 30, 2016, originally under the name BCPE Oasis Holdings Inc. Aveanna commenced operations in March 2017 in connection with the Formation under the name BCPE Eagle Holdings Inc. On May 26, 2017, we changed our name to Aveanna Healthcare Holdings Inc. Aveanna's principal executive offices are located at 400 Interstate North Parkway, Suite 1600, Atlanta, Georgia and its phone number is (770) 441-1580. Aveanna's website can be found at www.aveanna.com.

The information contained on Aveanna's website or that can be accessed through its website is not part of this prospectus.

THE OFFERING

Issuer

Aveanna Healthcare Holdings Inc.

Shares of common stock offered by us

38,236,000 shares of common stock (or 43,971,400 shares of common stock if the underwriters exercise their overallotment option in full).

Shares of common stock to be outstanding after this offering

180,164,184 shares of common stock (or 185,899,584 shares of common stock if the underwriters exercise their overallotment option in full).

Overallotment option to purchase additional shares of common stock

We have granted the underwriters an option to purchase up to an additional 5,735,400 shares of common stock from us. The underwriters can exercise this option at any time within 30 days from the date of this prospectus.

Use of proceeds

We estimate that the net proceeds from the sale of our common stock in this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $602.6 million (or $694.0 million if the underwriters exercise their overallotment option to purchase additional shares in full) based on an assumed initial public offering price of $17.00 per share (the midpoint of the estimated public offering price range set forth on the cover page of this prospectus).

We intend to use these net proceeds from this offering to repay certain indebtedness and for general corporate purposes. See “Description of Certain Indebtedness” and “Use of Proceeds.”

Dividend policy

We currently intend to retain all available funds and any future earnings to fund the development and growth of our business; therefore, we do not anticipate paying any cash dividends in the foreseeable future. Any future determination to declare and pay dividends, if any, will be at the discretion of our board of directors (the “Board of Directors”), subject to compliance with contractual restrictions and covenants in the agreements governing our current and future indebtedness. Any such determination will be dependent upon then-existing conditions, including our earnings, capital requirements, results of operations, financial condition, business prospects and any other factors that our Board of Directors considers relevant. See “Dividend Policy.”

Risk factors

Investing in our common stock involves a high degree of risk. See “—Summary of Principal Risk Factors” below, the section of this prospectus entitled “Risk Factors,” and the other information included in this prospectus for a discussion of factors you should carefully consider before investing in our common stock.

Controlled company	After the completion of this offering, the Sponsor Affiliates will continue to own a majority of the voting power of our outstanding common stock. As a result, we will be a "controlled company" within the meaning of the Nasdaq corporate governance standards.
Conflicts of Interest	Because an affiliate of Barclays Capital Inc. will receive greater than 5% of the net proceeds of this offering in connection with the repayment of certain indebtedness, Barclays Capital Inc. is deemed to have a "conflict of interest" under Rule 5121 of the Financial Industry Regulatory Authority, or FINRA. Accordingly, this offering is being conducted in accordance with the applicable provisions of FINRA Rule 5121, including the requirement that a "qualified independent underwriter" participate in the preparation of the prospectus and exercise the usual standards of due diligence in connection with such participation. J.P. Morgan Securities LLC has agreed to serve as the qualified independent underwriter for this offering and will not receive any additional fees for serving in that capacity. See "Underwriting (Conflicts of Interest)."
Listing	We have applied to have our common stock listed on Nasdaq under the symbol "AVAH."

The number of shares of our common stock that will be outstanding after this offering is based on 141,928,184 shares of our common stock outstanding as of April 3, 2021, and excludes:

- (1) 6,722,144 shares of common stock issuable upon the exercise of time-vesting options to purchase shares of our common stock outstanding as of April 3, 2021 with a weighted average exercise price of $6.12 per share, (2) 6,722,144 shares of common stock issuable upon the exercise of performance-vesting options to purchase shares of our common stock outstanding as of April 3, 2021 with a weighted average exercise price of $6.12 per share and (3) 2,129,610 shares of common stock issuable upon the exercise of accelerator vesting options to purchase shares of our common stock outstanding as of April 3, 2021 with a weighted average exercise price of $9.76 per share;
- 194,750 shares of common stock issuable upon the vesting of outstanding awards of deferred restricted stock units;
- 4,257,846 shares of common stock available for future issuance under our employee stock purchase plan (the "ESPP"); and
- 12,128,956 shares of common stock available for future issuance under our existing stock incentive plan (as so amended and restated, the "2017 Plan") and the stock incentive plan we are adopting in connection with this offering (the "2021 Plan" and together with the 2017 Plan, the "Stock Incentive Plans").

Unless we indicate otherwise or unless the context otherwise requires, all information in this prospectus:

- assumes no exercise of the underwriters' overallotment option to purchase additional shares;
- gives effect to our second amended and restated certificate of incorporation (the "Amended Charter") and second amended and restated bylaws (the "Amended Bylaws"), which became effective prior to the consummation of this offering;
- gives effect to any stock split, reclassification, conversion or other recapitalization;

- assumes an initial public offering price of $17.00 per share, the midpoint of the estimated public offering price range on the cover page of this prospectus; and
- assumes no exercise of the outstanding options or settlement of the restricted stock units described above.

SUMMARY HISTORICAL AND PRO FORMA CONSOLIDATED FINANCIAL DATA

The following table sets forth the summary historical consolidated financial data and the summary unaudited pro forma condensed consolidated financial data of the Company as of and for the periods presented. The summary consolidated financial data for the fiscal years 2020, 2019 and 2018 are derived from our audited consolidated financial statements and the related notes appearing elsewhere in this prospectus. The historical results presented below are not necessarily indicative of financial results to be achieved in future periods and should be read in conjunction with “Capitalization,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our audited consolidated financial statements and accompanying notes, which are included elsewhere in this prospectus.

The summary unaudited pro forma condensed consolidated financial data present our unaudited pro forma condensed consolidated statement of operations and other financial data for the year ended January 2, 2021 to give pro forma effect to this offering and the anticipated use of proceeds therefrom (collectively, the “IPO Transactions”) (assuming no exercise by the underwriters of their overallotment option to purchase additional shares of common stock from us) and the acquisitions by us of the businesses described under “—Recent Developments” during fiscal year 2020 (collectively, the “2020 Acquisitions”), as if all such transactions had occurred on December 29, 2019. The unaudited pro forma condensed consolidated statement of operations and other financial data for the year ended January 2, 2021 also gives effect to the acquisition of Doctor’s Choice Holdings, LLC (“Doctor’s Choice”) on April 16, 2021 (the “2021 Acquisition” and together with the 2020 Acquisitions, the “Acquisitions”) as if it had occurred on December 29, 2019. The unaudited pro forma as adjusted balance sheet gives effect to the 2021 Acquisition and the IPO Transactions as if they occurred as of January 2, 2021, our most recent balance sheet date. The Acquisitions were not significant, individually or in the aggregate. The summary unaudited pro forma condensed consolidated financial data has been derived from our unaudited pro forma condensed consolidated financial information included elsewhere in this prospectus. The summary unaudited pro forma condensed consolidated financial data is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the IPO Transactions or the Acquisitions had been consummated on the dates indicated, nor is it indicative of future operating results or financial position. See “Unaudited Pro Forma Condensed Consolidated Financial Information” for a complete description of the adjustments and assumptions underlying the summary unaudited pro forma condensed consolidated financial data set forth below.

				Pro Forma Fiscal Year Ended
	Fiscal Year Ended			
(Amounts in thousands, except share and per share data)	December 29, 2018	December 28, 2019	January 2, 2021	January 2, 2021
Consolidated Statements of Operations:				
Revenue	$ 1,253,673	$ 1,384,065	$1,495,105	$1,718,891
Cost of revenue, excluding depreciation and amortization	859,351	964,814	1,040,590	1,166,537
Branch and regional administrative expenses	217,357	227,762	240,946	294,921
Corporate expenses	104,486	113,235	113,828	158,760
Goodwill impairment	—	—	75,727	75,727
Depreciation and amortization	11,938	14,317	17,027	21,563
Acquisition-related costs	15,577	22,661	9,564	26,119
Other operating expenses	5,931	2,322	910	(4,213)
Operating income (loss)	39,033	38,954	(3,487)	(20,523)
Interest income	594	207	345	385
Interest expense	(75,542)	(92,296)	(82,983)	(48,578)
Loss on debt extinguishment	—	(4,858)	(73)	(10,322)

(Amounts in thousands, except share and per share data)	Fiscal Year Ended December 29, 2018	Fiscal Year Ended December 28, 2019	Fiscal Year Ended January 2, 2021	Pro Forma Fiscal Year Ended January 2, 2021
Other (expense) income	(13,744)	(17,037)	34,464	34,549
Loss before income taxes	(49,659)	(75,030)	(51,734)	(44,489)
Income tax benefit (expense)	2,513	(1,486)	(5,316)	(7,200)
Net loss	$ (47,146)	$ (76,516)	$ (57,050)	$ (51,689)
Net income (loss) per share attributable to stockholders				
Basic and Diluted	$ (0.36)	$ (0.56)	$ (0.40)	
Pro forma Basic and Diluted (1)				$ (0.30)
Weighted average number of shares of common stock outstanding:				
Basic and Diluted	131,306,906	136,905,689	140,971,924	
Pro forma Basic and Diluted (1)				174,677,806
Consolidated Statements of Cash Flow Data:				
Net cash provided by (used in) operating activities	$ 21,596	$ (8,714)	$ 116,618	
Net cash used in investing activities	$ (229,547)	$ (17,824)	$ (193,544)	
Net cash provided by financing activities	$ 204,153	$ 21,864	$ 210,944	

	As of January 2, 2021 Actual	As of January 2, 2021 Pro Forma As Adjusted (2)
Consolidated Balance Sheet Data:		
Cash and cash equivalents	$ 137,345	$ 131,574
Net operating assets and liabilities (3)	(43,768)	(50,603)
Property and equipment, net	32,650	33,118
Total assets	1,844,016	1,958,443
Total long-term debt (4)	1,178,287	685,385
Deferred restricted stock units	2,135	2,135
Total shareholders’ equity	265,034	851,077

	Fiscal Year Ended December 29, 2018	Fiscal Year Ended December 28, 2019	Fiscal Year Ended January 2, 2021	Pro Forma Fiscal Year Ended January 2, 2021
Other Financial Data:				
Capital expenditures	$ 19,579	$ 16,637	$ 15,237	
EBITDA (5)	37,227	31,376	47,931	25,267
Adjusted EBITDA (5)	101,143	113,322	152,415	166,905
Acquisitions Adjusted EBITDA (5)				174,813
Field contribution (6)	176,965	191,489	213,569	
Field contribution margin (6)	14.1%	13.8%	14.3%	

(1) See Note 3 to our unaudited pro forma condensed consolidated financial information appearing elsewhere in this prospectus, for an explanation of the calculations of Pro forma net loss per share attributable to common shareholders, basic and diluted.

(2) The pro forma as adjusted balance sheet data as of January 2, 2021 additionally gives effect to the 2021 Acquisition and (1) the issuance and sale of shares of our common stock offered by us in this offering at an assumed offering price of $17.00 per share, which is the midpoint of the estimated price range appearing on

the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, and the application of such proceeds as described in the section entitled "Use of Proceeds," and (2) the filing and effectiveness of our Amended Charter and the effectiveness of our Amended Bylaws prior to the consummation of this offering and (3) any adjustments for stock split, reclassification, conversion or other recapitalization and/or application of proceeds to pay down debt.

(3) Net operating assets and liabilities is defined as total current assets (excluding Cash and cash equivalents) less total current liabilities (excluding the current portion of Long-term obligations, current portion of financing leases and Notes payable).

(4) Total long-term debt includes the current portion and non-current portion of Long-term obligations, net of any discount and debt issuance costs, Notes payable, and Revolving Credit Facility, as well as our obligations under financing leases.

(5) EBITDA, Adjusted EBITDA and Acquisitions Adjusted EBITDA are non-GAAP financial measures and are not intended to replace financial performance measures determined in accordance with GAAP, such as net income (loss). Rather, we present EBITDA, Adjusted EBITDA and Acquisitions Adjusted EBITDA as supplemental measures of our performance. We define EBITDA as net income (loss) before interest expense, net; income tax (expense) benefit; and depreciation and amortization. We define Adjusted EBITDA as EBITDA, adjusted for the impact of certain other items that are either non-recurring, infrequent, non-cash, unusual, or items deemed by management to not be indicative of the performance of our core operations, including impairments of goodwill, intangible assets, and other long-lived assets; non-cash, share-based compensation; sponsor fees; loss on extinguishment of debt; fees related to debt modifications; the effect of interest rate derivatives; acquisition related and integration costs; legal costs and settlements associated with acquisition matters; the discontinuation of our ABA Therapy services; non-acquisition related legal settlements; and other system transition costs, professional fees and other costs. We define Acquisitions Adjusted EBITDA as management's estimate of the pre-ownership period Adjusted EBITDA adjustments from the Acquisitions to reflect a full year of Adjusted EBITDA. As non-GAAP financial measures, our computations of EBITDA, Adjusted EBITDA and Acquisitions Adjusted EBITDA may vary from similarly termed non-GAAP financial measures used by other companies, making comparisons with other companies on the basis of these measures impracticable.

Management believes our computations of EBITDA, Adjusted EBITDA and Acquisitions Adjusted EBITDA are helpful in highlighting trends in our core operating performance. In determining which adjustments are made to arrive at EBITDA, Adjusted EBITDA and Acquisitions Adjusted EBITDA, management considers both (1) certain non-recurring, infrequent, non-cash or unusual items, which can vary significantly from year to year, as well as (2) certain other items that may be recurring, frequent, or settled in cash but which management does not believe are indicative of our core operating performance. We use Adjusted EBITDA to assess operating performance and make business decisions. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures."

Given our determination of adjustments in arriving at our computations of EBITDA, Adjusted EBITDA and Acquisitions Adjusted EBITDA, these non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as substitutes or alternatives to net income (loss), revenue, operating income (loss), cash flows from operating activities, total indebtedness or any other financial measures calculated in accordance with GAAP.

The following table reconciles net loss to EBITDA, Adjusted EBITDA and Acquisitions Adjusted EBITDA:

	Fiscal Years Ended			Pro Forma Fiscal Year Ended
	December 29, 2018	December 28, 2019	January 2, 2021	January 2, 2021
Net income (loss)	$ (47,146)	$ (76,516)	$(57,050)	$ (51,689)
Interest expense, net	74,948	92,089	82,638	48,193
Income taxes	(2,513)	1,486	5,316	7,200
Depreciation and amortization	11,938	14,317	17,027	21,563
EBITDA	$ 37,227	$ 31,376	$ 47,931	$ 25,267
Goodwill, intangible and other long-lived asset impairment	1,681	1,936	77,570	77,570
Non-cash share-based compensation	2,118	1,948	3,275	28,123
Sponsor fees (a)	3,177	3,230	3,229	—
Loss on extinguishment of debt	—	4,858	73	10,322
Fees related to debt modifications	—	—	4,265	—
Interest rate derivatives (b)	12,592	16,546	15,338	15,338
Acquisition-related costs and other costs (c)	19,977	28,482	12,049	21,600
Integration costs (d)	23,659	17,200	8,601	8,601
Legal costs and settlement associated with acquisition matters (e)	3,575	3,783	(45,180)	(45,180)
COVID-related costs, net of reimbursement (f)	—	—	15,815	15,815
ABA exited operations (g)	(412)	1,949	4,495	4,495
Non-acquisition related legal settlements (h)	(2,918)	850	—	—
Other system transition costs, professional fees and other (i)	467	1,164	4,954	4,954
Total adjustments (j)	63,916	81,946	104,484	141,638
Adjusted EBITDA	$ 101,143	$ 113,322	$ 152,415	$166,905
2020 Acquisitions (k)				8,387
2021 Acquisition (k)				(479)
Acquisitions Adjusted EBITDA				**$174,813**

(a) Represents annual management fees payable to our Sponsors under our existing Management Agreement (as defined in the section titled "Certain Relationships and Related Party Transactions"). This Management Agreement will be terminated upon completion of our initial public offering.

(b) Represents costs associated with interest rate derivatives not included in interest expense.

(c) Represents (i) transaction costs incurred in connection with planned, completed, or terminated acquisitions, which include investment banking fees, legal diligence and related documentation costs, and finance and accounting diligence and documentation costs, as presented on the Company's consolidated statement of operations, of $9.6 million for the year ended January 2, 2021, $22.7 million for the year ended December 28, 2019 and $15.6 million for the year ended December 29, 2018, (ii) corporate salary and severance costs in connection with our January 2020 corporate restructuring in response to the terminated 2019 Transaction (as defined herein) of $2.5 million for the year ended January 2, 2021 and $5.8 million for the year ended December 28, 2019, and (iii) a $4.4 million fair value adjustment for contingent consideration related to the Premier acquisition for the year ended December 29, 2018.

(d) Represents (i) costs associated with our Integration Management Office, which focuses solely on our integration efforts, of $3.4 million for the year ended January 2, 2021, $3.4 million for the year ended December 28, 2019 and $1.8 million for the year ended December 29, 2018 and (ii) transitionary costs incurred to integrate acquired companies into Aveanna's field and corporate operations of $5.2 million for the year ended January 2, 2021, $13.8 million for the year ended December 28, 2019 and $21.9 million for the year ended December 29, 2018. Transitionary costs incurred to integrate acquired companies include information technology ("IT") consulting costs and related integration support costs; salary, severance and retention costs associated with duplicative acquired company personnel until such personnel are exited from Aveanna; accounting, legal and consulting costs; expenses and impairments related to the closure and consolidation of overlapping markets of acquired companies, including lease termination and relocation costs; and one-time costs associated with rebranding our acquired companies and locations to the Aveanna brand.

(e) Represents legal and forensic costs, as well as settlements associated with resolving legal matters arising during or as a result of our acquisition related activity. This includes costs associated with pursuing certain claims in connection with the Epic acquisition, as well as a settlement received pertaining to such matter in fiscal year 2020. It also includes, among other amounts, costs of $3.0 million and $1.1 million in fiscal years 2020 and 2019, respectively, to comply with the U.S. Department of Justice, Antitrust Division's grand jury subpoena related to nurse wages and hiring activities in certain of our markets, which arose as a result of the 2019 Transaction.

(f) Represents costs incurred as a result of the COVID-19 environment, primarily including, but not limited to (i) relief and hero pay provided to our caregivers and other incremental compensation costs, (ii) incremental PPE costs, (iii) salary, severance and lease termination costs associated with workforce reductions necessitated by COVID-19 and (iv) costs of remote workforce enablement, all of which approximated $20.7 million for the year ended January 2, 2021, net of temporary reimbursement rate increases provided by certain state Medicaid and Medicaid Managed Care programs which approximated $4.3 million for the year ended January 2, 2021, as well as stimulus payments received from Pennsylvania DHS to replace lost revenue, which approximated $0.5 million for the year ended January 2, 2021.

(g) Represents the results of operations for the periods indicated related to the ABA Therapy services business that we exited as a result of the COVID-19 environment, as well as one-time costs incurred in connection with exiting the ABA Therapy services business.

(h) Represents legal settlements not associated with acquisition-related matters. The $2.9 million gain for the year ended December 29, 2018 is related to a favorable settlement reached with a Medical Solutions supplier.

(i) Represents (i) costs associated with the transition to new electronic medical record systems, billing, collection and payroll systems, implementation of a business intelligence system, duplicative system costs while such transformational projects are in-process, and other system transition costs of $2.7 million for the year ended January 2, 2021, $0.1 million for the year ended December 28, 2019 and $0.0 for the year ended December 29, 2018; and (ii) professional fees associated with preparation for Sarbanes-Oxley compliance and other advisory fees associated with preparation for our initial public equity offering, professional fees associated with preparation for a bond offering to finance a portion of the terminated 2019 Transaction, and advisory costs associated with the adoption of new accounting standards of $2.2 million for the year ended January 2, 2021, $1.0 million for the year ended December 28, 2019 and $0.5 million for the year ended December 29, 2018.

(j) The following table reflects the increase or decrease and aggregate impact to the line items included on our statement of operations based upon the adjustments used in arriving at Adjusted EBITDA from EBITDA:

	Impact to Adjusted EBITDA			
(dollars in thousands)	Fiscal Year Ended December 29, 2018	Fiscal Year Ended December 28, 2019	Fiscal Year Ended January 2, 2021	Pro Forma Fiscal Year Ended January 2, 2021
Revenue	$ (24,437)	$ (20,850)	$ (11,256)	$ (11,256)
Cost of revenue, excluding depreciation and amortization	12,217	15,483	19,731	19,731
Branch and regional administrative expenses	11,872	10,483	12,153	13,997
Corporate expenses	30,106	30,829	31,971	47,481
Goodwill impairment	—	—	75,727	75,727
Acquisition-related costs	15,577	22,661	9,564	19,115
Other operating expense	5,931	1,291	910	910
Loss on debt extinguishment	—	4,858	73	10,322
Other income (expense)	12,650	17,191	(34,389)	(34,389)
Total adjustments	**$ 63,916**	**$ 81,946**	**$ 104,484**	**$ 141,638**

(k) Represents management’s estimate of the pre-ownership period Adjusted EBITDA adjustments from our 2020 Acquisitions and our 2021 Acquisition to reflect a full year of Adjusted EBITDA. If these companies had been acquired by us on December 29, 2019, the first day of our fiscal year 2020, we would have included the amounts below as adjustments in calculating Adjusted EBITDA:

(dollars in thousands)	Pro Forma Fiscal Year Ended January 2, 2021
Goodwill, intangible and other long-lived asset impairment	$ 20
Fees related to debt modifications	166
Acquisition-related costs	6,715
Integration costs	2,104
COVID-related costs	(518)
Other system transition costs, professional fees and other	(100)
2020 Acquisitions	**$ 8,387**
Bank fees related to debt modifications	$ 5
Acquisition-related costs	290
Integration costs	32
COVID-related costs	(2,172)
Non-acquisition related legal settlements	
Other system transition costs, professional fees and other	223
2021 Acquisition	**$ (479)**

(6) Field contribution and Field contribution margin are non-GAAP financial measures and are not intended to replace financial performance measures determined in accordance with GAAP, such as operating income (loss). Rather, we present Field contribution and Field contribution margin as supplemental measures of our performance. We define Field contribution as operating income (loss) prior to corporate expenses and other non-field related costs, including depreciation and amortization, acquisition-related costs, and other operating expenses. Field contribution margin is Field contribution as a percentage of revenue. As non-GAAP financial measures, our computations of Field contribution and Field contribution margin may vary from similarly termed non-GAAP financial measures used by other companies, making comparisons with other companies on the basis of these measures impracticable.

Field contribution and Field contribution margin have limitations as analytical tools and should not be considered in isolation or as substitutes or alternatives to net income or loss, revenue, operating income or loss, cash flows from operating activities, total indebtedness or any other financial measures calculated in accordance with GAAP.

Management believes Field contribution and Field contribution margin are helpful in highlighting trends in our core operating performance and evaluating trends in our branch and regional results, which can vary from year to year. We use Field contribution and Field contribution margin to make business decisions and assess the operating performance and results delivered by our core field operations, prior to corporate and other costs not directly related to our field operations. These metrics are also important because they guide us in determining whether or not our branch and regional administrative expenses are appropriately sized to support our caregivers and direct patient care operations. Additionally, Field contribution and Field contribution margin determine how effective we are in managing our field supervisory and administrative costs associated with supporting our provision of services and sale of products.

The following table reconciles Operating income (loss) to Field contribution and Field contribution margin:

	Fiscal Years Ended		
	December 29, 2018	**December 28, 2019**	**January 2, 2021**
Operating income (loss)	$ 39,033	$ 38,954	$ (3,487)
Other operating expense	5,931	2,322	910
Acquisition-related costs	15,577	22,661	9,564
Depreciation and amortization	11,938	14,317	17,027
Goodwill impairment	—	—	75,727
Corporate expenses	104,486	113,235	113,828
Field contribution	176,965	191,489	213,569
Revenue	$ 1,253,673	$ 1,384,065	$ 1,495,105
Field contribution margin	14.1%	13.8%	14.3%

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the following risk factors and all other information contained in this prospectus before purchasing our common stock. If any of the following risks occur, our business, financial condition and results of operations could be materially and adversely affected. In that case, the trading price of our common stock could decline, and you may lose some or all of your investment. This prospectus also contains forward-looking statements and estimates that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks and uncertainties described below. Please also see "Cautionary Note Regarding Forward-Looking Statements." In addition, the impacts of the COVID-19 pandemic and any worsening of the economic environment may exacerbate the risks described below, any of which could have a material impact on us. Changes can be rapid and additional impacts may arise that we are not currently aware of.

Risks Related to Our Business and Industry

Competition among home health, hospice and durable medical equipment companies is intense.

The home health and hospice services and durable medical equipment industries are highly competitive. We compete with a variety of other companies in providing home health and hospice services and durable medical equipment, some of which may have greater financial and other resources and may be more established in their respective communities. Competing companies may offer newer or different services from those offered by us and may thereby attract customers who are presently receiving our home health and hospice services and durable medical equipment. If we are unable to react competitively to new developments, our operating results may suffer. In many areas in which our home health, hospice and durable medical equipment programs are located, we compete with a large number of organizations, including:

- community-based home health providers;
- national, regional and local companies;
- national, regional and local hospice agencies;
- hospital-based home health agencies; and
- nursing homes.

Some of our current and potential competitors have or may obtain significantly greater marketing and financial resources than we have or may obtain. We also compete with a number of non-profit organizations that can finance acquisitions and capital expenditures on a tax-exempt basis or receive charitable contributions that are unavailable to us. We compete based on the availability of personnel, the quality of services, the expertise of staff, and, in certain instances, on the price of our services.

In home health and hospice markets that do not require a Certificate of Need ("CON") or Permits of Approval ("POA"), there are relatively few barriers to entry. Accordingly, other companies, including hospitals and other healthcare organizations that are not currently providing services, may expand their services to include home health and hospice services or similar services. If states with existing CON laws remove such barriers, we could face increased competition in these states. We may encounter increased competition in the future that could negatively impact patient referrals to us, limit our ability to maintain or increase our market position and could have a material adverse effect on our business, financial position, results of operations and liquidity.

If any large national healthcare entities that do not currently directly compete with us move into the home health or hospice market, competition could significantly increase. Larger, national healthcare entities have significant financial resources and extensive technology infrastructure. In addition, companies that currently compete in certain of our services could begin competing with additional services through the acquisition of an existing company or de novo expansion into these services. Our competitors may also develop joint ventures with providers, referral sources and payers, which could result in increased competition.

Managed care organizations, such as health maintenance organizations ("HMOs") and preferred provider organizations ("PPOs"), and other third-party payers continue to consolidate, which enhances their ability to influence the delivery of healthcare services. Consequently, the healthcare needs of patients in the United States are increasingly served by a smaller number of managed care organizations. These organizations generally enter into service agreements with a limited number of providers. Our business and consolidated financial condition, results of operations and cash flows could be materially adversely affected if these organizations terminate us as a provider and/or engage our competitors as a preferred or exclusive provider. In addition, should private payers, including managed care payers, seek to negotiate discounted fee structures or the assumption by healthcare providers of all or a portion of the financial risk through prepaid capitation arrangements, our business and consolidated financial condition, results of operations and cash flows could be materially adversely affected.

If we are unable to maintain relationships with existing patient referral sources, our business and consolidated financial condition, results of operations and cash flows could be materially adversely affected.

Our success depends on referrals from physicians, hospitals and other sources in the communities we serve and on our ability to maintain good relationships with existing referral sources. Our referral sources are not contractually obligated to refer patients to us and may refer their patients to other providers. In addition, our relationships with referral sources are subject to compliance with federal and state healthcare laws, such as the federal Anti-Kickback Statute and the Stark Law. Our growth and profitability depend, in part, on our ability to establish and maintain close working relationships with these patient referral sources, comply with applicable laws with respect to such relationships, and to increase awareness and acceptance of the benefits of home health and hospice services by our referral sources and their patients. There can also be no assurance that other market participants will not attempt to steer patients to competing health services providers. Our loss of, or failure to maintain, existing relationships or our failure to develop new referral relationships could have a material adverse effect on our business.

Our business, financial condition and results of operations may be materially adversely affected by the COVID-19 pandemic.

The COVID-19 pandemic has adversely impacted economic activity and conditions worldwide, including workforces, liquidity, capital markets, consumer behavior, supply chains and macroeconomic conditions. The full extent to which the COVID-19 outbreak will impact our business and operating results will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information that may emerge concerning COVID-19 and the actions to contain it or treat its impact. We may face decreased demand for our services, interruption in the provision of our services, reduction in our liquidity position limiting our ability to service our indebtedness and our future ability to incur additional indebtedness or financing, and increased costs of services. All of these possibilities could have a material and adverse impact on our business, results of operations and financial condition.

While we did not experience a material decrease in the demand for our services during the first half of 2020, there is no guarantee that we will not experience material decreased demand related to the COVID-19 pandemic in future periods. The majority of the Company's revenues are derived from the provision of home health services, and the majority of our home health services patients are individuals with complex medical challenges, many of whom may be more vulnerable than the general public during a pandemic or other public health catastrophe. Demand for home health services could be significantly diminished due to heightened anxiety among our patients regarding the risk of exposure to COVID-19 as a result of home health visits. Our employees are also at greater risk of contracting contagious diseases due to their increased exposure to vulnerable patients. Most local and state governments have imposed limits on the provision of certain healthcare services and we believe many members of the communities we serve are avoiding healthcare visits and procedures. These additional factors could reduce demand for our home health and hospice services.

Our ability to provide services to our patients depends first and foremost on the health and safety of our registered nurses, limited practice nurses, licensed therapists, certified nursing assistants, home health aides, therapy assistants and other similar providers. While we have taken significant precautions to enable our healthcare providers to continue to safely provide our important services to our patients during the pandemic, we could experience interruptions in our ability to continue to provide these services. We have taken the following steps to support our employees: provided paid leave to employees directly impacted by COVID-19 due to illness or quarantine, closure of a work location or inability to obtain childcare due to mandated closures; instituted remote work arrangements for our corporate and administrative support employees; permitted employees to temporarily suspend any 401(k) plan loan deductions; allowed employees to make a withdrawal from the 401(k) plan for coronavirus-related distributions without incurring the additional 10% early withdrawal penalty; granted access to telehealth services to all employees; and launched a COVID-19 Resource Center, which is updated daily with employee, clinical and operational resources. With respect to our patients, we have made the following business changes: increased PPE supplies in locations so infection control practices can be implemented immediately as needed for patient care; implemented all required state mandates related to wearing appropriate masks and PPE in our offices and related to patient care; developed a COVID-19 toolkit, a positive patient treatment protocol and PPE policy for clinicians treating COVID-19 symptomatic and positive patients, which requires use of N-95 masks, gloves, gowns and face shields by our clinicians and also requires surgical masks to be worn by the patient; and created a centralized distribution center for all critical PPE, allowing us to flex our inventory on a care center by care center basis, based on need and demand. Despite periodic shortages of PPE and significant disparities in the pricing of PPE among vendors, we have been able to source quantities of PPE sufficient for our needs in the foreseeable future. In the future, if we are unable to obtain the necessary PPE to ensure the safety of our employees due to a shortage of supplies or otherwise, if there is a reduction in our available healthcare providers due to concerns around COVID-19 related risks, if our healthcare providers were to contract COVID-19, or if our patient families refuse to allow us to provide care to our patients as a result of COVID-19 concerns, our ability to provide services to our patients may be significantly interrupted or suspended.

In addition to a number of factors that could adversely impact demand for our services and our ability to provide services to our patients, we may experience increased cost of care and reduced reimbursements as a result of COVID-19. In particular, we have already experienced higher costs due to the higher utilization and cost of PPE as well as increased purchasing of other medical supplies, cleaning, and sanitization materials. Our suppliers and vendors have similarly had their operations altered. To the extent the resulting economic disruption is severe, we could see some vendors go out of business, resulting in supply constraints and increased costs or delays in meeting the needs of our patients. If our patients suffer from increased incidence of and complications from illnesses, including COVID-19, our costs of providing care for our patients would increase. We may also face reduced reimbursement for our services through Medicare, Medicaid and commercial healthcare plans in the event that such plans do not adjust patient and other qualifications to address changes related to COVID-19.

In compliance with state and local stay-at-home orders issued in connection with COVID-19, many of our employees have transitioned to working from home. While we have implemented and maintain a cybersecurity program designed to protect our IT and data systems from attacks, more of our employees are working from locations where our cybersecurity program may be less effective and IT security may be less robust. The risk of a disruption or breach of our operational systems (or those of our third-party service providers), or the compromise of the data processed in connection with our operations (or those of our third-party service providers), has increased as attempted attacks have advanced in sophistication and number around the world. If any of our systems, or those of our third-party service providers, are damaged, fail to function properly or otherwise become unavailable, we may incur substantial costs to repair or replace them and may experience loss or corruption of critical data and interruptions or delays in our ability to perform critical functions, which could adversely affect our business, financial position, results of operations and liquidity. Any failure, compromise, breach or interruption in our systems, or those of our third-party service providers, which may result from problems such as malware, computer viruses, hacking attempts or other third-party malfeasance, could result in a disruption of our operations, patient dissatisfaction, damage to our reputation and a loss of patients or revenues. Efforts by us and our third-party service providers to develop, implement and maintain security measures, including malware and anti-virus software and controls, may not be successful in preventing these events from occurring, and any network and information systems-related events could require us to expend significant resources to remedy such event. In the future, we may be required to expend additional resources to continue to enhance our information security measures and/or to investigate and remediate information security vulnerabilities.

The extent to which the COVID-19 pandemic impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures.

The cost of healthcare is funded substantially by government and private insurance programs. If such funding is reduced or limited or no longer available, our business may be adversely impacted.

Third-party payers including Medicare, Medicaid and private health insurance payers provide substantially all funding for our home health and hospice services, and we cannot control reimbursement rates. During the past several years, third-party healthcare payers in the adult home care and hospice space, such as federal and state governments, insurance companies and employers, have undertaken cost containment initiatives. As part of the efforts, such payers increasingly are demanding discounted fee structures or the assumption by healthcare providers of all or a portion of the financial risk relating to paying for care provided, often in exchange for exclusive or preferred participation in their benefit plans. We expect efforts to impose greater discounts and more stringent cost controls by government and other third-party payers to continue, thereby reducing the payments we receive for our services. For example, the Medicaid Integrity Program is increasing the scrutiny placed on Medicaid payments and could result in recoupments of alleged overpayments. Similarly, private third-party payers may be successful in negotiating reduced reimbursement schedules for our services. Fixed fee schedules, capitation payment arrangements, exclusion from participation in or inability to reach agreements with private insurance organizations or government funded programs, reduction or elimination of payments or an increase in the payments at a rate that is less than the increase in our costs, or other factors affecting payments for healthcare services over which we have no control could have a material adverse effect on our business, prospects, results of operations and financial condition. Further, we cannot assure you that our services will be considered cost-effective by third-party payers, that reimbursement will continue to be available or that changes to third-party payer reimbursement policies will not have a material adverse effect on our ability to sell our services on a profitable basis, if at all.

Reimbursement for the home health and hospice services that we provide is primarily through Medicare, Medicaid and managed care providers. Payments received from Medicare are subject to changes made through federal legislation and regulation. Payments received from Medicaid may vary from state to state. These payments are subject to statutory and regulatory changes, administrative rulings, interpretations and determinations concerning patient eligibility requirements, funding levels and the method of calculating payments or reimbursements. When such changes are implemented, we must also modify our internal billing processes and procedures accordingly, which can require significant time and expense. We cannot assure you that reimbursement payments under governmental payer programs, including supplemental insurance policies, will remain at levels comparable to present levels or will be sufficient to cover the costs allocable to patients eligible for reimbursement pursuant to these programs. These changes, including retroactive adjustments, if adopted in the future by CMS, could have a material adverse effect on our business, financial position, results of operations and liquidity.

Changes to Medicare rates or methods governing Medicare payments for our services could materially adversely affect our business.

We derive substantial revenue from Medicare for our adult home health and hospice services. Reductions in Medicare rates or changes in the way Medicare pays for services could cause our revenue for these services to decline, perhaps materially. Reductions in Medicare reimbursement could be caused by many factors, including:

- administrative or legislative changes to the base rates under the applicable prospective payment systems;
- the reduction or elimination of annual rate increases;

- the imposition or increase by Medicare of mechanisms shifting more responsibility for a portion of payment to beneficiaries, such as co-payments;
- adjustments to the relative components of the wage index used in determining reimbursement rates;
- changes to case mix or therapy thresholds; and
- the reclassification of home health resource groups.

We receive payments from Medicare for our adult home health and hospice services based on the level of care provided to our patients. As a result, our profitability largely depends upon our ability to manage the cost of providing these services. We cannot be assured that reimbursement payments under governmental payer programs, including Medicare, will remain at comparable levels to the present or will be sufficient to cover the costs allocable for patient services. Any changes could have a material adverse effect on our business and consolidated financial condition, results of operations and cash flow. Medicare currently provides for an annual adjustment of the various payment rates, such as the base episode rate for our home nursing services, based upon the increase or decrease of the medical care expenditure, which may be less than actual inflation. This adjustment could be eliminated or reduced in any given year.

Also, beginning on April 1, 2013, Medicare reimbursement was cut an additional 2% through sequestration as mandated by the Budget Control Act of 2011 and American Taxpayer Relief Act of 2011, and is to continue into the future. Further, Medicare routinely reclassifies home health resource groups. As a result of those reclassifications, we could receive lower reimbursement rates depending on the case mix of the patients we service. If our cost of providing services increases by more than the annual Medicare price adjustment, or if these reclassifications result in lower reimbursement rates, our results of operations, net income and cash flows could be adversely impacted.

Additionally, CMS changed the Home Health Prospective Payment System (“HHPPS”) case-mix adjustment methodology through the use of a new Patient-Driven Groupings Model (“PDGM”) for home health payments. This change was implemented on January 1, 2020, and also includes a change in the unit of payment from a 60-day payment period to a 30-day payment period and eliminates the use of therapy visits in the determination of payments. While the changes are intended to be implemented in a budget-neutral manner to the industry, the ultimate impact will vary by provider based on factors including patient mix and admission source. Additionally, in arriving at the calculation of a rate that is budget-neutral, CMS has made numerous assumptions about behavioral changes. The application of these assumptions could negatively impact our rates of reimbursement and have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows.

The implementation of alternative payment models and the transition of Medicaid and Medicare beneficiaries to managed care organizations may limit our market share and could adversely affect our revenues.

The healthcare industry in general is facing uncertainty associated with the efforts to identify and implement alternative delivery payment models and workable coordinated care. Many government and commercial payers are transitioning providers to alternative payment models that are designed to promote cost-efficiency, quality and coordination of care. For example, accountable care organizations (“ACOs”) incentivize hospitals, physician groups, and other providers to organize and coordinate patient care while reducing unnecessary costs. Conceptually, ACOs receive a portion of any savings generated above a certain threshold from care coordination as long as benchmarks for the quality of care are maintained. Providers are then paid based on the overall value and quality (as determined by outcomes) of the services they provide to a patient rather than the number of services they provide. Pursuant to the Patient Protection and Affordable Care Act and the Healthcare Education and Reconciliation Act (collectively, the “ACA”), CMS has established several separate ACO programs, the largest of which is the Medicare Shared Savings Program (“MSSP”). CMS established the MSSP to facilitate coordination and cooperation among providers to improve the quality of care for Medicare fee-for-service beneficiaries and to reduce costs. Eligible providers, hospitals and suppliers may participate in the MSSP by creating, participating in or contracting with an ACO. The ACO rules adopted by CMS are extremely complex and remain subject to further refinement by CMS. According to CMS, 477 MSSP ACOs served 10.7 million patients as of January 1, 2021. If we are not included in these programs, or if ACOs establish programs that overlap with our services, we are at risk for losing market share, including a loss of our current business. Other alternative payment models may be presented by the government and commercial payers to control costs that subject our company to financial risk. Broad-based implementation of a new delivery payment model would represent a significant transformation for us and the healthcare industry generally. The development of new delivery and payment systems will almost certainly take significant time and expense. We cannot predict at this time what effect alternative payment models may have on our company.

We may be similarly impacted by increased enrollment of Medicare and Medicaid beneficiaries in managed care plans, shifting away from traditional fee-for-service models. Under a managed Medicare plan, also known as Medicare Advantage, the federal government contracts with private health insurers to provide Medicare benefits and the insurers may choose to offer supplemental benefits. Approximately two-fifths of all Medicare beneficiaries were enrolled in a Medicare Advantage plan in 2020, a figure that continues to grow. Beginning in 2019, CMS allowed Medicare Advantage plans to offer certain personal care services as a supplemental benefit. Enrollment in managed Medicaid plans is also growing, as states are increasingly relying on managed care organizations to deliver Medicaid program services as a strategy to control costs and manage resources. We cannot assure you that we will be successful in our efforts to be included in managed plan networks, that we will be able to secure favorable contracts with all or some of the managed care organizations, that our reimbursement under these programs will remain at current levels, that the authorizations for services will remain at current levels or that our profitability will remain at levels consistent with past performance. We may also face increased competition for managed care contracts as a result of state regulation and limitations. In addition, operational processes may not be well-defined as a state transitions Medicaid recipients to managed care. For example, membership, new referrals and the related authorization for services to be provided may be delayed, which may result in delays in service delivery to consumers or in payment for services rendered. Difficulties with operational processes associated with new managed care contracts may negatively affect our revenue growth rates, cash flow and profitability for services provided.

Because we are limited in our ability to control reimbursement rates received for our services, our business could be materially adversely affected if we are not able to maintain or reduce our costs to provide such services.

We receive fixed payments at rates established through federal and state legislation from Medicare and Medicaid, our most significant payers, for our services. Consequently, our profitability largely depends upon our ability to manage the costs of providing these services. We cannot be assured that reimbursement payments under Medicare and Medicaid will remain at levels comparable to present levels or will be sufficient to cover the costs allocable to patients eligible for reimbursement pursuant to these programs. Additionally, non-government payer rates are difficult for us to negotiate as such payers are under pressure to reduce their own costs. As a result, we have sought to manage our costs in order to achieve a desired level of profitability including, but not limited to, centralization of various processes, the use of technology and management of the number of employees utilized. If we are not able to continue to streamline our processes and reduce our costs, our business and consolidated financial condition, results of operations and cash flows could be materially adversely affected.

Delays in collection or non-collection of our accounts receivable, particularly during the business integration process, could adversely affect our business, financial position, results of operations and liquidity.

Prompt billing and collection are important factors in our liquidity and our business is characterized by delays from the time we provide services to the time we receive payment for these services. We bill numerous and varied payers, such as Medicare, Medicaid and private insurance payers. These different payers typically have different billing requirements that must be satisfied prior to receiving payment for services rendered.

Reimbursement is typically conditioned on our documenting medical necessity and correctly applying diagnosis codes. Incorrect or incomplete documentation and billing information could result in non-payment for services rendered. Billing and collection of our accounts receivable with Medicare and Medicaid are further subject to the complex regulations that govern Medicare and Medicaid reimbursement and rules imposed by nongovernment payers. For example, recent efforts have focused on improved coordination of regulation across the various types of Medicaid programs through which personal care services are offered. The 21st Century Cures Act, as amended, mandated that states implement electronic visit verification (“EVV”), which is used to collect home visit data, such as when the visit begins and ends. In several states, providers are now required to obtain state licenses or registrations and must comply with laws and regulations governing standards of practice. Providers must dedicate substantial resources to ensure continuing compliance with all applicable regulations and significant expenditures may be necessary to offer new services or to expand into new markets. The failure to comply with regulatory requirements could lead to the termination of rights to participate in federal and state-sponsored programs and the suspension or revocation of licenses. We believe new licensing requirements and regulations, including EVV, the increasing focus on improving health outcomes, the rising cost and complexity of operations, technology and pressure on reimbursement rates due to constrained government resources may discourage new providers and may encourage industry consolidation. Further, states that fail to meet federally imposed EVV deadlines could potentially lose, without an application for a good cause extension, an escalating amount of their funding. To the extent that the states fail to properly implement EVV, or that we fail to comply with new EVV data collection and billing submission requirements, our internal operations could be negatively affected. Our inability to bill and collect on a timely basis pursuant to these regulations and rules could subject us to payment delays that could have a material adverse effect on our business, financial position, results of operations and liquidity.

In addition, timing delays in billings and collections may cause working capital shortages. Working capital management, including prompt and diligent billing and collection, is an important factor in our financial position and results of operations and in maintaining liquidity. It is possible that Medicare, Medicaid, documentation support, system problems or other provider issues or industry trends, particularly with respect to newly acquired entities for which we have limited operational experience, may extend our collection period, which may materially adversely affect our working capital, and our 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, which may result in an increased period of time between submission of claims and subsequent payment under specific programs, most notably under the Medicare and Medicaid managed care programs, which in many cases pay claims significantly slower than traditional Medicare or state Medicaid programs do as a result of more complicated authorization, billing and collecting processes that are required by Medicare and Medicaid managed care programs. Reimbursement from the Medicare, Medicaid and Medicare/Medicaid managed programs accounted for 3.1%, 27.1% and 59.8% of our revenues, respectively, for the year ended January 2, 2021. In addition, we 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 our or other third parties’ information system failures. Furthermore, the proliferation of Medicare and Medicaid managed care programs could have a material adverse impact on the results of our operations as a result of more complicated authorization, billing and collection requirements implemented by such programs.

A change in our estimates of collectability or a delay in collection of accounts receivable could adversely affect our results of operations and liquidity. The estimates are based on a variety of factors, including the length of time receivables are past due, significant one-time events, contractual rights, client funding and/or political pressures, discussions with clients and historical experience. A delay in collecting our accounts receivable, or the non-collection of accounts receivable, including, without limitation, in connection with our transition and integration of acquired companies, and the attendant movement of underlying billing and collection operations from legacy systems to future systems, could have a material negative impact on our results of operations and liquidity and could be required to record impairment charges on our financial statements.

Failure to maintain the security and functionality of our information systems, or to defend against or otherwise prevent a cybersecurity attack or breach, could adversely affect our business, financial position, results of operations and liquidity.

We collect, store, use, retain, disclose, transfer and otherwise process a significant amount of confidential, sensitive and personal information from and about our actual and potential patients and our employees, including tax information, patient health information and payroll data. In addition to internal resources, we rely on third-party service providers in providing our services, including to provide continual maintenance and enhancements and security of any protected data. Such third-party service providers have access to confidential, sensitive and personal information about our patients and employees, and some of these service providers in turn subcontract with other third-party service providers. Our business also supports the use of EVV to collect visit submission information through our delivery of home health services. In order to comply with current and future state and federal regulations around EVV use, we utilize several different vendors. In states with an “open” model, we are able to choose our preferred EVV vendor. In states mandating the EVV vendor, a “closed” system, we utilize whichever vendor the state has mandated. In both cases, we have built interfaces between the EVV vendor and the patient accounting system utilized in the respective branch location. To the extent that our EVV vendors fail to support these processes, our internal operations could be negatively affected. Through contractual provisions and third-party risk management processes, we take steps to require that our service providers, and their subcontractors, protect our confidential, sensitive and personal information. However, due to the size and complexity of our technology platform and services, the amount of confidential, sensitive and personal information that we store and the number of patients, employees and third-party service providers with access to confidential, sensitive and personal information, we are potentially vulnerable to a variety of intentional and inadvertent cybersecurity attacks and other security-related incidents and threats, which could result in a material adverse effect on our business, financial position, results of operations and liquidity.

Threats to our information technology systems and data security can take a variety of forms. Hackers may develop and deploy viruses, worms and other malicious software programs that attack our networks and data centers or those of our service providers. Additionally, unauthorized parties may attempt to gain access to our systems or facilities, or those of third parties with whom we do business, through fraud, trickery, or other forms of deceiving our employees or contractors, direct social engineering, phishing, credential stuffing, ransomware, denial or degradation of service attacks and similar types of attacks against any or all of us, our patients and our service providers. Other threats include inadvertent security breaches or theft, misuse, unauthorized access or other improper actions by our employees, patients, service providers and other business partners. Cybersecurity attacks and other security-related incidents are increasing in frequency and evolving in nature.

We have implemented policy, procedural, technical, physical and administrative controls with the aim of protecting our networks, applications, bank accounts, and the confidential, sensitive and personal information entrusted to us from such threats. Specifically, we have installed privacy protection systems and devices on our network and point of care tablets in an attempt to prevent unauthorized access to information in our database. However, given the unpredictability of the timing, nature and scope of cybersecurity attacks and other security-related incidents, our technology may fail to adequately secure the confidential health information and personally identifiable information we maintain in our databases and there can be no assurance that any security procedures and controls that we or our service providers have implemented will be sufficient to prevent such incidents from occurring. Furthermore, because the methods of attack and deception change frequently, are increasingly complex and sophisticated, and can originate from a wide variety of sources, including third parties such as service providers and even nation-state actors, it is possible that we may not be able to anticipate, detect, appropriately react and respond to, or implement effective preventative measures against, all cybersecurity attacks and other security-related incidents. As a result, our business, financial condition, results of operations and liquidity could be materially and adversely affected.

The occurrence of any actual or attempted cybersecurity attack or other security-related incident, the reporting of such an incident, whether accurate or not, or our failure to make adequate or timely disclosures to the public or law enforcement agencies following any such event, whether due to delayed discovery or a failure to follow existing protocols, could result in liability to our patients and/or regulators, which could result in significant fines, litigation penalties, orders, sanctions, adverse publicity, litigation or actions against us or our service providers by governmental bodies and other regulatory authorities, patients or third parties, that could have a material adverse effect on our business, consolidated financial condition, results of operations, cash flows and liquidity. Any such proceeding or action, any related indemnification obligation, even if we are not held liable, and any resulting negative publicity, could harm our business, damage our reputation, force us to incur significant expenses in defense of these proceedings, increase the costs of conducting our business, distract the attention of management or result in the imposition of financial liability.

We may be required to expend significant capital and other resources to protect against the threat of cybersecurity attacks and security breaches or to alleviate problems caused by breaches, including unauthorized access to patient data and personally identifiable information stored in our information systems, the introduction of computer viruses or other malicious software programs to our systems, cybersecurity attacks, email phishing schemes, network disruption, denial of service attacks, malware and ransomware. A cybersecurity attack or other incident that bypasses our, our patients' or third-party service providers' information system's security could cause a security breach that may lead to a material disruption to our information systems infrastructure or business and may involve a significant loss of business or patient health information and other confidential, sensitive or personal information. If a cybersecurity attack or other unauthorized attempt to access our systems or facilities, or those or our patients or third-party service providers, were to be successful, it could result in the theft, destruction, loss, misappropriation or release of confidential, sensitive or personal information or intellectual property, and could cause operational or business delays that may materially impact our ability to provide various healthcare services. Any successful cybersecurity attack or other unauthorized attempt to access our systems or facilities, or those of our patients or third-party service providers, also could result in negative publicity which could damage our reputation or brand with our patients, referral sources, payers or other third parties and could subject us to substantial sanctions, fines and damages and other additional civil and criminal penalties under the Health Insurance Portability and Accountability Act ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), the HIPAA Omnibus Rule (the "Omnibus Rule") and other federal and state privacy laws, in addition to litigation with those affected.

We, our patients and our third-party service providers have been the victims of these types of threats, attacks and security breaches in the past. No security measures, procedures, technology or amount of preparation can provide guaranteed protection from these threats, or ensure that we, our patients and our third-party service providers will not be victims again in the future. Cybersecurity attacks have disrupted, or resulted in unauthorized access to, our networks, applications and confidential, personal or sensitive data, and those of our patients or service providers, in the past and successful attacks may occur again in the future.

For example, in February 2020, the Company advised the Office for Civil Rights, certain potentially affected persons and applicable State Attorneys General that consumer information (including social security numbers and financial account information) may have been illegally accessed by an unauthorized third party. The Company hired leading forensic firms to support its investigation, assess its systems and implement measures to bolster its security. Based on its investigation, the Company determined that the intruder may have accessed certain employee email accounts between July 9, 2019 and August 24, 2019. The Company notified approximately 170,000 current and former patients that certain information may have been copied and transferred, although there was no confirmation of any unauthorized acquisition, disclosure, use of, or access to such information as a result of the incident. Following the incident, the Company received notice that a class action complaint had been filed against the Company in the U.S. District Court for the Northern District of Georgia. The complaint alleges, among other things, that the Company failed to take the necessary security precautions to protect patient information and prevent the data breach and that the Company failed to provide timely and adequate notice to affected persons that their personal information had been subject to unauthorized access. Because of the early stage of this matter and the uncertainties of litigation, we cannot predict the ultimate resolution of this matter or estimate the amounts of, or ranges of, potential loss, if any, with respect to this proceeding. The Company intends to defend this lawsuit vigorously and has filed a motion to dismiss the case, which is currently pending. In addition, the Company has received a request for information regarding the data breach and the Company's response from the Office for Civil Rights as well as additional inquiries from State Attorneys General. The Company is in the process of responding to each of these inquiries and is providing the information requested. The Company could face fines or penalties as a result of these inquiries. However, due to the early stages of these matters, we cannot predict the ultimate resolution or estimate the amounts of, or ranges of, potential loss, if any. The Company has insurance coverage and contingency plans for certain potential liabilities relating to the data breach. Nevertheless, the coverage may be insufficient to satisfy all claims and liabilities related thereto and the Company will be responsible for deductibles and any other expenses that may be incurred in excess of insurance coverage.

Failure to maintain the security and functionality of our information systems and related software, or to defend a cybersecurity attack or other attempt to gain unauthorized access to our systems, facilities or patient health information could expose us to a number of adverse consequences, the vast majority of which are not insurable, including but not limited to disruptions in our operations, regulatory and other civil and criminal penalties, fines, investigations and enforcement actions (including, but not limited to, those arising from the SEC, Federal Trade Commission, the HHS Office of Inspector General ("OIG") or State Attorneys General), litigation with those affected by the data breach, loss of patients, disputes with payers and increased operating expense, which either individually or in the aggregate could have a material adverse effect on our business, financial position, results of operations and liquidity.

Healthcare reform and other regulations could adversely affect our customers, which could have an adverse effect on their ability to make timely payments to us for our products and services.

There are continuing efforts to reform governmental healthcare programs by federal and state governments that could result in major changes in the healthcare delivery and reimbursement system on a national and state level. The ACA and other laws and regulations that limit or restrict Medicare and Medicaid payments to our customers could adversely impact our customers, resulting in their inability to pay us, or pay us in a timely manner, for our services. Efforts to repeal or substantially modify provisions of the ACA continue in the federal courts. The ultimate outcomes of efforts to repeal, substantially amend, eliminate or reduce funding for the ACA is unknown. The effect of any major modification or repeal of the ACA on our business, operations or financial condition cannot be predicted, but could be materially adverse. There are continuing efforts to reform governmental health care programs that could result in major changes in the health care delivery and reimbursement system on a national and state level, including changes directly impacting the reimbursement systems for our services. Though we cannot predict what, if any, reform proposals will be adopted, healthcare reform and legislation may have a material adverse effect on our business and our financial condition, results of operations and cash flows through decreasing payments made for our services. See "Risk Factors—Risks Related to Our Regulatory Framework."

Changes in the case-mix of our patients, as well as payer mix and payment methodologies, may have a material adverse effect on our profitability.

The sources and amounts of our patient revenues is determined by a number of factors, including the mix of patients and the rates of reimbursement among third-party payers. Changes in the case-mix of our patients as well as the third-party payer mix among Medicare, Medicaid and private payers may significantly affect our profitability. In particular, any significant increase in our Medicare or Medicaid population or decrease in Medicare or Medicaid payments could have a material adverse effect on our financial position, results of operations and cash flow, particularly if states operating these programs continue to limit, or more aggressively seek limits on, reimbursement rates or service levels.

Changes in payment methodologies by third-party payers could have a material adverse effect on our financial position, results of operations and cash flow. In November 2018, CMS issued the Calendar Year 2019

Home Health Final Rule, which provided for the first payment rate increase for home health providers since 2010. In the 2019 rule, CMS also issued proposed payment changes for Medicare home health providers for 2020. These proposed changes included changes to the HHPPS case-mix adjustment methodology through the use of a new PDGM for home health payments. As a result, the unit of payment changed from a 60-day payment period to a 30-day payment period and the use of therapy visits in the determination of payments was eliminated. While the proposed changes are supposed to be implemented in a budget neutral manner to the industry, the ultimate impact will vary by provider based on factors including patient mix and admission source. On October 31, 2019, CMS released its notice of final rulemaking for calendar year 2020 for home health agencies under the HHPPS (the “2020 HH Rule”). The 2020 HH Rule finalized the implementation of PDGM for 2020. In addition to the significant changes to the home health reimbursement model related to PDGM discussed above, the 2020 HH Rule requires additional quality reporting measures and significantly increases the standardized patient assessment data elements collected by providers beginning in 2022. With respect to Medicare reimbursement rates, the 2020 HH Rule implements a net 1.3% market basket increase (market basket update of 1.5% reduced by 0.2% for an extension of the rural payment add-on factor) in 2020. The 2020 HH Rule then reduces the base payment rate by 4.4% to offset the provider behavioral changes that CMS assumes PDGM will drive. Accordingly, the implementation of the PDGM could negatively impact our rates of reimbursement for Medicare fee for service patients and have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows.

If we are unable to provide consistently high quality of care, our business will be adversely impacted.

Providing quality patient care is fundamental to our business. We believe that hospitals, physicians and other referral sources refer patients to us in large part because of our reputation for delivering quality care. Clinical quality is becoming increasingly important within our industry. Effective October 2012, Medicare began to impose a financial penalty upon hospitals that have excessive rates of patient readmissions within 30 days from hospital discharge. We believe this regulation provides a competitive advantage to home health providers who can differentiate themselves based upon quality, particularly by achieving low patient acute care hospitalization readmission rates and by implementing disease management programs designed to be responsive to the needs of patients served by referring hospitals. We are focused intently upon improving our patient outcomes, particularly our patient acute care hospitalization readmission rates. If we should fail to attain our goals regarding acute care hospitalization readmission rates and other quality metrics, we expect our ability to generate referrals would be adversely impacted, which could have a material adverse effect upon our business and consolidated financial condition, results of operations and cash flows. Additionally, Medicare has established consumer-facing websites, Home Health Compare and Hospice Compare, that present data regarding our performance on certain quality measures compared to state and national averages. If we should fail to achieve or exceed these averages, it may affect our ability to generate referrals, which could have a material adverse effect upon our business and consolidated financial condition, results of operations and cash flows.

Quality reporting requirements may negatively impact Medicare reimbursement.

Hospice quality reporting was mandated by the ACA, which directs the Secretary of HHS to establish quality reporting requirements for hospice programs. Failure to submit required quality data will result in a 2%-point reduction to the market basket percentage increase for that fiscal year. This quality reporting program is currently “pay-for-reporting,” meaning it is the act of submitting data that determines compliance with program requirements.

The Improving Medicare Post-Acute Care Transformation Act of 2014 (the “IMPACT Act”) requires the submission of standardized data by home health agencies. Specifically, the IMPACT Act requires, among other significant activities, the reporting of standardized patient assessment data with regard to quality measures, resource use and other measures. Failure to report data as required will subject providers to a 2% reduction in market basket prices then in effect. Additionally, reporting activities associated with the IMPACT Act are anticipated to be quite burdensome.

Similarly, in the Calendar Year 2015 Home Health Final Rule, CMS proposed to establish a new “Pay-for-Reporting Performance Requirement” with which provider compliance with quality reporting program requirements can be measured. Home health agencies that do not submit quality measure data to CMS are subject to a 2% reduction in their annual home health payment update percentage. Home health agencies are required to report prescribed quality assessment data for a minimum of 70% of all patients with episodes of care that occur on or after July 1, 2015. This compliance threshold increased by 10% in each of two subsequent periods (i.e., for episodes beginning on or after July 1, 2016 and before June 30, 2017, home health agencies must score at least 80%, and for episodes beginning on or after July 1, 2017 and thereafter, the required performance level is at least 90%). There can be no assurance that all our home health and hospice agencies will continue to meet quality reporting requirements in the future, which may result in one or more of our home health or hospice agencies seeing a reduction in its Medicare reimbursements. Regardless, we, like other healthcare providers, are likely to incur additional expenses in an effort to comply with additional and changing quality reporting requirements.

Our hospice operations are subject to annual Medicare caps. If any of our hospice providers exceeds such caps, our business and consolidated financial condition, results of operations and cash flows could be materially adversely affected.

Medicare payments to a hospice are subject to an inpatient cap amount and an overall payment cap amount, which are calculated and published by CMS on an annual basis covering the period from November 1 through October 31. If payments received under any of our hospice operations exceeds any of these caps, we may be required to reimburse Medicare for payments received in excess of the caps, which could have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows.

Our failure to negotiate favorable managed care contracts, or our loss of existing favorable managed care contracts, could have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows.

We believe that there is a growing trend of patient utilization of managed care. Accordingly, we seek to diversify our payer sources by increasing the business we already do with managed care companies, such as HMOs and PPOs. However, we may not be successful in these efforts. There is also a risk that any favorable managed care contracts that we have may be terminated on short notice, because managed care contracts typically permit the payer to terminate the contract without cause, typically upon 90 days’ notice, but in some cases upon a shorter notice period. The ability to terminate on short notice without cause can provide such companies with leverage to reduce volume or obtain favorable pricing to the detriment of our business strategy, and managed care contracts are subject to frequent change as a result of renegotiations and renewals. Our failure to negotiate, secure, and maintain favorable managed care contracts could have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows. Furthermore, managed care contracts typically have complicated authorization, billing and collection provisions. Our inability to properly obtain authorizations from managed care programs or accurately bill managed care programs could result in material denied claims, or expose us to material repayment obligations, thereby materially adversely impacting our results of operations.

The home health and hospice industries have historically experienced shortages in qualified employees and management, and competition for qualified personnel may increase our labor costs and reduce profitability.

We compete with other healthcare providers for our employees, both professional employees and management. If we are unable to attract and retain qualified personnel, the quality of our services may decline and we could lose patients and referral sources, which could have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows. Our ability to attract and retain qualified personnel depends on several factors, including our ability to provide these personnel with attractive assignments and competitive salaries and benefits. During the COVID-19 pandemic, our ability to attract and retain qualified personnel may also depend on our ability to appropriately protect these personnel from exposure to the virus. We cannot be assured we will succeed in any of these areas. In some markets, the lack of availability of medical personnel is a significant operating issue facing all healthcare providers. This issue may be exacerbated if immigration is more limited in the future and by the COVID-19 pandemic.

If the demand for home health and/or hospice services exceeds the supply of available and qualified personnel, we and our competitors may be forced to offer higher compensation and other benefits to attract and retain them. Even if we were to offer higher compensation and other benefits, there can be no assurance that these individuals will choose to join or continue to work for us. In addition, if we expand our operations into geographic areas where healthcare providers historically have been unionized, or if any of our employees become unionized, being subject to a collective bargaining agreement may have a negative impact on our ability to timely and successfully recruit qualified personnel and may increase our operating costs. We currently have no union employees, so an increase in labor union activity could have a significant impact on our labor costs. Furthermore, the competitive market for this labor force has created turnover as many seek to take advantage of the supply of available positions, each offering new and more attractive wage and benefit packages. In addition to the wage pressures inherent in this environment, the cost of training new employees amid the turnover rates may cause added pressure on our operating results. If our labor costs increase, we may not experience reimbursement rate or pricing increases to offset these additional costs. Our ability to pass along increased labor costs is limited, which could significantly affect our business and consolidated financial condition, results of operations and cash flows.

Any economic downturn, deepening of an economic downturn or federal and state budget pressures may result in a reduction in payments and covered services.

While we believe that our services are not typically sensitive to general declines in the federal and state economies, the erosion in the tax base caused by a general economic downturn can cause restrictions on the federal and state governments' abilities to obtain financing and a decline in spending. In the wake of the 2008 economic recession, most states faced unprecedented declines in tax revenues and, as a result, record budget gaps. If the economy were to contract into a recession (for example, as a result of the global COVID-19 pandemic), our government payers or other counterparties that owe us money could be delayed in obtaining, or may not be able to obtain, necessary funding and/or financing to meet their cash flow needs. As a result, we may face increased pricing pressure, termination of contracts, reimbursement rate cuts or reimbursement delays from Medicare and Medicaid and other governmental payers, which could adversely impact our results of operations and cash flows.

Adverse developments in the United States could lead to a reduction in federal government expenditures, including governmentally funded programs in which we participate, such as Medicare and Medicaid. In addition, if at any time the federal government is not able to meet its debt payments unless the federal debt ceiling is raised, and legislation increasing the debt ceiling is not enacted, the federal government may stop or delay making payments on its obligations, including funding for Medicare and Medicaid. Failure of the federal government to make payments under these programs could have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows. Further, any failure by the United States Congress to complete the federal budget process and fund government operations may result in a federal government shutdown, potentially causing us to incur substantial costs without reimbursement under Medicare and/or Medicaid, which could have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows. As an example, the failure of the 2011 Joint Select Committee to meet its Deficit Reduction goal resulted in an automatic reduction in certain Medicare home health payments. Medicaid outlays may also be significantly affected by state budget pressures, and we can expect continuing cost containment pressures on Medicaid outlays for our services.

In addition, sustained unfavorable economic conditions may affect the number of patients enrolled in managed care programs and the profitability of managed care companies, which could result in reduced payment rates and could have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows.

There is a high degree of uncertainty regarding the implementation and impact of the Coronavirus Aid, Relief, and Economic Security (CARES) Act (the "CARES Act") and other existing or future stimulus legislation, if any. There can be no assurance as to the total amount of financial assistance or types of assistance we will receive, that we will be able to comply with the applicable terms and conditions to retain such assistance, that we will be able to benefit from provisions intended to increase access to resources and ease regulatory burdens for health care providers or that additional stimulus legislation will be enacted.

The CARES Act is a $2 trillion economic stimulus package signed into law on March 27, 2020, in response to the COVID-19 pandemic. In an effort to stabilize the U.S. economy, the CARES Act provides for cash payments to individuals and loans and grants to small businesses, among other measures. The CARES Act also appropriates $100 billion in funding to HHS for hospitals and other healthcare providers to be distributed through the previously established Public Health and Social Services Emergency Fund (the "PHSSEF"). Following passage of the CARES Act, on April 24, 2020, H.R. 266, commonly known as the Paycheck Protection Program and Health Care Enhancement Act (the "PPPHCE Act"), was signed into law, which provides an additional $75 billion appropriation to the PHSSEF on the same terms and conditions as the CARES Act. These funds are intended to reimburse eligible providers and suppliers for healthcare-related expenses or lost revenues attributable to COVID-19.

Recipients are not required to repay PHSSEF funds, provided that they attest to and comply with certain terms and conditions, including limitations on balance billing and restrictions against using PHSSEF funds to reimburse expenses or losses that other sources are obligated to reimburse. HHS originally allocated $50 billion of the CARES Act Provider Relief Fund ("PRF") for general distribution to Medicare providers impacted by COVID-19, to be distributed on a proportional basis to providers' share of 2018 patient revenue. HHS also distributed $18 billion to eligible Medicaid and CHIP providers that have not received a payment from the original PRF's $50 billion general distribution allocation and billed state Medicaid programs or Medicaid managed care plans for healthcare-related services between January 1, 2018 and May 31, 2020. The Company began applying for these Medicaid PRF payments in June 2020. In addition, HHS is making targeted distributions for providers in areas particularly impacted by COVID-19, rural providers, providers of services with lower shares of Medicare reimbursement or who predominantly serve the Medicaid population, and providers requesting reimbursement for treatment of uninsured Americans, among others. A portion of the available funding is being distributed to reimburse health care providers that submit claims requests for COVID-19-related treatment of uninsured patients at Medicare rates. HHS has not yet announced the precise method by which all future payments from the PHSSEF will be determined or allocated, so the potential impact to us is not currently known. As of January 2, 2021, we had received $25.1 million in PRF payments as a result of applications made by the Company; we repaid this amount in full on March 5, 2021. The Company may receive incremental Medicaid PRF payments in the future.

The CARES Act also makes other forms of financial assistance available to health care providers, including Medicare and Medicaid payments adjustments and an expansion of the Medicare Accelerated and Advance Payment Program, which makes available advance payments of Medicare funds in order to increase cash flow to providers. Certain states have passed relief and stimulus legislation and programs. For example, on May 28, 2020, the Pennsylvania General Assembly approved distribution of stimulus dollars that it received through the CARES Act, including to home health and homecare agencies. As of January 2, 2021, the Company had received approximately $4.8 million of stimulus payments from the Commonwealth of Pennsylvania, for which it did not apply; we recognized $0.5 million of this amount as income in fiscal year 2020 and repaid the remaining $4.3 million on February 4, 2021. These payments are not subject to repayment, provided we are able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for healthcare-related expenses or lost revenue attributable to COVID-19. If we are unable to attest to or comply with current or future terms and conditions, our ability to retain some or all of the distributions received may be impacted, which is unknown at this time. The Company has not received stimulus funds from any individual state other than Pennsylvania.

Due to the recent enactment of the CARES Act, the PPPHCE Act and other legislation, there is still a high degree of uncertainty surrounding their implementation, and the COVID-19 pandemic continues to evolve. Some of the measures allowing for flexibility in delivery of care and various financial supports for health care providers are available only until the Public Health Emergency ("PHE") for the COVID-19 pandemic has ended, and it is unclear whether or for how long the PHE declaration will be extended. The current PHE determination was renewed on January 7, 2021, and is currently set to expire on April 20, 2021. The Secretary of HHS may choose to renew the PHE declaration for successive 90-day periods for as long as the emergency continues to exist and may terminate the declaration whenever he determines that the PHE no longer exists. The federal government and the state governments may consider additional stimulus and relief efforts, but we are unable to predict whether additional stimulus measures will be enacted or their impact. There can be no assurance as to the total amount of financial and other types of assistance we will receive under the CARES Act, PPPHCE Act or future legislation, if any, and it is difficult to predict the impact of such legislation on our operations. Companies that we acquire in the future may have received, or elected to receive, financial or other types of assistance under the CARES Act, PPPHCE Act or future legislation, if any, and we may incur additional costs to bring such acquired companies into compliance with such laws or our elections thereunder. Further, there can be no assurance that the terms and conditions of PRF or other relief programs will not change or be interpreted in ways that affect our ability to comply with such terms and conditions in the future (which could affect our ability to retain assistance), the amount of total stimulus funding we will receive or our eligibility to participate in such stimulus funding.

The HHS has indicated that for-profit commercial organizations, such as Aveanna, are required to include PRF payments in determining whether they are required to have certain audits performed. If HHS conducts an audit resulting in findings or allegations of noncompliance with applicable requirements for use of such PRF payments, it could result in a material payment obligation for us. We will continue to monitor our compliance with the terms and conditions of the PRF, including demonstrating that the distributions received have been used for healthcare-related expenses or lost revenue attributable to COVID-19. If we are unable to attest to or comply with current or future terms and conditions, then our ability to retain some or all of the distributions received may be impacted. We will continue to assess the potential impact of COVID-19 and government responses to the pandemic on our business, results of operations, financial condition and cash flows.

Further, the rules and regulations associated with the implementation of the CARES Act, including the terms and conditions of the PRF, have not been finalized and remain subject to publication and change. While CMS has issued interim and informal guidance, the final rules and regulations may be materially different from our current understanding. Such changes in the final rules and regulations may materially affect our ability to utilize and retain the PRF payments and may change our accounting for the use of such funds.

Our business is dependent on the availability, integrity and security of internal and external information systems and IT services, but there are risks of business disruption associated with new business systems and technology initiatives.

We are dependent on the proper functioning, availability and uninterrupted operation of our information systems and related software programs. Our information systems require an ongoing commitment of significant resources to maintain, protect and enhance existing systems and develop new systems to keep pace with continuing changes in technology, evolving industry and regulatory standards, and changing patient preferences. Costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems also could disrupt or reduce the efficiency of our business. We may also incur additional costs in relation to any new systems, procedures and controls and additional management attention could be required in order to ensure an efficient integration, placing burdens on our internal resources. In addition, certain software supporting our business and information systems are licensed to us by third-party software developers. Our inability, or the inability of such third parties, to continue to maintain and upgrade our information systems and software could disrupt or reduce the efficiency of our operations. Hardware, software, or applications we develop or procure from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security.

In the ordinary course of business, we implement new or upgraded business and information technology systems for our various businesses to meet our operational needs. Implementation disruptions or the failure of new systems and technology initiatives to operate in accordance with expectations could have a material adverse effect on our business, financial position results of operations and liquidity. Moreover, in connection with recent and future acquisitions, it is necessary for us to continue to create an integrated business from the various acquired entities. This requires the establishment of a common management team to guide the acquired companies, the conversion of numerous information systems to a common operating system, the establishment of a brand identity for the acquired companies, the streamlining of the operating structure to optimize efficiency and customer service and a reassessment of the inventory and supplier base to ensure the availability of products at competitive prices. As a result of our historical acquisition activities, we have acquired additional information systems. We have been taking steps to reduce the number of systems we operate, have upgraded and expanded our information systems capabilities, and are gradually migrating to fewer information systems. No assurance can be given that these various actions can be completed without disruption to the business, in a short period of time or that anticipated improvements in operating performance can be achieved.

Though we have taken steps to protect the safety and security of our information systems and the patient health information and other data maintained within those systems, there can be no assurance that our safety and security measures and disaster recovery plan (and those of our third-party service providers) will prevent damage to, or interruption or breach of, our information systems and operations. Our IT and information systems may fail to operate properly (for example, by capturing patient data erroneously) or become disabled as a result of events that are beyond our control. For example, our information systems are vulnerable to damage or interruption from fire, flood, earthquake, terrorist attacks, natural disasters, power loss, telecommunications failure, break-ins, attacks from malicious third parties, improper operation, computer viruses, unauthorized entry, data loss, cybersecurity attacks, acts or war and similar events. Some of our systems are not fully redundant, and our disaster recovery planning may not be sufficient for all eventualities. Additionally, because the techniques used to obtain unauthorized access, disable, or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time, we may be unable to anticipate these techniques or implement adequate preventive measures. Any such failure of IT and information systems could adversely affect our reputation, our ability to effect transactions and service customers and merchants, disrupt our business or result in the misuse of patient or patient data, financial loss or liability to our patients, the loss of a supplier or regulatory intervention or reputational damage. Problems with, or the failure of, our technology and systems or any system upgrades or programming changes associated with such technology and systems could have a material adverse effect on data capture, medical documentation, billing, collections, assessment of internal controls and management and reporting capabilities, as well as on our business, financial position, results of operations and liquidity.

We develop and maintain portions of our clinical software systems in house. Failure of, or problems with, our systems could harm our business and operating results.

We develop and utilize clinical, appointment scheduling and billing software systems, including our “Aveanna Connect” software, to collect assessment data, log patient visits, generate medical orders, schedule patients’ appointments and monitor treatments and outcomes in accordance with established medical standards. The system integrates billing and collections functionality as well as accounting, human resource, payroll, and employee benefits programs provided by third parties. Problems with, or the failure of, our technology and systems could negatively impact data capture, billing, collections and management and reporting capabilities. Any such problems or failures could adversely affect our operations and reputation, result in significant costs to us, and impair our ability to provide our services in the future. Additionally, our software utilizes open source software and any defects or security vulnerabilities in such open source software, or any requirement to publicly disclose all or part of the source code to our software or to make available any derivative works of the open source code on unfavorable terms or at no cost, could harm our business, financial condition, results of operations and liquidity. The costs incurred in correcting any errors or problems may be substantial, may negatively affect the public’s perception of our services and could adversely affect our profitability.

If any of our home health or hospice agencies fail to comply with the conditions of participation in the Medicare program, that agency could be terminated from Medicare, which could adversely affect our revenue and net income.

Our home health and hospice agencies must comply with the extensive conditions of participation in the Medicare program. These conditions generally require our home health and hospice agencies to meet specified standards relating to personnel, patient rights, patient care, patient records, administrative reporting and legal compliance. If a home health agency or hospice fails to meet any of the Medicare conditions of participation, that home health agency or hospice may receive a notice of deficiency from the applicable surveyor or accreditor. If that home health agency or hospice then fails to institute a plan of correction to correct the deficiency within the time period provided by the surveyor or accreditor, that home health agency or hospice could be terminated from the Medicare program. We respond in the ordinary course to deficiency notices issued by surveyors or accreditors. Any termination of one or more of our home health or hospice agencies from the Medicare program for failure to satisfy the Medicare conditions of participation could adversely affect our revenue and net income.

We may not be able to adequately obtain and maintain our intellectual property and proprietary rights, which could impair our ability to protect and enforce intellectual property and our brand.

We rely on a combination of trademark law, trade secret protection, contractual restrictions and other intellectual property laws and confidentiality procedures to establish and protect our proprietary rights. We have not applied for any patents and cannot give assurances that any patent applications will be made by us or that, if they are made, they will be granted.

We may, over time, strategically increase our intellectual property investment through additional trademark, patent and other intellectual property filings, which could be expensive and time-consuming and are not guaranteed to result in the issuance of registrations. Even if we are successful in obtaining a particular patent, trademark or copyright registration, it is expensive to enforce our rights, including through maintenance costs, monitoring, sending demand letters, initiating administrative proceedings and filing lawsuits.

In addition to registering material and eligible intellectual property, we rely to a degree on contractual restrictions to prevent others from exploiting our intellectual property rights. However, the enforceability of these provisions is subject to various state and federal laws, and is therefore uncertain. Our failure to develop and properly manage new intellectual property could hurt our market position and business opportunities. Furthermore, recent changes to U.S. intellectual property laws may jeopardize the enforceability and validity of our intellectual property portfolio.

Although we have generally taken measures to protect our intellectual property rights, there can be no assurance that the steps that we have taken to protect our intellectual property will prevent third parties from infringing or misappropriating our intellectual property or deter independent development of equivalent or superior intellectual property rights by others. We will not be able to protect our intellectual property rights if we are unable to enforce our rights or if we do not detect or determine the extent of unauthorized use of our intellectual property rights. If we are unable to prevent third parties from adopting, registering or using trademarks and trade dress that infringe, dilute, or otherwise violate our trademark rights, the value of our brands could be diminished and our business could be adversely affected. Our intellectual property rights may be infringed, misappropriated or challenged, which could result in them being narrowed in scope or declared invalid or unenforceable.

Similarly, our reliance on unpatented proprietary information, such as trade secrets and confidential information, depends in part on agreements we have in place with employees, independent contractors and other third parties that allocate ownership of intellectual property and place restrictions on the use and disclosure of this intellectual property. These agreements may be insufficient or may be breached, in either case potentially resulting in the unauthorized use or disclosure of our trade secrets and other intellectual property, including to our competitors, which could cause us to lose any competitive advantage resulting from this intellectual property, and we cannot be certain that we will have adequate remedies for any breach. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary information or otherwise developed intellectual property for us, including our software, technology and processes. Individuals not subject to invention assignment agreements may make adverse ownership claims to our current and future intellectual property. Additionally, to the extent that our employees, independent contractors, or other third parties with whom we do business use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions. There can be no assurance that our intellectual property rights will be sufficient to protect against others offering products or services that are substantially similar to ours and that compete with our business.

We may become subject to intellectual property disputes, which could be costly and may subject us to significant liability and increased costs of doing business.

We may become involved in lawsuits to protect or enforce our intellectual property rights, and we may be subject to claims by third parties that we have infringed, misappropriated or otherwise violated their intellectual property. Even if we believe that intellectual property related claims are without merit, litigation may be necessary to determine the scope and validity of intellectual property or proprietary rights of others or to protect or enforce our intellectual property rights. The ultimate outcome of any allegation is often uncertain and, regardless of the outcome, any such claim, with or without merit, may be time-consuming, result in costly litigation, divert management’s time and attention from our business, and require us to, among other things, redesign or stop providing our products or services, pay substantial amounts to satisfy judgments or settle claims or lawsuits, pay substantial royalty or licensing fees, or satisfy indemnification obligations that we have with certain parties with whom we have commercial relationships.

We believe we have all the necessary licenses from third parties to use technology and software that we do not own. A third party could, however, allege that we are infringing its rights, which may deter our ability to obtain licenses on commercially reasonable terms from the third party, if at all, or cause the third party to commence litigation against us. Our failure to obtain necessary license or other rights, or litigation or claims arising out of intellectual property matters, may harm or restrict our business. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us. In addition, we could be found liable for significant monetary damages, including treble damages and attorneys’ fees, if we are found to have willfully infringed a patent or other intellectual property right. Any such litigation or the failure to obtain any necessary licenses or other rights, could adversely impact our business, financial position, results of operations and liquidity.

We have substantial indebtedness, which will increase our vulnerability to general adverse economic and industry conditions and may limit our ability to pursue strategic alternatives and react to changes in our business and industry or pay dividends.

We have a substantial amount of indebtedness. As of January 2, 2021, we had $964.7 million principal amount of first-priority senior secured indebtedness outstanding (with $55.2 million available for borrowing under the Revolving Credit Facility), and $240.0 million aggregate principal amount of second-priority senior secured indebtedness outstanding. As of January 2, 2021, on a pro forma as adjusted basis, we will have $698.7 million principal amount of first-priority senior secured indebtedness outstanding (with $180.2 million available for borrowing under the Revolving Credit Facility). See “Capitalization.”

Our high degree of leverage could have important consequences for our investors. For example, it may make it more difficult for us to make payments on our Senior Secured Credit Facilities (as defined under “Description of Certain Indebtedness”); increase our vulnerability to general economic and industry conditions, including recessions and periods of significant inflation and financial market volatility; expose us to the risk of increased interest rates as certain of our borrowings, including borrowings under the Senior Secured Credit Facilities, are at variable rates of interest; require us to use a substantial portion of our cash flow from operations to service our indebtedness, thereby reducing our ability to fund working capital and other expenses; limit our ability to refinance existing indebtedness on favorable terms or at all or borrow additional funds in the future for, among other things, working capital, acquisitions or debt service requirements; limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate; and place us at a competitive disadvantage compared to competitors that have less indebtedness.

In addition, the agreements that govern the Senior Secured Credit Facilities contain customary restrictive covenants that limit our ability to engage in activities that may be in our long-term best interest. Those covenants include restrictions on our ability to, among other things, incur additional indebtedness, incur liens, pay dividends and make other payments in respect of capital stock, make acquisitions, investments, loans and advances, transfer or sell assets and enter into certain transactions with our affiliates. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all our debt under the Senior Secured Credit Facilities. See "Description of Certain Indebtedness." Any such event of default or acceleration could have an adverse effect on the trading price of our common stock.

Furthermore, the terms of any future debt we may incur could have further additional restrictive covenants. We may not be able to maintain compliance with these covenants in the future, and in the event that we are not able to maintain compliance, we cannot assure you that we will be able to obtain waivers from the lenders or amend the covenants.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our indebtedness service obligations to increase significantly.

Interest rates may fluctuate in the future. As a result, interest rates under the Senior Secured Credit Facilities or other variable rate indebtedness could be higher or lower than current levels. If interest rates increase, our debt service obligations on our variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease. In addition, a transition away from the London Interbank Offered Rate (for purposes of this risk factor, "LIBOR") as a benchmark for establishing the applicable interest rate may affect the cost of servicing our debt under the Senior Secured Credit Facilities. The Financial Conduct Authority of the United Kingdom has announced that it plans to phase out LIBOR by the end of calendar year 2021. The Federal Reserve Bank of New York has begun publishing a Secured Overnight Funding Rate ("SOFR"), which is intended to replace U.S. dollar LIBOR, and central banks in several other jurisdictions have also announced plans for alternative reference rates for other currencies. These reforms may cause LIBOR to perform differently than in the past or to disappear entirely. As a result, we may need to renegotiate our Senior Secured Credit Facilities or incur other indebtedness, and the phase-out of LIBOR may negatively impact the terms of such indebtedness. In addition, the overall financial market may be disrupted as a result of the phase-out or replacement of LIBOR. Disruption in the financial market could have a material adverse effect on our business, financial condition and results of operations.

Servicing our debt requires a significant amount of cash. Our ability to generate sufficient cash depends on numerous factors beyond our control, and we may be unable to generate sufficient cash flow to service our debt obligations.

Our business may not generate sufficient cash flow from operating activities to service our debt obligations. Our ability to make payments on and to refinance our debt and to fund planned capital expenditures depends on our ability to generate cash in the future. To some extent, this is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

If we are unable to generate sufficient cash flow from operations to service our debt and meet our other commitments, we may need to refinance all or a portion of our debt, sell material assets or operations, delay capital expenditures, or raise additional debt or equity capital. We may not be able to effect any of these actions on a timely basis, on commercially reasonable terms or at all, and these actions may not be sufficient to meet our capital requirements. In addition, the terms of our existing or future debt agreements may restrict us from pursuing any of these alternatives.

Despite current debt levels, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur substantial additional debt in the future. Although the agreements governing our Senior Secured Credit Facilities contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of qualifications and exceptions, and the debt incurred in compliance with these restrictions could be substantial. Additionally, we may successfully obtain waivers of these restrictions. If we incur additional debt above the levels currently in effect, the risks associated with our leverage, including those described above, would increase.

We may not be able to identify, acquire, successfully integrate and obtain financing for strategic and accretive acquisitions.

We regularly evaluate opportunities to acquire other companies and have undertaken, and may in the future undertake, strategic and accretive acquisitions. To the extent our future growth strategy includes strategic and accretive acquisitions, we cannot assure you that we will successfully identify suitable acquisition candidates, obtain financing for such acquisitions, if necessary, consummate such potential acquisitions or efficiently integrate any acquired entities or successfully expand into new markets as a result of our acquisitions. If we are unable to successfully execute on such a strategy in the future, our future growth could be limited.

We believe that there are risks related to acquiring companies, including overpaying for acquisitions, losing key employees of acquired companies or legacy companies, failing to effectively integrate acquired companies, the assumption of liabilities and exposure to unforeseen liabilities of acquired branch, regional and corporate operations, and failing to achieve potential synergies or remove transition, integration or non-recurring costs. Historically, we have funded acquisitions primarily through our credit facilities, and there is no guarantee that we will be able to obtain financing for any future acquisition on favorable terms, if at all. Furthermore, in certain circumstances, we could be required to pay or be involved in disputes relating to termination fees or liquidated damages if an acquisition is not consummated. If we become obligated to pay a termination fee or liquidated damages, the payment could have a material adverse effect on our business, financial condition or results of operations.

Upon consummation of an acquisition, the integration process could divert the attention of management, and any difficulties or problems encountered in the transition process could have a material adverse effect on our business, financial condition or results of operations. In particular, the integration process may temporarily redirect resources previously focused on reducing cost of services, resulting in lower gross profits in relation to sales. The process of combining companies could cause the interruption of, or a loss of momentum in, the activities of the respective businesses, which could have an adverse effect on their combined operations. Additionally, in some acquisitions, we may have to renegotiate, or risk losing, one or more third-party payer contracts. We may also be unable to immediately collect the accounts receivable of an acquired entity while we align the payers' payment systems and accounts with our own systems. Finally, certain transactions can require licensure changes which, in turn, result in disruptions in payment for services.

We may also make strategic divestitures from time to time. With respect to any divestiture, we may encounter difficulty finding potential acquirers or other divestiture options on favorable terms. Any divestiture could affect our profitability as a result of the gains or losses on such sale of a business or service, the loss of the operating income resulting from such sale or the costs or liabilities that are not assumed by the acquirer (i.e., stranded costs) that may negatively impact profitability subsequent to any divestiture. The Company may also be required to recognize impairment charges as a result of a divesture.

Federal regulation may impair our ability to consummate acquisitions or open new care centers.

Changes in federal laws or regulations may materially adversely impact future acquisitions. For example, the Social Security Act provides the Secretary of Health and Human Services with the authority to impose temporary moratoria on the enrollment of new Medicare providers if deemed necessary to combat fraud, waste or abuse under government programs. While there are no active Medicare moratoria, there can be no assurance that CMS will not adopt a moratorium on new providers in the future. Additionally, in 2010, CMS implemented and amended a regulation known as the "36 Month Rule" that is applicable to home health agency acquisitions. Subject to certain exceptions, the 36 Month Rule prohibits buyers of certain home health agencies – those that either enrolled in Medicare or underwent a change in majority ownership fewer than 36 months prior to the acquisition – from assuming the Medicare billing privileges of the acquired care center. The 36 Month Rule may restrict bona fide transactions and potentially block new investments in home health agencies. These changes in federal laws and regulations, and similar future changes, may further increase competition for acquisition targets and could have a material adverse effect on any acquisition strategy.

We are exposed to various risks related to legal proceedings, claims and governmental inquiries that could adversely affect our operating results. The nature of our business exposes us to various liability claims, which may exceed the level of our insurance coverage, meaning that our insurance may not fully protect us.

We are a party to lawsuits, claims and governmental inquiries in the normal course of our business. See "Business—Legal Proceedings and Government Matters."

Responding to lawsuits brought against us and governmental inquiries or legal actions that we may initiate, can often be expensive and time-consuming and disruptive to normal business operations. Moreover, the results of complex legal proceedings and governmental inquiries are difficult to predict. Unfavorable outcomes from these claims, lawsuits and governmental inquiries could adversely affect our business, results of operations or financial condition, and we could incur substantial monetary liability and/or be required to change our business practices.

The nature of our business subjects us to inherent risk of professional liability and substantial damage awards. Healthcare providers have become subject to an increasing number of legal actions alleging malpractice or related legal theories in recent years, many of which involve large monetary claims and significant defense costs. In general, we coordinate care for medically fragile children and adults and end-of-life care for adults through our own network of full time and part-time employed clinicians, including registered nurses, limited practice nurses, licensed therapists, certified nursing assistants, home health aides, therapy assistants and other similar providers. Although we carefully screen all of the providers in our network and actively remove those that fall below a certain quality threshold, we cannot be certain that a provider will not incur tort liability, including medical malpractice, in treating one of our referred patients. As the referring party in such a case, we could be found negligent if our screening and monitoring procedures are deemed inadequate. The nurses and other healthcare professionals we employ could be considered our agents and, as a result, we could be held liable for their medical negligence. Moreover, in light of the COVID-19 pandemic, we could be liable if our COVID-19 screening, monitoring and/or safety protocols are deemed inadequate to stop the transmission of the COVID-19 virus from our nurses and healthcare professionals to our patients.

Additionally, although we do not grant, deny or adjudicate claims for payment of benefits and we do not believe that we engage in the corporate practice of medicine or the delivery of medical services, there can be no assurance that we will not be subject to claims or litigation related to the authorization or denial of claims for payment of benefits to allegations that we have engaged in fee splitting, which may be prohibited under state laws, or to allegations that we engage in the corporate practice of medicine or the delivery of medical services.

While we do not design or manufacture the products sold by our MS segment, there can be no assurance that we will not be subject to product liability claims related to such products and that such claims will not result in liability in excess of our insurance coverage.

Moreover, we could also be subject to potential litigation associated with compliance with various laws and governmental regulations at the federal or state levels, such as those relating to the protection of persons with disabilities, employment, health, safety, security and other regulations under which we operate.

We maintain professional liability insurance to provide coverage to us and our subsidiaries against these litigation claims and potential litigation risks. However, we cannot assure you claims will not be made in the future in excess of the limits of our insurance, nor can we assure you that any such claims, if successful and in excess of such limits, will not have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows. We cannot assure you that the insurance we maintain will satisfy claims made against us or that insurance coverage will continue to be available to us at commercially reasonable rates, in adequate amounts or on satisfactory terms. Any claims made against us, regardless of their merit or eventual outcome, could damage our reputation and business and our ability to attract and retain patients and employees.

Our balance sheet includes a significant amount of goodwill and intangible assets. An impairment in the carrying value of goodwill could negatively impact our consolidated results of operations and total assets.

Our balance sheet includes a significant amount of goodwill and intangible assets. Goodwill and intangible assets, net, together accounted for approximately 75.4% of total assets on our balance sheet as of January 2, 2021. The impairment of a significant portion of these assets would negatively affect our financial condition or results of operations. We regularly evaluate whether events and circumstances have occurred indicating that any portion of our intangible assets and goodwill may not be recoverable. When factors indicate that intangible assets and goodwill should be evaluated for possible impairment, we may be required to reduce the carrying value of these assets. For example, during our annual goodwill impairment test for the period from March 16, 2017 to December 30, 2017, we identified that the carrying value of five of our reporting units exceeded their estimated fair values. As such, we determined that the goodwill associated with our reporting units was impaired and recorded an impairment charge, net of tax effect, of approximately $241.1 million to reduce goodwill associated with our reporting units. We cannot currently estimate the timing and amount of any future reductions in carrying value.

Moreover, when we acquire a business, we record goodwill as the excess of the consideration transferred plus the fair value of any non-controlling interest in the target at the acquisition date over the fair values of the identifiable net assets acquired. In accordance with Accounting Standards Codification Topic 350 “Intangibles— Goodwill and Other,” we test goodwill for impairment annually and on an interim date if factors or indicators become apparent that would require an interim test.

In evaluating the potential for impairment of goodwill, we make assumptions regarding future operating performance, business trends, and market and economic conditions. Such analyses further require us to make judgmental assumptions about referrals, sales, operating margins, growth rates, and discount rates. There are inherent uncertainties related to these factors and to management’s judgment in applying these factors to the assessment of goodwill recoverability. We could be required to evaluate the recoverability of goodwill prior to the annual assessment if we experience disruptions to the business, significant unexpected declines in operating results or divestitures of a significant component of our business.

We can provide no assurance that a material impairment charge will not occur in a future period. Such an impairment could have a material adverse effect on our business, financial position, results of operations and liquidity.

If we are unable to maintain our corporate reputation, or there is adverse publicity or changes in public perception of our services, our business may suffer.

Our success depends on our ability to maintain our corporate reputation, including our reputation for providing quality patient care and for compliance with applicable Medicare and Medicaid requirements and the other laws to which we are subject. For example, while we believe that the services we provide are of high quality, if our “quality measures,” which are published annually online by CMS, are deemed to be not of the highest value, our reputation could be negatively affected. Adverse publicity surrounding any aspect of our business, including our failure to provide proper care, litigation, changes in public perception of our services, or failure on our part to comply with applicable Medicare and Medicaid requirements or other laws to which we are subject, could negatively affect our Company’s overall reputation and the willingness of referral sources to refer patients to us and of patients to use our services.

We are sensitive to regional weather conditions that may adversely affect our operations.

Our operations are directly affected in the short-term by the weather conditions in certain of our regions of operation, particularly along coastal areas in the United States, which may be subject to hurricanes. Weather conditions, including tornadoes, significant rain, snow, sleet, freezing rain or ice, or other factors beyond our control, such as wildfires, could disrupt patient scheduling, displace our patients and caregivers or force certain of our facilities to close temporarily or for an extended period of time. Therefore, our business is sensitive to the weather conditions of these regions. While we have disaster recovery systems and business continuity plans in place, any disruptions in our disaster recovery systems or the failure of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect our operating results by limiting our capacity to effectively monitor and control our operations. Although we maintain insurance coverage, we cannot guarantee that our insurance coverage will be adequate to cover any losses or that we will be able to maintain insurance at a reasonable cost in the future. Accordingly, our operating results may vary from quarter to quarter, depending on the impact of these weather conditions, and if our losses from business interruption or property damage that result from such weather conditions exceed the amount for which we are insured, our results of operations and financial condition would be adversely affected.

We may be more vulnerable to the effects of a public health catastrophe than other businesses due to the nature of our patients, and a regional or global socio-political or other catastrophic event could severely disrupt our business.

We believe that the majority of our patients are individuals with complex medical challenges, many of whom may be more vulnerable than the general public during a pandemic or other public health catastrophe. Our employees are also at greater risk of contracting contagious diseases due to their increased exposure to vulnerable patients. For example, if another pandemic were to occur, we could suffer significant losses to our consumer population or a reduction in the availability of our employees and, at a high cost, be required to hire replacements for affected workers. Enrollment for our services could experience sharp declines if families decide healthcare workers should not be brought into their homes during a health pandemic. Local, regional or national governments might limit or ban public interactions to halt or delay the spread of diseases causing business disruptions and the temporary closure of our centers. Accordingly, certain public health catastrophes could have a material adverse effect on our financial condition and results of operations.

Other unforeseen events, including acts of violence, war, terrorism and other international, regional or local instability or conflicts (including labor issues), embargoes, natural disasters such as earthquakes, whether occurring in the United States or abroad, could restrict or disrupt our operations. Enrollment in our Support Services or day health centers, for example, could experience sharp declines as patients and their families may avoid venturing out in public as a result of one or more of these events.

We depend on the services of our executive officers and other key employees.

We depend greatly on the efforts of our executive officers and other key employees to manage our operations. We believe future success will depend upon our ability to continue to attract, motivate and retain highly-skilled managerial, sales and marketing, divisional, regional and agency director personnel. The loss or departure of any one of these executives or other key employees could have a material adverse effect on our business and consolidated financial condition, results of operations and cash flows.

Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.

In general, under Section 382 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), a corporation that undergoes an "ownership change" is subject to limitations on its ability to utilize its pre-change net operating losses ("NOLs"), to offset future taxable income. A Section 382 "ownership change" generally occurs if one or more stockholders or groups of stockholders who own at least 5% of our stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. Similar rules may apply under state tax laws. As of January 2, 2021, we have $1.1 million of U.S. federal net operating loss carryforwards and $161.1 million of state and local net operating loss carryforwards. Our ability to utilize NOLs may be currently subject to limitations due to prior ownership changes. In addition, future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Code, further limiting our ability to utilize NOLs arising prior to such ownership change in the future. There is also a risk that due to statutory or regulatory changes, such as suspensions on the use of NOLs, or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to offset future income tax liabilities. We have recorded a full valuation allowance against the deferred tax assets attributable to our federal NOLs.

Unanticipated changes in tax law or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our results of operations and financial condition.

We are subject to taxes by U.S. federal, state and local tax authorities. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- allocation of expenses to and among different jurisdictions;
- changes in the valuation of our deferred tax assets and liabilities;
- expected timing and amount of the release of any tax valuation allowances;
- tax effects of stock-based compensation;
- costs related to intercompany restructurings;
- changes in tax laws, tax treaties, regulations or interpretations thereof; or
- lower than anticipated future earnings in jurisdictions where we have lower statutory tax rates and higher than anticipated future earnings in jurisdictions where we have higher statutory tax rates.

In addition, we may be subject to audits of our income, sales and other taxes by U.S. federal, state and local tax authorities. Outcomes from these audits could have an adverse effect on our operating results and financial condition.

Furthermore, as permitted by the CARES Act, we have elected to defer certain payments of our employer share of Social Security tax that would otherwise be required to be paid during the period beginning on March 27, 2020 and ending December 31, 2020. The CARES Act allows employers to deposit 50% of the deferred taxes on or before December 31, 2021, and the remaining 50% by December 31, 2022. As of January 2, 2021, the Company has elected to defer payment to the U.S. Treasury of approximately $49.6 million of employer social security taxes. Accounting for the tax effects of the CARES Act and subsequent guidance issued requires complex new calculations to be performed and significant judgments in interpreting the legislation. Additional guidance may be issued on how the provisions of the CARES Act will be applied or otherwise administered that is different from our interpretation. The extent to which the COVID-19 pandemic impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence. If our results of operations are materially adversely affected by the COVID-19 pandemic, we may need to borrow additional funds or obtain funds from other sources to repay the deferred employer Social Security tax liability, which may negatively affect our liquidity and financial condition.

Risks Related to Our Regulatory Framework

We are operating under a Corporate Integrity Agreement. Violations of this agreement could result in substantial penalties or exclusion from participation in the Medicare program.

On July 27, 2015, with no admissions of liability, PSA, a predecessor to Aveanna, entered into a settlement agreement with the U.S. Department of Justice relating to certain of its clinical and business operations. See "Business—Legal Proceedings and Government Matters." Concurrently with its entry into this agreement, PSA entered into a Corporate Integrity Agreement ("CIA") with the OIG. As PSA's successor, Aveanna assumed responsibility for compliance with and completion of the CIA. The CIA, which has a term of five years, formalizes various aspects of already existing ethics and compliance programs and contains other requirements designed to help ensure ongoing compliance with federal healthcare program requirements. Aveanna's compliance obligations under the CIA terminated on July 27, 2020, and Aveanna submitted its final annual report to OIG on October 15, 2020. Paragraph II.B. of the CIA provides that "Sections VII, X and XI shall expire no later than 120 days after OIG's receipt of: (1) PSA's final report; or (2) any additional materials submitted by PSA pursuant to OIG's request, whichever is later." On January 8, 2021, we submitted a supplemental report to OIG in response to several questions arising out of our annual report. With the submission of the supplemental report, and if no further inquiries are received from OIG, all material obligations under the CIA should terminate on or about May 4, 2021. OIG will formalize the termination of a CIA with a closure letter.

Healthcare reform has initiated significant changes to the U.S. healthcare system.

Various healthcare reform provisions became law upon enactment of the ACA. The reforms contained in the ACA have impacted each of our businesses in some manner. Several of the reforms are very significant and could ultimately change the nature of our services, the methods of payment for our services, and the underlying regulatory environment. The reforms include the possible modifications to the conditions of qualification for payment, bundling payments to cover both acute and post-acute care, and the imposition of enrollment limitations on new providers.

The ACA also provides for reductions to the annual market basket payment updates for home health agencies, which could result in lower reimbursement than in preceding years, and additional annual "productivity adjustment" reductions to the annual market basket payment update as determined by CMS for home health agencies.

Further, the ACA mandates changes to home health benefits under Medicare. For home health, the ACA mandates creation of a value-based purchasing program, development of quality measures, a decrease in home health reimbursement that began with federal fiscal year 2014 and was phased-in over a four-year period, and a reduction in the outlier cap. In addition, the ACA requires the Secretary of HHS to test different models for delivery of care, some of which would involve home health services. It also requires the Secretary to establish a national pilot program for integrated care for patients with certain conditions, bundling payment for acute hospital care, physician services, outpatient hospital services (including emergency department services), and post-acute care services, which would include home health. The Secretary is also required to conduct a study to evaluate costs and quality of care among efficient home health agencies regarding access to care and treating Medicare beneficiaries with varying severity levels of illness and provide a report to the U.S. Congress.

For hospice, the ACA required state Medicaid benefits for children to include hospice care with disease-modifying treatment. In addition, the ACA mandates the creation of a hospice quality reporting program, ensuring public reporting of hospice quality data. Hospices failing to submit quality data will incur a 2% reduction in hospice reimbursements for the following year. The ACA also requires a reduction in the market basket index, which beginning in 2013 is reduced by a productivity adjustment that fluctuates every year and an addition adjustment of 0.3%, reducing the Medicare hospice payment. These reductions in the market basket index were extended through 2019. For patients enrolled in hospice for more than six months, the ACA mandates a face-to-face visit with a physician or nurse practitioner to confirm continued need for hospice enrollment.

Potential efforts in the U.S. Congress to repeal, amend, modify, or retract funding for various aspects of the ACA create additional uncertainty about the ultimate impact of the ACA on us and the healthcare industry.

In addition, a primary goal of healthcare reform is to reduce costs, which includes reductions in the reimbursement paid to us and other healthcare providers. Moreover, healthcare reform could negatively impact insurance companies, other third-party payers, our patients, as well as other healthcare providers, which may in turn negatively impact our business. As such, healthcare reforms and changes resulting from the ACA (including any repeal, amendment, modification or retraction thereof), as well as other similar healthcare reforms, including any potential change in the nature of services we provide, the methods or amount of payment we receive for such services, and the underlying regulatory environment, could have a material adverse effect on our business, financial position, results of operations and liquidity. See “Risk Factors—Risks Related to Our Regulatory Framework.”

We conduct business in a heavily regulated industry, and changes in regulations, the enforcement of these regulations, or violations of regulations may result in increased costs or sanctions that reduce our revenues and profitability.

In the ordinary course of our business, we are regularly subject to inquiries and audits by federal and state agencies that oversee applicable healthcare program participation and payment regulations. We also are subject to government investigations. We believe that the regulatory environment surrounding most segments of the healthcare industry remains intense. The extensive federal and state regulations affecting the healthcare industry include, but are not limited to, regulations relating to licensure, billing, provision of services, conduct of operations, allowable costs, and prices for services, facility staffing requirements, qualifications and licensure of staff, environmental and occupational health and safety, and the confidentiality and security of health-related information. In particular, various laws, including the Anti-Kickback Statute, anti-fraud, and anti-abuse amendments codified under the Social Security Act prohibit certain business practices and relationships that might affect the provision and cost of healthcare services reimbursable under Medicare and Medicaid, including the payment or receipt of remuneration for the referral of patients whose care will be paid by Medicare or other governmental programs. Sanctions for violating those anti-kickback, anti-fraud, and anti-abuse amendments include criminal penalties, civil sanctions, fines, and possible exclusion from government programs such as Medicare and Medicaid.

Federal and state governments continue to pursue intensive enforcement policies resulting in a significant number of investigations, inspections, audits, citations of regulatory deficiencies, and other regulatory sanctions including demands for refund of overpayments, terminations from the Medicare and Medicaid programs, bans on Medicare and Medicaid payments for new admissions, and civil monetary penalties or criminal penalties. We expect audits under the CMS Recovery Audit Contractor (“RAC”) program, the CMS Targeted Probe and Educate (“TPE”) program, the Unified Program Integrity Contractors (“UPIC”) program and other federal and state audits evaluating the medical necessity of services to further intensify the regulatory environment surrounding the healthcare industry as third-party firms engaged by CMS and others conduct extensive reviews of claims data and medical and other records to identify improper payments to healthcare providers under the Medicare and Medicaid programs. If we fail to comply with the extensive laws, regulations and prohibitions applicable to our businesses, we could become ineligible to receive government program reimbursement, suffer civil or criminal penalties, or be required to make significant changes to our operations. In addition, we could be forced to expend considerable resources responding to investigations, audits or other enforcement actions related to these laws, regulations or prohibitions. Failure of our staff to satisfy applicable licensure requirements, or of our home health and hospice operations to satisfy applicable licensure and certification requirements could have a material adverse effect on our business, financial position, results of operations and liquidity.

We are unable to predict the future course of federal and state regulation or legislation, including Medicare and Medicaid statutes and regulations, or the intensity of federal and state enforcement actions. Changes in the regulatory framework, including those associated with healthcare reform, and sanctions from various enforcement actions could have a material adverse effect on our business, financial position, results of operations and liquidity.

Many states have CON laws or other regulatory provisions that may adversely impact our ability to expand into new markets and thereby limit our ability to grow and increase revenue.

Many states have enacted CON laws that require prior state approval to offer new or expanded healthcare services or open new healthcare facilities or expand services at existing facilities. In such states, expansion by existing providers or entry into the market by new providers is permitted only where a given amount of unmet need exists, resulting either from population increases or a reduction in competing providers. These states ration the entry of new providers or services and the expansion of existing providers or services in their markets through a CON process, which is periodically evaluated and updated as required by applicable state law. The process is intended to promote comprehensive healthcare planning, assist in providing high-quality healthcare at the lowest possible cost and avoid unnecessary duplication by ensuring that only those healthcare facilities, services and operations that are needed will be built and opened. We operate home health centers and/or hospice services in the following CON states: Alabama, Georgia, North Carolina, Tennessee and Washington. In every state where required, our home health offices, hospice centers and care centers possess a license and/or CON issued by the state health authority that determines the local service areas for the home health office, hospice office or care center.

In general, the process for opening a home health office, care center or hospice begins by a provider submitting an application for licensure and certification to the state and federal regulatory bodies, and the completion of both an initial licensure and certification survey, which is followed by a testing period of transmitting data from the applicant to CMS. Once this process is complete, the provider receives a provider agreement and corresponding number and can begin billing for services that it provides unless a CON is required. For those states that require a CON, the provider must also complete a separate application process before billing can commence and receive required approvals for capital expenditures exceeding amounts above prescribed thresholds. Our costs of obtaining a CON in any new CON state in which we seek to operate could be significant, and we cannot assure you that we will be able to obtain the CONs or other required approvals in the future. Our failure or inability to obtain a required CON, license or any necessary approvals could adversely affect our ability to expand into new markets and to expand our services and facilities in existing markets. Furthermore, if a CON or other prior approval upon which we relied to invest in a healthcare center or other facility were to be revoked or lost through an appeal process, we may not be able to recover the value of our investment.

CMS and state Medicaid agencies may, for a period of time, impose a moratorium against additional Medicaid enrollment for a particular type of service, upon a determination that a moratorium is necessary to prevent fraud, waste or abuse, or to limit an over-abundance of a type of Medicaid provider within a state. For example, on July 31, 2013, CMS implemented a six-month moratorium on new Medicare (and Medicaid) home health agencies in Florida’s Miami-Dade County and Illinois’ Cook County. The moratorium on enrollment of additional home health agencies in the Medicare (and Medicaid programs) was a way to combat fraud, waste and abuse, while assuring patient access to care. Over the years, CMS has repeatedly renewed and extended the moratorium to the entire states of Florida, Illinois, Michigan and Texas.

The CMS moratoria on new Medicare home health agencies were lifted on January 1, 2019; however, Florida requested that CMS extend the moratorium on new home health agency enrollments into its Medicaid program. Florida’s moratorium on Medicaid home health agency provider enrollment has been extended multiple times with the current extension in effect through July 29, 2021, and a further extension is likely.

Florida’s moratorium on Medicaid enrollment limits new market entry into the Medicaid program except through mergers or acquisitions since there is an exception to the moratorium for changes of ownership; thus, it gives a competitive advantage to existing Medicaid agencies.

In addition, we cannot predict whether any other states may adopt a similar Medicaid moratorium. A moratorium in any state in which we seek to, or currently, operate may prevent us from introducing, or disposing of, operations in that state, respectively, which may impair our future expansion or divestiture opportunities in some states.

We face and are currently subject to reviews, audits and investigations under our contracts with federal and state government agencies and other payers, and these reviews, audits and investigations could have adverse findings that may negatively impact our business.

As a result of our participation in the Medicare and Medicaid programs, as well as in accordance with the requirements of our CIA, we face and are currently subject to various governmental reviews, audits, and investigations to verify our compliance with these programs and applicable laws and regulations. An increasing level of governmental and private resources are being devoted to the investigation of allegations of fraud and abuse in the Medicare and Medicaid programs, and federal and state regulatory authorities are taking an increasingly strict view of the requirements imposed on healthcare providers by the Social Security Act, the Medicare and Medicaid programs, and other applicable laws. We are routinely subject to audits under various government programs, including the RAC program, the TPE program and the UPIC program, in which CMS engages third-party firms to conduct extensive reviews of claims data and medical and other records to identify potential improper payments to healthcare providers under the Medicare program.

In addition, we, like other healthcare providers, are subject to ongoing investigations by the OIG, the United States Department of Justice ("DOJ") and State Attorneys General into the billing of services provided to Medicare and Medicaid patients, including whether such services were properly documented and billed, whether services provided were medically necessary, and general compliance with conditions of participation in the Medicare and Medicaid programs. Private pay sources such as third-party insurance and managed care entities also often reserve the right to conduct audits. Our costs to respond to and defend any such reviews, audits and investigations are significant and are likely to increase in the current enforcement environment. These audits and investigations may require us to refund or retroactively adjust amounts that have been paid under the relevant government program or from other payers. Further, an adverse review, audit or investigation could result in other adverse consequences, particularly if the underlying conduct is found to be pervasive or systemic. These consequences include: (1) state or federal agencies imposing significant fines, penalties and other sanctions on us; (2) loss of our right to participate in the Medicare or Medicaid programs or one or more third-party payer networks; (3) indemnity claims asserted by patients and others for which we provide services; and (4) damage to our reputation in various markets, which could adversely affect our ability to attract patients and employees. If they were to occur, these consequences could have a material adverse effect on our business, financial position, results of operations and liquidity.

We are subject to extensive and complex federal and state government laws and regulations that govern and restrict our relationships with physicians and other referral sources.

The Anti-Kickback Statute, the Stark Law, the False Claims Act (the "FCA") and similar state laws materially restrict our relationships with physicians and other referral sources. We have a variety of financial relationships with referral sources who either refer or influence the referral of patients to our healthcare facilities, and these laws govern those relationships. The OIG has enacted safe harbor regulations that outline practices deemed protected from prosecution under the Anti-Kickback Statute.

On November 20, 2020, the OIG published its final rule revising the safe harbors to the Anti-Kickback Statute, aiming to reduce the regulatory barriers to care coordination and accelerate the transformation of the health care system into one that better pays for value and promotes care coordination. The OIG final rule implements seven new safe harbors and modifies four existing safe harbors. For example, the final rule clarifies how durable medical equipment companies may participate in protected care coordination arrangements involving digital health technology; modifies the existing safe harbor for personal services and management contracts to add flexibility for certain outcomes-based payments and part-time arrangements; expands and modifies mileage limits for local transportation for rural areas; and broadens the new safe harbor for cybersecurity technology and services to cover remuneration in the form of cybersecurity-related hardware. These revisions to the Anti-Kickback Statute safe harbors went into effect on January 19, 2021. While we endeavor to comply with the safe harbors, most of our current arrangements, including with physicians and other referral sources, may not qualify for safe harbor protection. Failure to qualify for a safe harbor does not mean the arrangement necessarily violates the Anti-Kickback Statute but may subject the arrangement to greater scrutiny. However, we cannot offer assurance that practices outside of a safe harbor will not be found to violate the Anti-Kickback Statute.

Any financial relationships with referring physicians and their immediate family members must comply with the Stark Law by meeting an exception. We attempt to structure our relationships to meet an exception to the Stark Law, but the regulations implementing the exceptions are detailed and complex, and we cannot provide assurance that every relationship complies fully with the Stark Law. Unlike the Anti-Kickback Statute, failure to meet an exception under the Stark Law may result in a violation of the Stark Law, even if such violation is technical in nature.

Additionally, if we violate the Anti-Kickback Statute or the Stark Law, or if we improperly bill for our services, we may be found to violate the FCA, either under a suit brought by the government or by a private person under a qui tam, or “whistleblower,” lawsuit.

If we fail to comply with the Anti-Kickback Statute, the Stark Law, the FCA or other applicable laws and regulations, we could be subject to liabilities, including civil penalties (including the loss of our licenses to operate one or more facilities or healthcare activities), exclusion of one or more facilities or healthcare activities from participation in the Medicare, Medicaid, and other federal and state healthcare programs, and, for violations of certain laws and regulations, criminal penalties.

We do not always have the benefit of significant regulatory or judicial interpretation of these laws and regulations. In the future, different interpretations or enforcement of these laws and regulations could subject our current or past practices to allegations of impropriety or illegality or could require us to make changes in our facilities, equipment, personnel, services, capital expenditure programs and operating expenses. A determination that we have violated these laws, or the public announcement that we are being investigated for possible violations of these laws, could have a material adverse effect on our business, financial position, results of operations and liquidity, and our business reputation could suffer significantly. In addition, other legislation or regulations at the federal or state level may be adopted that could have a material adverse effect on our business, financial position, results of operations and liquidity.

If we are found to have violated HIPAA, the HITECH Act, the Omnibus Rule or any other applicable privacy and security laws and regulations, as well as contractual obligations, we could be subject to sanctions, fines, damages and other additional civil or criminal penalties, which could increase our liabilities, harm our reputation and have a material adverse effect on our business, financial position, results of operation and liquidity.

There are a number of federal and state laws, rules and regulations, as well as contractual obligations, relating to the protection, collection, storage, use, retention, security, disclosure, transfer and other processing of confidential, sensitive and personal information, including certain patient health information, such as patient records. Existing laws and regulations are constantly evolving, and new laws and regulations that apply to our business are being introduced at every level of government in the United States. In many cases, these laws and regulations apply not only to third-party transactions, but also to transfers of information between or among us, our affiliates and other parties with whom we conduct business. These laws and regulations may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible that they will be interpreted and applied in ways that may have a material adverse effect on our business. We monitor legal developments in data privacy and security regulations at the local, state and federal level, however, the regulatory framework for data privacy and security worldwide is continuously evolving and developing and, as a result, interpretation and implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future.

The management of protected health information ("PHI") is subject to several regulations at the federal level, including HIPAA and the HITECH Act. The HIPAA privacy and security regulations protect medical records and other personal health information by limiting their use and disclosure, giving individuals the right to access, amend, and seek accounting of their own health information, and limiting most uses and disclosures of health information to the minimum amount reasonably necessary to accomplish the intended purpose. The HITECH Act strengthened HIPAA enforcement provisions and authorized State Attorneys General to bring civil actions for HIPAA violations. It permits the HHS to conduct audits of HIPAA compliance and impose significant civil monetary penalties even if we did not know or reasonably could not have known about the violation. The Omnibus Rule extended certain privacy and security regulations to business associates and their subcontractors that handle protected health information and imposed new requirements on HIPAA business associate contracts. The Omnibus Rule also clarified a covered entity's (which is a healthcare provider, a health plan or healthcare clearinghouse) notification and reporting requirements in the event of a breach of unsecured protected health information. This reporting obligation supplements state laws that also may require notification in the event of a breach of personal information. If we are found to have violated the HIPAA privacy or security regulations or other federal or state laws protecting the confidentiality of patient health or personal information, including but not limited to the HITECH Act and the Omnibus Rule, we could be subject to sanctions, fines, damages and other additional civil or criminal penalties, including litigation with those affected, which could increase our liabilities, harm our reputation and have a material adverse effect on our business, financial position, results of operations and liquidity.

Numerous other federal and state laws protect the confidentiality, privacy, availability, integrity and security of PHI. For example, various states, such as California and Massachusetts, have implemented privacy laws and regulations, such as the California Confidentiality of Medical Information Act, that impose restrictive requirements regulating the use and disclosure of personally identifiable information, including PHI. These laws in many cases are more restrictive than, and may not be preempted by, the HIPAA rules and may be subject to varying interpretations by courts and government agencies, creating complex compliance issues and potentially exposing us to additional expense, adverse publicity and liability. We also expect that there will continue to be new laws, regulations and industry standards concerning privacy, data protection and information security proposed and enacted in various jurisdictions. The U.S. Congress has considered, but not yet passed, several comprehensive federal data privacy bills over the past few years, such as the CONSENT Act, which was intended to be similar to the landmark 2018 European Union General Data Protection Regulation. We expect federal data privacy laws to continue to evolve.

At the state and local level, there is increased focus on regulating the collection, store, use, retention, security, disclosure, transfer and other processing of confidential, sensitive and personal information. In recent years, we have seen significant changes to data privacy regulations across the U.S., including the enactment of the California Consumer Privacy Act of 2018 (the "CCPA"), which went into effect on January 1, 2020. The CCPA creates new consumer rights, and corresponding obligations on covered businesses, relating to the access to, deletion of and sharing of personal information collected by covered businesses, including a consumer's right to opt out of certain sales of their personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action may increase the likelihood of, and risks associated with, data breach litigation. It remains unclear how various provisions of the CCPA will be interpreted and enforced. Additionally, California voters approved a new privacy law, the California Privacy Rights Act (the "CPRA"), in the November 3, 2020 election. Effective starting on January 1, 2023, the CPRA will significantly modify the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. New legislation proposed or enacted in various other states will continue to shape the data privacy environment nationally. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to confidential, sensitive and personal information than federal, international or other state laws, and such laws may differ from each other, which may complicate compliance efforts.

In addition, all 50 U.S. states and the District of Columbia have enacted breach notification laws that may require us to notify patients, employees or regulators in the event of unauthorized access to or disclosure of personal or confidential information experienced by us or our service providers. These laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly. Moreover, states have been frequently amending existing laws, requiring attention to changing regulatory requirements. We also may be contractually required to notify patients or other counterparties of a security breach. Although we may have contractual protections with our service providers, any actual or perceived security breach could harm our reputation and brand, expose us to potential liability or require us to expend significant resources on data security and in responding to any such actual or perceived breach. Any contractual protections we may have from our service providers may not be sufficient to adequately protect us from any such liabilities and losses, and we may be unable to enforce any such contractual protections. In addition to government regulation, privacy advocates and industry groups have and may in the future propose self-regulatory standards from time to time. These and other industry standards may legally or contractually apply to us, or we may elect to comply with such standards.

Complying with these various laws, rules, regulations and standards, and with any new laws or regulations changes to existing laws, could cause us to incur substantial costs that are likely to increase over time, require us to change our business practices in a manner adverse to our business, divert resources from other initiatives and projects, and restrict the way products and services involving data are offered, all of which may have a material adverse effect on our business. For example, we have incurred and expect to continue to incur additional costs to comply with the CCPA and other similar regulations. However, in the future we may be unable to make such changes and modifications to our business practices in a commercially reasonable manner, or at all. Given the rapid development of cybersecurity and data privacy laws, we expect to encounter inconsistent interpretation and enforcement of these laws and regulations, as well as frequent changes to these laws and regulations which may expose us to significant penalties or liability for non-compliance, the possibility of fines, lawsuits (including class action privacy litigation), regulatory investigations, criminal or civil sanctions, audits, adverse media coverage, public censure, other claims, significant costs for remediation and damage to our reputation, or otherwise have a material adverse effect on our business and operations. Any inability to adequately address data privacy or security-related concerns, even if unfounded, or to comply with applicable laws, regulations, standards and other obligations relating to data privacy and security, could result in additional cost and liability to us, damage our relationships with patients and have a material adverse effect on our business.

We make public statements about our use and disclosure of personal information through our privacy policies, information provided on our website and press statements. Although we endeavor to comply with our public statements and documentation, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy policies and other statements that provide promises and assurances about data privacy and security can subject us to potential government or legal action if they are found to be deceptive, unfair or misrepresentative of our actual practices. Moreover, from time to time, concerns may be expressed about whether our products and services compromise the privacy of patients and others. Any concerns about our data privacy and security practices, even if unfounded, could damage the reputation of our businesses, discourage potential patients from our products and services and have a material adverse effect on our business.

We are subject to federal, state and local laws and regulations that govern our employment practices, including minimum wage, living wage, and paid time-off requirements. Failure to comply with these laws and regulations, or changes to these laws and regulations that increase our employment related expenses, could adversely impact our operations.

We are required to comply with all applicable federal, state and local laws and regulations relating to employment, including occupational safety and health requirements, wage and hour and other compensation requirements, employee benefits, providing leave and sick pay, employment insurance, proper classification of workers as employees or independent contractors, immigration and equal employment opportunity laws. These laws and regulations can vary significantly among jurisdictions and can be highly technical. Costs and expenses related to these requirements are a significant operating expense and may increase as a result of, among other things, changes in federal, state or local laws or regulations, or the interpretation thereof, requiring employers to provide specified benefits or rights to employees, increases in the minimum wage and local living wage ordinances, increases in the level of existing benefits or the lengthening of periods for which unemployment benefits are available. We may not be able to offset any increased costs and expenses. Furthermore, any failure to comply with these laws requirements, including even a seemingly minor infraction, can result in significant penalties which could harm our reputation and have a material adverse effect on our business. In addition, certain individuals and entities, known as excluded persons, are prohibited from receiving payment for their services rendered to Medicaid, Medicare and other federal and state healthcare program beneficiaries. If we inadvertently hire or contract with an excluded person, or if any of our current employees or contractors becomes an excluded person in the future without our knowledge, we may be subject to substantial civil penalties, including up to $20,000 for each item or service furnished by the excluded person to a federal or state healthcare program beneficiary, an assessment of up to three times the amount claimed and exclusion from the program. Because we employ an average of at least 50 full-time employees in a calendar year, we are required to offer a minimum level of health coverage for 95% of our full-time employees in 2020 or be subject to an annual penalty.

Changes in state healthcare, licensure or insurance laws could affect our business.

States commonly regulate parties involved in the delivery of healthcare. For example, many states have fee-splitting prohibitions, as well as their own versions of the federal Anti-Kickback and Stark Laws. These statutes generally prohibit the payment or receipt of remuneration to induce or in exchange for a referral and prohibit physicians from referring patients to an entity with which the physicians have a financial relationship, thus limiting the types of payments that can be made between healthcare providers and other parties who may influence referrals to those providers. Many of these statutes have not been interpreted to the extent of their federal analogues, and therefore are not as clear in their scope and application. Further development in such interpretations could cause our existing practices to be deemed to be in noncompliance, and therefore could impose costs on us, either as penalties of noncompliance or as the result of restructuring our relationships.

States also have varying licensure requirements. Pursuant to similar requirements, we currently must hold licenses in some states for the delivery of durable medical equipment and the provision of home health skilled visits and hospice services. Although we believe that we are in material compliance with such licensure requirements, it is possible that we are in noncompliance with the requirements of one or more states, and that such noncompliance could result in costs to us. Some states’ licensure requirements also reach and regulate so-called preferred provider organizations (or similar entities that perform like functions), and entities that perform operations such as utilization review of the delivery of healthcare. It is possible that this type of regulation could broaden to encompass our business, and that such broadening could result in costs to us.

States also regulate insurers. This regulation includes both licensure requirements and more direct operational restrictions on the activities of carriers. We do not believe that we are engaged in the business of insurance, and we therefore do not believe that we are subject to such regulation. However, a number of our payers are insurers subject to state regulation. A change in the insurance laws or regulations of any state or in their interpretation could alter the way that some of our payers elect to do business with us or could make insurance regulations applicable to us directly. This could have a material adverse effect on our business, financial position, results of operations and liquidity.

Certain activities of our business could be challenged under consumer protection or other laws.

The federal government and states have consumer protection laws that have been the basis for investigations, lawsuits and multi-state settlements relating to the delivery of, and the provision of insurance coverage for, healthcare services. Such investigations, lawsuits and settlements have targeted, among other issues, the exchange of financial incentives, deceptive billing practices and illegal billing price structures. Although we have not to our knowledge been the subject of any such investigation, lawsuit or settlement, it is possible that these laws could apply to certain activities of our business.

Risks Related to this Offering and Ownership of Our Common Stock

Our management team will have immediate and broad discretion over the use of the net proceeds from this offering and may not use them effectively.

We intend to use the net proceeds from this offering to repay certain indebtedness and for general corporate purposes. See "Use of Proceeds." However, our management will have broad discretion in the application of the net proceeds. Our stockholders may not agree with the manner in which our management chooses to allocate the net proceeds from this offering and will not have the opportunity as part of their investment decision to assess whether the net proceeds are being used appropriately. The failure by our management to apply these funds effectively could have a material adverse effect on our business, financial condition and results of operation. Pending their use, we may invest the net proceeds from this offering in a manner that does not produce value. The decisions made by our management may not result in positive returns on your investment and you will not have an opportunity to evaluate the economic, financial or other information upon which our management bases its decisions.

Our common stock price may be volatile or may decline regardless of our operating performance and you may not be able to resell your shares at or above the initial public offering price.

Prior to this offering, there has not been a public trading market for shares of our common stock. It is possible that after this offering an active trading market will not develop or continue or, if developed, that any market will be sustained, which could make it difficult for you to sell your shares of common stock at an attractive price or at all. The initial public offering price of our common stock will be determined by negotiations between us and the representatives of the underwriters based upon a number of factors and may not be indicative of prices that will prevail in the open market following the consummation of this offering. See "Underwriting (Conflicts of Interest)." Consequently, you may not be able to sell your shares of common stock at prices equal to or greater than the price you paid in this offering.

Many factors, which are outside our control, may cause the market price for shares of our common stock to fluctuate significantly, including those described elsewhere in this "Risk Factors" section and this prospectus, as well as the following:

- our operating and financial performance and prospects;
- announcements by us or our competitors of new products, services, strategic investments or acquisitions;
- the public's reaction to our press releases, other public announcements and filings with the SEC;
- the trading volume of our common stock;
- coverage by or changes in financial estimates by securities analysts or failure to meet their expectations;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- changes in laws or regulations which adversely affect our industry or us;
- changes in accounting standards, policies, guidance, interpretations or principles;
- changes in senior management or key personnel;
- issuances, exchanges or sales, or expected issuances, exchanges or sales of our capital stock;
- changes in our dividend policy;
- general economic, market and political conditions (such as the effects of the recent COVID-19 global pandemic); and
- other developments affecting us, our industry or our competitors.

These broad market and industry factors may materially reduce the market price of our common stock, regardless of our operating performance. In addition, price volatility may be greater if the public float and trading volume of our common stock is low. As a result, you may suffer a loss on your investment.

We may issue preferred stock whose terms could adversely affect the voting power or value of our common stock.

Our Amended Charter authorizes us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designation, preferences, limitations and relative rights, including preferences over our common stock with respect to dividends and distributions, as our Board of Directors may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our common stock. For example, we might grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred stock could affect the residual value of the common stock.

We do not intend to pay dividends for the foreseeable future.

We currently intend to retain all available funds and any future earnings to fund the development and growth of our business, and therefore we do not anticipate paying any cash dividends in the foreseeable future. As a result of our current dividend policy, you may not receive any return on an investment in our common stock unless you sell our common stock for a price greater than that which you paid for it. Any future determination to declare and pay cash dividends, if any, will be entirely at the discretion of our Board of Directors and will depend upon then-existing conditions, including our earnings, capital requirements, results of operations, financial condition, business prospects and any other factors that our Board of Directors considers relevant. Our ability to pay dividends depends on our receipt of cash dividends from our operating subsidiaries, which may further restrict our ability to pay dividends as a result of the laws of their jurisdiction of organization or agreements of our subsidiaries, including agreements governing our current and future indebtedness. For more information, see “Dividend Policy.”

Future sales, or the perception of future sales, by us or our existing stockholders in the public market following this offering could cause the market price for our common stock to decline.

The sale of substantial amounts of shares of our common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

In connection with this offering, our officers, directors and holders of approximately 99% of our outstanding common stock entered into lock-up agreements with the underwriters of this offering that, subject to certain exceptions, prohibit the signing party from selling, contracting to sell or otherwise disposing of any common stock or securities that are convertible or exchangeable for common stock or entering into any arrangement that transfers the economic consequences of ownership of our common stock for a period of up to 180 days from the date of this prospectus filed in connection with this offering.

As restrictions on resale end, the market price of our shares of common stock could drop significantly if the holders of these restricted shares sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of our shares of common stock or other securities. See “Shares Eligible for Future Sale” for a more detailed description of the shares that will be available for future sales upon completion of this offering.

We will elect to take advantage of the "controlled company" exemptions to the corporate governance rules for publicly-listed companies, which could make our common stock less attractive to some investors or otherwise harm our stock price.

Because we qualify as a "controlled company" under the corporate governance rules for publicly-listed companies, we are not required to have a majority of our Board of Directors be independent under the applicable rules of Nasdaq, nor are we required to have a compensation committee or a corporate governance and nominating committee comprised entirely of independent directors. In light of our status as a controlled company, our Board of Directors will establish a compensation committee and a corporate governance and nominating committee that may not be comprised solely of independent members at the time of the offering. In addition, our Board of Directors may not be composed of a majority of independent directors. Accordingly, should the interests of our Sponsors differ from those of other stockholders, the other stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance rules for publicly-listed companies. Our status as a controlled company could make our common stock less attractive to some investors or otherwise harm our stock price.

Our Sponsors can significantly influence our business and affairs and may have conflicts of interest with us in the future.

Following the completion of this offering, the Sponsor Affiliates will collectively own approximately 72.0% of our common stock (or approximately 69.8% if the underwriters exercise their overallotment option to purchase additional shares in full). As a result, the Sponsor Affiliates have the ability to prevent any transaction that requires the approval of stockholders, including the election of directors, mergers and takeover offers, regardless of whether others believe that approval of those matters is in our best interests.

In addition, our Sponsors are in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. One or both of our Sponsors may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. So long as our Sponsors, or funds controlled by or associated with our Sponsors, continue to own a significant amount of the outstanding shares of our common stock, even if such amount is less than 50%, our Sponsors will continue to be able to strongly influence us. Our Amended Charter provides that none of our Sponsors or any of their affiliates will have any duty to refrain from (i) engaging in a corporate opportunity in the same or similar lines of business in which we or our affiliates now engage or propose to engage or (ii) otherwise competing with us or our affiliates. See "Description of Capital Stock—Corporate Opportunity Doctrine."

The obligations associated with being a public company will involve significant expenses and will require significant resources and management attention, which may divert from our business operations.

As a result of this offering, we will become subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Sarbanes-Oxley Act. The Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires, among other things, that we establish and maintain effective internal control over financial reporting. The Company has grown over past years through a significant number of mergers and acquisitions of companies with disparate operating systems and technology. While the Company continually works toward integrating the companies it acquires to common platforms, the Company has a significant number of processes and systems that must become Sarbanes-Oxley compliant. As a result, we will incur significant legal, accounting and other expenses that we did not previously incur. Our entire management team and many of our other employees will need to devote substantial time to compliance, and may not effectively or efficiently manage our transition into a public company.

In addition, the need to establish the corporate infrastructure demanded of a public company may also divert management's attention from implementing our business strategy, which could prevent us from improving our business, results of operations and financial condition. We have made, and will continue to make, changes to our internal control over financial reporting, including IT controls, and procedures for financial reporting and accounting systems to meet our reporting obligations as a public company. However, the measures we take may not be sufficient to satisfy our obligations as a public company. If we do not continue to develop and implement the right processes and tools to manage our changing enterprise and maintain our culture, our ability to compete successfully and achieve our business objectives could be impaired, which could negatively impact our business, financial condition and results of operations. In addition, we cannot predict or estimate the amount of additional costs we may incur to comply with these requirements. We anticipate that these costs will materially increase our general and administrative expenses.

These rules and regulations result in our incurring legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified people to serve on our Board of Directors, our board committees or as executive officers.

As a public reporting company, we will be subject to rules and regulations established from time to time by the SEC regarding our internal control over financial reporting. If we fail to establish and maintain effective internal control over financial reporting and disclosure controls and procedures, we may not be able to accurately report our financial results, or report them in a timely manner.

Upon consummation of this offering, we will become a public reporting company subject to the rules and regulations established from time to time by the SEC and Nasdaq. These rules and regulations will require, among other things that we establish and periodically evaluate procedures with respect to our internal control over financial reporting. Reporting obligations as a public company are likely to place a considerable strain on our financial and management systems, processes and controls, as well as on our personnel.

In addition, as a public company, we will be required to document and test our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act so that our management can certify as to the effectiveness of our internal control over financial reporting. Section 404(a) of the Sarbanes-Oxley Act, or Section 404(a), requires that beginning with our second annual report following our initial public offering, management assess and report annually on the effectiveness of our internal control over financial reporting and identify any material weaknesses in our internal control over financial reporting. In order to comply with these rules, we expect to incur additional expenses and devote increased management effort. To maintain and improve the effectiveness of our disclosure controls and procedures, we will need to commit significant resources, hire additional staff and provide additional management oversight. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs.

There may be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. The effectiveness of our controls and procedures may be limited by a variety of factors, including:

- faulty human judgment and simple errors, omissions, or mistakes;
- fraudulent action of an individual or collusion of two or more people;
- inappropriate management override of procedures; and
- the possibility that any enhancements to controls and procedures may still not be adequate to assure timely and accurate financial control.

If our senior management is unable to conclude that we have effective internal control over financial reporting, or to certify the effectiveness of such controls, or if our independent registered public accounting firm cannot render an unqualified opinion on management's assessment and the effectiveness of our internal control over financial reporting at such time as it is required to do so, or if material weaknesses in our internal control over financial reporting are identified, we could be subject to regulatory scrutiny, a loss of public and investor confidence and to litigation from investors and stockholders, which could have a material adverse effect on our business and our stock price. In addition, if we do not maintain adequate financial and management personnel, processes and controls, we may not be able to manage our business effectively or accurately report our financial performance on a timely basis, which could cause a decline in our common stock price and adversely affect our results of operations and financial condition. Failure to comply with the Sarbanes-Oxley Act could potentially subject us to sanctions or investigations by the SEC, Nasdaq or other regulatory authorities, which would require additional financial and management resources.

Anti-takeover provisions in our governing documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

Our Amended Charter, Amended Bylaws and Delaware law contain provisions that could have the effect of rendering more difficult, delaying or preventing an acquisition deemed undesirable by our Board of Directors. Among other things, our Amended Charter and/or Amended Bylaws include the following provisions:

- a staggered board, which means that our Board of Directors is classified into three classes of directors with staggered three-year terms and directors are only able to be removed from office for cause;
- limitations on convening special stockholder meetings, which could make it difficult for our stockholders to adopt desired governance changes;
- a prohibition on stockholder action by written consent from and after the date on which the Sponsors and each of their respective affiliates cease to beneficially own in the aggregate at least 50% of the outstanding shares of common stock (the "Trigger Event");
- a forum selection clause, which means certain litigation against us can only be brought in Delaware;
- from and after the Trigger Event, the removal of directors only for cause and only upon the affirmative vote of the holders of at least 66 2/3% in voting power of all of the then-outstanding shares of our common stock entitled to vote thereon;
- from and after the Trigger Event, requiring the affirmative vote of holders of at least 66 2/3% of the voting power of all of the then outstanding shares of common stock to amend provisions of our charter relating to the management of our business, our Board of Directors, stockholder action by written consent, calling special meetings of stockholders, competition and corporate opportunities, Section 203 of the Delaware General Corporation Law (the "DGCL"), forum selection and the liability of our directors, or to amend, alter, rescind or repeal our bylaws.
- the authorization of undesignated preferred stock, the terms of which may be established and shares of which may be issued without further action by our stockholders; and
- advance notice procedures, which apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management. We have opted out of Section 203 of the DGCL. However, our Amended Charter contains similar provisions providing that we many not engage in certain "business combinations" with any "interested stockholder" for a three-year period following the time that the stockholder became an interested stockholder, unless (i) prior to the time such stockholder became an interested stockholder, the Board of Directors approved the transaction that resulted in such stockholder becoming an interested stockholder, (ii) upon consummation of the transaction that resulted in such stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the common stock or (iii) following Board of Directors approval, the business combination receives the approval of the holders of at least two-thirds of our outstanding common stock not held by such interested stockholder at an annual or special meeting of stockholders. Our Amended Charter provides that the Sponsors and their respective affiliates, and any of their respective direct or indirect transferees and any group as to which such persons are a party, do not constitute "interested stockholders" for purposes of this provision.

In addition, our Amended Charter provides that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act but that the forum selection provision will not apply to claims brought to enforce a duty or liability created by the Exchange Act.

Any provision of our Amended Charter, Amended Bylaws or Delaware law that has the effect of delaying, preventing or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our common stock. See "Description of Capital Stock—Anti-Takeover Provisions."

Our Amended Charter designates specific courts as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' abilities to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our Amended Charter provides that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum, to the fullest extent permitted by law, for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers or other employees or stockholders to us or our stockholders, creditors or other constituents, or a claim of aiding and abetting any such breach of fiduciary duty, (3) any action asserting a claim against us or any of our directors or officers or other employees or stockholders arising pursuant to, or any action to interpret, apply, enforce any right, obligation or remedy under or determine the validity of, any provision of the DGCL or our Amended Charter or Amended Bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, (4) any action asserting a claim that is governed by the internal affairs doctrine, or (5) any other action asserting an "internal corporate claim" under the DGCL shall be the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery does not have subject matter jurisdiction, another state court sitting in the State of Delaware or, if and only if neither the Court of Chancery nor any state court sitting in the State of Delaware has subject matter jurisdiction, then the federal district court for the District of Delaware) (the "Delaware Forum Provision"). Notwithstanding the foregoing, our Amended Charter provides that the Delaware Forum Provision will not apply to any actions arising under the Securities Act or the Exchange Act. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Our Amended Charter further provides that unless we consent in writing to the selection of an alternative forum, the federal district court for the District of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act (the "Federal Forum Provision").

The Delaware Forum Provision and the Federal Forum Provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the Delaware Forum Provision or the Federal Forum Provision to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition or results of operations. Any person or entity purchasing or otherwise acquiring any interest in our shares of capital stock shall be deemed to have notice of and consented to the Delaware Forum Provision and the Federal Forum Provision, but will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.

Our Amended Charter provides that the doctrine of "corporate opportunity" does not apply with respect to any officer, director or stockholder who is not employed by us or our subsidiaries.

Our Amended Charter provides that the doctrine of "corporate opportunity" does not apply with respect to the Sponsors or any of their respective officers, directors, agents, stockholders, members, partners, affiliates and subsidiaries (other than us and our subsidiaries). The doctrine of corporate opportunity generally provides that a corporate fiduciary may not develop an opportunity using corporate resources or information obtained in their corporate capacity for their personal advantage, acquire an interest adverse to that of the corporation or acquire property that is reasonably incident to the present or prospective business of the corporation or in which the corporation has a present or expectancy interest, unless that opportunity is first presented to the corporation and the corporation chooses not to pursue that opportunity. The doctrine of corporate opportunity is intended to preclude officers, directors or other fiduciaries from personally benefiting from opportunities that belong to the corporation. Our Amended Charter does, to the extent permitted by Delaware law, renounce any interest or expectancy that we have in, or right to be offered an opportunity to participate in, specified business opportunities that are from time to time presented to the Sponsors or any of their respective officers, directors, agents, stockholders, members, partners, affiliates and subsidiaries (other than us and our subsidiaries), including any of the foregoing who serves as a director or officer of the Company. Such person will therefore have no duty to communicate or present corporate opportunities to us, and will have the right to either hold any corporate opportunity for their (and their affiliates') own account and benefit or to recommend, assign or otherwise transfer such corporate opportunity to persons other than us, including to any officers, directors or stockholders or their respective affiliates (other than those who are employees of the Company or its subsidiaries).

As a result, the Sponsors or any of their respective officers, directors, agents, stockholders, members, partners, affiliates and subsidiaries (other than us and our subsidiaries) are not prohibited from operating or investing in competing businesses. We therefore may find ourselves in competition with such person, and we may not have knowledge of, or be able to pursue, transactions that could potentially be beneficial to us. Accordingly, we may lose a corporate opportunity or suffer competitive harm, which could negatively impact our business or prospects.

Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

Our Amended Charter and Amended Bylaws provide that we will indemnify our directors and officers, in each case, to the fullest extent permitted by Delaware law. Our Amended Charter also allows our Board of Directors to indemnify other employees. This indemnification will extend to the payment of judgments in actions against officers and directors and to reimbursement of amounts paid in settlement of such claims or actions and may apply to judgments in favor of the Company or amounts paid in settlement to the Company. This indemnification will also extend to the payment of attorneys' fees and expenses of officers and directors in suits against them where the officer or director acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. This right of indemnification is not exclusive of any right to which the officer or director may be entitled as a matter of law and shall extend and apply to the estates of deceased officers and directors.

There has been no prior market for our common stock, and an active trading market for our common stock may never develop or be sustained.

There has been no public market for our common stock prior to this offering. The initial public offering price for our common stock was determined through negotiations between the representatives of the underwriters and us and may vary from the market price of our common stock following the completion of this offering. Although the shares of our common stock will be authorized for trading on Nasdaq, an active trading market for our common stock may not develop on that exchange or elsewhere or, if developed, that market may not be sustained. Accordingly, if an active trading market for our common stock does not develop or is not maintained, the liquidity of our common stock, your ability to sell your shares of our common stock when desired and the prices that you may obtain for your shares of common stock will be adversely affected.

If securities analysts do not publish research or reports about our company, or if they issue unfavorable commentary about us or our industry or downgrade our common stock, the price of our common stock could decline.

The trading market for our common stock will depend in part on the research and reports that third-party securities analysts publish about our company and the industries in which we operate. We may be unable or slow to attract research coverage and if one or more analysts cease coverage of our company, the price and trading volume of our securities would likely be negatively impacted. If any of the analysts that may cover us change their recommendation regarding our securities adversely, or provide more favorable relative recommendations about our competitors, the price of our securities would likely decline. If any analyst that may cover us ceases covering us or fails to regularly publish reports on us, we could lose visibility in the financial markets, which could cause the price or trading volume of our securities to decline. Moreover, if one or more of the analysts who cover us downgrades our common stock, or if our reporting results do not meet their expectations, the market price of our common stock could decline.

If our operating and financial performance in any given period does not meet or exceed the guidance that we provide to the public, the market price of our common stock may decline.

We may, but are not obligated to, provide public guidance on our expected operating and financial results for future periods. If we elect to issue such guidance, it will be composed of forward-looking statements subject to the risks and uncertainties described in this prospectus. Our actual results may not always be in line with or exceed any guidance we have provided, especially in times of economic uncertainty. If, in the future, our operating or financial results for a particular period do not meet any guidance we provide or the expectations of investment analysts, or if we reduce our guidance for future periods, the market price of our common stock may decline.

Investors in this offering will experience immediate and substantial dilution and may experience further dilution in the future.

Based on an assumed initial public offering price of $17.00 per share (the midpoint of the range set forth on the cover of this prospectus), purchasers of our common stock in this offering will experience an immediate and substantial dilution of $20.59 per share in the pro forma as adjusted net tangible book value per share of common stock from the initial public offering price, and our pro forma as adjusted net tangible book value as of January 2, 2021 after giving effect to this offering would be $(3.59) per share. This dilution is due in large part to earlier investors having paid substantially less than the initial public offering price when they purchased their shares. See “Dilution.”

Further, we may need to raise additional funds in the future to finance our operations and/or acquire complementary businesses. If we obtain capital in future offerings on a per-share basis that is less than the initial public offering price per share, the value of the price per share of your common stock will likely be reduced. In addition, if we issue additional equity securities in a future offering and you do not participate in such offering, there will effectively be dilution in your percentage ownership interest in the Company.

We will in the future grant stock options and other awards to certain current or future officers, directors, employees, and consultants under additional plans or individual agreements. The grant, exercise, vesting, and/or settlement of these awards, as applicable, will have the effect of diluting your ownership interests in the Company. We may also issue additional equity securities in connection with other types of transactions, including shares issued as part of the purchase price for acquisitions of assets or other companies from time to time or in connection with strategic partnerships or joint ventures, or as incentives to management or other providers of resources to us. Such additional issuances are likely to have the same dilutive effect.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains "forward-looking statements" within the meaning of applicable securities laws. All statements (other than statements of historical facts) in this prospectus regarding our prospects, plans, financial position and business strategy may constitute forward-looking statements. Forward-looking statements generally can be identified by the use of terminology such as "believe," "expect," "anticipate," "intend," "plan," "estimate," "seek," "will," "may," "should," "predict," "project," "potential," "continue" or the negatives of these terms or variations of them or similar expressions. These statements are based on certain assumptions that we have made in light of our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate in these circumstances. As you read and consider this prospectus, you should understand that these statements are not guarantees of performance or results. They involve risks, uncertainties and assumptions. Many factors could affect our actual results and could cause actual results to differ materially from those expressed in the forward-looking statements. Forward-looking statements contained in this prospectus are subject to risks that may cause actual results to differ materially from those expressed or implied in the forward-looking statements, including, but are not limited to, the following risks:

- intense competition among home health, hospice and durable medical equipment companies;
- our ability to maintain relationships with existing patient referral sources;
- the possibility that our business, financial condition and results of operations may be materially adversely affected by the COVID-19 pandemic;
- our ability to have services funded from third-party payers, including Medicare, Medicaid and private health insurance companies;
- changes to Medicare or Medicaid rates or methods governing Medicare or Medicaid payments, and the implementation of alternative payment models;
- our limited ability to control reimbursement rates received for our services;
- delays in collection or non-collection of our accounts receivable, particularly during the business integration process;
- healthcare reform and other regulations;
- changes in the case-mix of our patients, as well as payer mix and payment methodologies;
- any loss of existing favorable managed care contracts;
- our ability to attract and retain experienced employees and management personnel;
- any failure to maintain the security and functionality of our information systems or to defend against or otherwise prevent a cybersecurity attack or breach;
- our substantial indebtedness, which will increase our vulnerability to general adverse economic and industry conditions and may limit our ability to pursue strategic alternatives and react to changes in our business and industry;
- our ability to identify, acquire, successfully integrate and obtain financing for strategic and accretive acquisitions;
- risks related to legal proceedings, claims and governmental inquiries given that the nature of our business exposes us to various liability claims, which may exceed the level of our insurance coverage; and
- the other risks described under "Risk Factors" in this prospectus.

Additionally, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time and it is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking statements contained in this prospectus might not prove to be accurate and you should not place undue reliance upon them or otherwise rely upon them as predictions of future events. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. All such statements speak only as of the date made, and we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of shares of our common stock in this offering will be approximately $602.6 million, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. This assumes an initial public offering price of $17.00 per share, which is the midpoint of the estimated public offering price range on the cover page of this prospectus. If the underwriters exercise their overallotment option to purchase additional shares in full, the net proceeds to us will be approximately $694.0 million.

We intend to use the net proceeds from this offering to repay approximately $266.0 million of indebtedness under the First Lien Term Facility and approximately $307.0 million of indebtedness under the Second Lien Term Facility. To the extent any proceeds from this offering remain after such repayment, we intend to use such remaining proceeds for general corporate purposes.

The weighted average interest rate on borrowings under the First Lien Term Facility as of January 2, 2021 was 5.91% and the maturity date is March 16, 2024. The interest rate on borrowings under the Second Lien Term Facility as of January 2, 2021 was 9.00% and the maturity date is March 16, 2025. Amounts to be repaid under the First Lien Term Facility include $185.0 million drawn as part of the First Lien Fourth Amendment Term Loan, which were principally used to fund the 2020 PDS Acquisitions and the acquisition of Five Points Healthcare, LLC.

We cannot specify with certainty all of the uses of the net proceeds that we will receive from this offering. Accordingly, we will have broad discretion in the application of these proceeds and our investors will be relying on the judgment of our management regarding the application of the net proceeds of this offering.

Assuming no exercise of the underwriters' overallotment option to purchase additional shares, a $1.00 increase (decrease) in the assumed initial public offering price of $17.00 per share (the midpoint of the estimated public offering price range on the cover page of this prospectus) would increase (decrease) the net proceeds to us from this offering by $35.8 million, assuming the number of shares offered by us, as set forth on the cover of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated expenses payable by us.

An increase or decrease of one million shares of common stock sold in this offering by us would increase or decrease, as applicable, our net proceeds, after deducting the underwriting discount and estimated offering expenses payable by us, by $15.9 million, based on an assumed initial public offering price of $17.00 per share, which is the midpoint of the estimated public offering price range on the cover page of this prospectus.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of January 2, 2021:

- on an actual basis;
- on a pro forma basis, after giving effect to the 2021 Acquisition and the related financing; and
- on a pro forma as adjusted basis, after giving effect to such pro forma adjustments and (1) the issuance and sale of shares of our common stock offered by us in this offering at an assumed offering price of $17.00 per share, which is the midpoint of the estimated price range appearing on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, and the application of such proceeds as described in the section entitled "Use of Proceeds," and (2) the filing and effectiveness of our Amended Charter and the effectiveness of our Amended Bylaws prior to the consummation of this offering.

You should read this table together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes appearing elsewhere in this prospectus.

	As of January 2, 2021		
(dollars in thousands)	Actual	Pro Forma	Pro Forma As Adjusted (1) (2)
Cash and cash equivalents	$ 137,345	$ 99,881	$ 131,574
Long-term debt, including current portion of long-term debt:			
Revolving Credit Facility (3)	-	-	-
First Lien Term Facility (4)	964,732	964,732	698,732
Second Lien Term Facility (5)	240,000	307,000	-
Note payable - finance agreement	2,872	2,872	2,872
Less: unamortized deferred financing costs	(31,332)	(33,033)	(18,247)
Financing lease obligations	2,015	2,028	2,028
Total long-term debt	1,178,287	1,243,599	685,385
Deferred restricted stock units	2,135	2,135	2,135
Shareholders' equity:			
Preferred shares, no par value, 5,000,000 shares authorized, none issued or outstanding, actual and pro forma; 5,000,000 shares authorized, none issued or outstanding, pro forma as adjusted	—	—	—
Common shares, 1,000,000,000 shares authorized, 141,928,184 shares issued and shares outstanding, actual and pro forma; $0.01 par value, 1,000,000,000 shares authorized, 180,164,184 shares issued and outstanding, pro forma as adjusted	1,419	1,419	1,801
Additional paid-in capital	721,247	721,247	1,324,200
Accumulated deficit	(457,632)	(459,389)	(474,924)
Total shareholders' equity:	265,034	263,277	851,077
Total capitalization	$1,445,456	$1,509,011	$ 1,538,597

(1) A $1.00 increase (decrease) in the assumed initial public offering price of $17.00 per share, which is the midpoint of the price range set forth on the front cover of this prospectus, would increase (decrease) the net proceeds to us from this offering by $35.8 million, assuming the number of shares offered by us, as set forth on the front cover of this prospectus, remains the same and after deducting the assumed underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of 1.0 million shares from the expected number of shares to be sold by us in this offering, assuming no change in the assumed initial public offering price per share, which is the midpoint of the price range set forth on the front cover of this prospectus, would increase (decrease) our net proceeds from this offering by $15.9 million.

(2) We intend to use the net proceeds from this offering to repay approximately $266.0 million of indebtedness (prior to the write-off of $5.8 million of unamortized deferred financing costs) of the First Lien Term Facility and approximately $307.0 million of indebtedness (prior to the write-off of $9.0 million of unamortized deferred financing costs) of the Second Lien Term Facility. See “Description of Certain Indebtedness” and “Use of Proceeds.”

(3) There were no outstanding borrowings under the Revolving Credit Facility, which had an available borrowing capacity of $55.2 million, excluding approximately $19.8 million of outstanding letters of credit, as of January 2, 2021. On March 11, 2021, the Company amended the Revolving Credit Facility to increase the maximum availability to $200.0 million, subject to the occurrence of an initial public offering. The amendment also extended the maturity date to March 2023; provided that upon the occurrence of an initial public offering, the maturity date will become the date that is five years after the consummation of such initial public offering; provided further that if the Company fails to refinance its term loans by December 2023, the maturity date will become December 2023.

(4) Composed of (a) $563.1 million of initial term loans and (b) $401.7 million of additional term loans incurred pursuant to the First Amendment and Fourth Amendment (as defined herein). See “Description of Certain Indebtedness.”

(5) Represents the principal amount of such facility. Pro forma includes $67.0 million of incremental principal amounts related to the additional amount taken out to partially fund the 2021 Acquisition.

The number of shares of our common stock that will be outstanding after this offering is based on 141,928,184 shares of our common stock outstanding as of April 3, 2021, and excludes:

- (1) 6,722,144 shares of common stock issuable upon the exercise of time-vesting options to purchase shares of our common stock outstanding as of April 3, 2021 with a weighted average exercise price of $6.12 per share, (2) 6,722,144 shares of common stock issuable upon the exercise of performance-vesting options to purchase shares of our common stock outstanding as of April 3, 2021 with a weighted average exercise price of $6.12 per share and (3) 2,129,610 shares of common stock issuable upon the exercise of accelerator vesting options to purchase shares of our common stock outstanding as of April 3, 2021 with a weighted average exercise price of $9.76 per share;
- 194,750 shares of common stock issuable upon the vesting of outstanding awards of deferred restricted stock units;
- 4,257,846 shares of common stock available for future issuance under the ESPP; and
- 12,128,956 shares of common stock available for future issuance under the Stock Incentive Plans.

DIVIDEND POLICY

We currently intend to retain all available funds and any future earnings to fund the development and growth of our business; therefore, we do not anticipate paying any cash dividends in the foreseeable future. Any future determination to declare and pay dividends, if any, will be at the discretion of our Board of Directors, subject to compliance with contractual restrictions and covenants in the agreements governing our current and future indebtedness. Any such determination will be dependent upon then-existing conditions, including our earnings, capital requirements, results of operations, financial condition, business prospects and any other factors that our Board of Directors considers relevant.

Our business is conducted through our subsidiaries. Dividends, distributions and other payments from, and cash generated by, our subsidiaries will be our principal sources of cash to repay indebtedness, fund operations and pay dividends. Accordingly, our ability to pay dividends to our stockholders is dependent on the earnings and distributions of funds from our subsidiaries. In addition, the covenants in the agreements governing our existing indebtedness, including the Senior Secured Credit Facilities, significantly restrict the ability of our subsidiaries to pay dividends or otherwise transfer assets to us. See “Description of Certain Indebtedness” and “Risk Factors—Risks Relating to our Business and Industry.” We have substantial indebtedness, which will increase our vulnerability to general adverse economic and industry conditions and may limit our ability to pursue strategic alternatives and react to changes in our business and industry or pay dividends.”

Accordingly, you may need to sell your shares of our common stock to realize a return on your investment, and you may not be able to sell your shares at or above the price you paid for them. See “Risk Factors—Risks Related to this Offering and Ownership of our Common Stock—We do not intend to pay dividends for the foreseeable future.”

DILUTION

If you invest in our common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share of common stock and the pro forma as adjusted net tangible book value per share of our common stock giving effect to this offering. Dilution results from the fact that the per share offering price of the common stock is substantially in excess of the book value (deficit) per share attributable to the shares of common stock held by existing stockholders.

As of January 2, 2021, we had a net tangible book value (deficit) of $(1,127.8) million, or $(7.95) per share. Net tangible book value (deficit) per share represents the amount of our total tangible assets less our total liabilities and shares of common stock issuable upon exercise of outstanding restricted stock units, which are not included within stockholders' equity, divided by the number of shares of our common stock outstanding as of January 2, 2021.

As of January 2, 2021, we had a pro forma net tangible book value (deficit) of $(1,236.8) million, or $(8.71) per share. Pro forma net tangible book value (deficit) per share represents the amount of our total tangible assets less our total liabilities and shares of common stock issuable upon exercise of outstanding restricted stock units, which are not included within stockholders' equity, divided by the number of shares of our common stock outstanding, on a pro forma basis, after giving effect to the 2021 Acquisition as of January 2, 2021.

After giving effect to (1) the sale of shares of common stock that we are offering hereby at an assumed initial public offering price of $17.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, and the application of such proceeds as described in the section entitled "Use of Proceeds," and (2) the filing and effectiveness of our Amended Charter and the effectiveness of our Amended Bylaws prior to the consummation of this offering, our pro forma as adjusted net tangible book value (deficit) as to give effect to this offering as of January 2, 2021 would have been approximately $(646.1) million, or approximately $(3.59) per share of common stock. This amount represents an immediate increase in pro forma net tangible book value (deficit) of $5.12 per share to our existing stockholders and an immediate dilution in pro forma net tangible book value (deficit) of approximately $20.59 per share to new investors purchasing shares of common stock in this offering at the assumed initial offering price.

Dilution per share to new investors is determined by subtracting pro forma as adjusted net tangible book value (deficit) per share from the amount of cash that a new investor paid for a share of common stock.

The following table illustrates this dilution (without giving effect to any exercise by the underwriters of their overallotment option to purchase additional shares):

Assumed initial public offering price per share		$17.00
Historical net tangible book value (deficit) per share as of January 2, 2021	$(7.95)	
Decrease per share attributable to the pro forma adjustments described above	(0.76)	
Pro forma net tangible book value (deficit) per share as of January 2, 2021	(8.71)	
Increase in pro forma net tangible book value per share attributable to new investors purchasing common stock in this offering and the use of proceeds from this offering	5.12	
Pro forma as adjusted net tangible book value (deficit) per share after giving effect to this offering		(3.59)
Dilution per share to new investors purchasing common stock in this offering		$20.59

The dilution information discussed above is illustrative only and may change based on the actual initial public offering price and other terms of this offering. Each $1.00 increase (decrease) in the assumed initial public offering price of $17.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value (deficit) per share after giving effect to this offering by approximately $0.20 per share, and increase (decrease) the dilution in the pro forma as adjusted net tangible book value (deficit) per share to new investors by approximately $0.20 per share, in each case, assuming that the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions.

Each increase (decrease) of 1.0 million shares in the number of shares of common stock offered by us would increase (decrease) our pro forma as adjusted net tangible book value (deficit) per share after giving effect to this offering by approximately $0.11 per share and decrease (increase) the dilution to investors participating in this offering by approximately $0.11 per share, in each case assuming that the assumed initial public offering price remains the same, and after deducting the underwriting discounts and commissions.

If the underwriters exercise their overallotment option to purchase additional shares in full, the pro forma as adjusted net tangible book value after giving effect to the offering would be $(2.98) per share, the increase in pro forma as adjusted net tangible book value per share to existing stockholders would be $0.61 per share and the dilution per share to new investors would be $19.98 per share, in each case after giving effect to the offering and assuming an initial public offering price of $17.00 per share, the midpoint of the price range set forth on the cover page of this prospectus.

The following table summarizes, as of January 2, 2021, the differences between the number of shares of common stock purchased from us by our existing stockholders and by new investors purchasing shares in this offering, the total consideration paid to us in cash and the average price per share paid by existing stockholders for shares of common stock issued prior to this offering, and the price to be paid by new investors for shares of common stock in this offering. The calculation below is based on the assumed initial public offering price of $17.00 per share, the midpoint of the price range set forth on the cover page of the prospectus, before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price Per Share
	Shares	Percent	Amount	Percent	
Existing shareholders	141,928,184	78.8%	$ 722,666,000	52.6%	$ 5.09
New investors	38,236,000	21.2%	650,012,000	47.4%	17.00
Total	180,164,184	100%	$1,372,678,000	100%	$ 11.05

The number of shares of our common stock that will be outstanding after this offering is based on 141,928,184 shares of our common stock outstanding as of April 3, 2021, and excludes:

- (1) 6,722,144 shares of common stock issuable upon the exercise of time-vesting options to purchase shares of our common stock outstanding as of April 3, 2021 with a weighted average exercise price of $6.12 per share, (2) 6,722,144 shares of common stock issuable upon the exercise of performance-vesting options to purchase shares of our common stock outstanding as of April 3, 2021 with a weighted average exercise price of $6.12 per share and (3) 2,129,610 shares of common stock issuable upon the exercise of accelerator vesting options to purchase shares of our common stock outstanding as of April 3, 2021 with a weighted average exercise price of $9.76 per share;
- 194,750 shares of common stock issuable upon the vesting of outstanding awards of deferred restricted stock units;
- 4,257,846 shares of common stock available for future issuance under our ESPP; and
- 12,128,956 shares of common stock available for future issuance under our Stock Incentive Plans.

To the extent any outstanding options are exercised, there will be further dilution to new investors. If all of such outstanding options had been exercised as of January 2, 2021, the pro forma as adjusted net tangible book value per share after giving effect to this offering would be $(3.41), and total dilution per share to new investors would be $20.41.

If the underwriters exercise their overallotment option to purchase additional shares in full, our existing stockholders would own 76.3%, and the investors purchasing shares of our common stock in this offering would own 23.7% of the total number of shares of our common stock outstanding immediately after completion of this offering.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma condensed consolidated financial information and the related notes present our unaudited pro forma condensed consolidated statement of operations for the fiscal year ended January 2, 2021 and our unaudited pro forma condensed consolidated balance sheet as of January 2, 2021. The unaudited pro forma condensed consolidated statement of operations has been prepared to give pro forma effect to the acquisitions by us of the businesses of Total Care, Inc., Preferred Pediatric Home Health Care, Evergreen Home Healthcare, LLC, Five Points Healthcare, LLC and Recover Health, Inc. described under "Summary—Recent Developments" during fiscal year 2020 (collectively, the "2020 Acquisitions" and each individually, a "2020 Acquisition"). The 2020 Acquisitions were not significant, individually or in the aggregate. The unaudited pro forma condensed consolidated statement of operations related to the 2020 Acquisitions has been derived by aggregating our historical consolidated financial statements and the historical financial statements of the 2020 Acquisitions including certain pro forma adjustments to such aggregated financial statements to give effect to the 2020 Acquisitions as if each had occurred on December 29, 2019, which was the first day of our fiscal year 2020. The unaudited pro forma condensed consolidated financial information also gives effect to the acquisition of Doctor's Choice Holdings, LLC ("Doctor's Choice") on April 16, 2021 (the "2021 Acquisition" and together with the 2020 Acquisitions, the "Acquisitions"). The 2021 Acquisition was funded with $65.3 million of incremental financing under our existing Second Lien Term Facility, net of deferred financing costs of $1.7 million and $35.1 million of cash from the balance sheet. The unaudited pro forma condensed consolidated financial information related to the 2021 Acquisition has been derived by aggregating our historical consolidated financial statements and the historical financial statements of Doctor's Choice, including certain pro forma adjustments to such aggregated financial statements to give effect to the 2021 Acquisition as if it had occurred on December 29, 2019 for the unaudited pro forma condensed consolidated statement of operations. The unaudited pro forma condensed consolidated balance sheet gives effect to the 2021 Acquisition as if it occurred as of January 2, 2021, our most recent balance sheet date.

The unaudited pro forma condensed consolidated financial information also gives effect to this offering by making the following pro forma adjustments (collectively, the "IPO Transactions"):

- The issuance and sale by us of our common stock in this offering after deducting underwriting discounts and commissions and estimated offering expenses payable by us (assuming no exercise by the underwriters of their overallotment option to purchase additional shares of common stock from us); and
- The repayment of $573.0 million of certain principal balances outstanding under our existing Senior Secured Credit Facilities. These amounts include the $185.0 million borrowed under our First Lien Fourth Amendment Loan used in part to fund the 2020 Acquisitions as well as the $67.0 million of incremental borrowings under our Second Lien Term Facility to fund a portion of the 2021 Acquisition.

We refer to the pro forma adjustments for the Acquisitions and for the IPO Transactions together as the "Transactions." The unaudited pro forma condensed consolidated statement of operations gives effect to the Transactions as if they had occurred on December 29, 2019, the beginning of the most recently completed fiscal year. The unaudited pro forma condensed consolidated balance sheet gives effect to the IPO Transactions as if they occurred as of January 2, 2021, our most recent balance sheet date. The assumptions underlying the pro forma adjustments to the unaudited pro forma condensed consolidated financial information presented below are described in the accompanying notes, which should be read in conjunction with the unaudited pro forma condensed consolidated financial information.

The unaudited pro forma condensed consolidated financial information herein has been prepared to illustrate the effects of the Transactions in accordance with GAAP and pursuant to Article 11 of Regulation S-X. Information regarding these pro forma adjustments is subject to risks and uncertainties that could cause actual results to differ materially from our unaudited pro forma condensed consolidated financial information.

In our opinion, all adjustments necessary to reflect the effects of the Transactions as described above have been included and are based upon currently available information and assumptions that we believe are reasonable as of the date of this prospectus; however, such adjustments are subject to change. Any of the factors underlying these estimates and assumptions may change or prove to be materially different than expected. The unaudited pro forma condensed consolidated financial information also does not purport to represent what our actual results of operations and financial position would have been had the Transactions occurred on the dates indicated, nor are they intended to be representative of or project our future financial condition or results of operations or financial position.

The unaudited pro forma condensed consolidated financial information and the accompanying notes are provided for informational and illustrative purposes only and should be read in conjunction with our historical audited consolidated financial statements and the accompanying notes included elsewhere in this prospectus, as well as the financial and other information appearing elsewhere in this prospectus, including information contained in the sections titled “Risk Factors,” “Use of Proceeds,” “Capitalization,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

AVEANNA HEALTHCARE HOLDINGS INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET as of January 2, 2021
(Dollars in thousands, except share and per share amounts)

	Historical Aveanna as of January 2, 2021	Historical 2021 Acquisition as of January 2, 2021	Transaction Accounting Adjustments for 2021 Acquisition	Note 2	Pro Forma for the 2021 Acquisition	Transaction Accounting Adjustments for the Offering	Note 2	Pro Forma for the 2021 Acquisition and the Offering
ASSETS								
Current assets:								
Cash and cash equivalents	$ 137,345	$ 13,212	(50,676)	(a),(b),(f),(g),(h)	$ 99,881	$ 31,693	(k), (l), (m)	$ 131,574
Patient accounts receivable	172,887	11,645	—		184,532	—		184,532
Receivables under insured programs	7,992	142	—		8,134	—		8,134
Prepaid expenses	11,080	409	—		11,489	—		11,489
Other current assets	11,340	1,319	—		12,659	—		12,659
Total current assets	340,644	26,727	(50,676)		316,695	31,693		348,388
Property and equipment, net	32,650	468	—		33,118	—		33,118
Operating lease right of use assets	46,217	936	—		47,153	—		47,153
Goodwill	1,316,385	10,402	90,270	(e)	1,417,057	—		1,417,057
Intangible assets, net	73,572	—	6,500	(c)	80,072	—		80,072
Receivables under insured programs	23,990	312	—		24,302	—		24,302
Deferred income taxes	2,931	—	617	(j)	3,548	—		3,548
Other long-term assets	7,627	104	—		7,731	(2,926)	(m)	4,805
Total assets	$ 1,844,016	$ 38,949	$ 46,711		$ 1,929,676	$ 28,767		$ 1,958,443
LIABILITIES, DEFERRED RESTRICTED STOCK UNITS, AND SHAREHOLDERS’ EQUITY								
Current liabilities:								
Accounts payable and other accrued liabilities	$ 56,668	$ 3,651	$ 643	(d),(f), (i),(j)	$ 60,962	$ (819)	(m)	$ 60,143
Accrued payroll and employee benefits	56,834	3,163	—		59,997	—		59,997
Accrued interest	2,398	141	(141)	(a), (b)	2,398	—		2,398
Notes payable	2,872	—	—		2,872	—		2,872
Current portion of insurance reserve - insured program	7,992	142	—		8,134	—		8,134
Current portion of insurance reserves	12,294	—	—		12,294	—		12,294
Current portion of long-term obligations	9,910	750	(750)	(a), (b)	9,910	(1,850)	(l)	8,060
Current portion of operating lease liabilities	11,884	521	—		12,405	—		12,405
Current portion of deferred payroll taxes	24,824	1,751	—		26,575	—		26,575
Government stimulus liabilities	29,444	—	—		29,444	—		29,444
Other current liabilities	45,293	11,485	—		56,778	—		56,778
Total current liabilities	260,413	21,604	(248)		281,769	(2,669)		279,100
Revolving line of credit	—	—	—		—	—		—
Long-term obligations, less current portion	1,163,490	11,971	53,328	(a),(g),(h)	1,228,789	(556,364)	(l), (n)	672,425
Long-term insurance reserves - insured programs	23,990	312	—		24,302	—		24,302
Long-term portion of insurance reserves	30,336	21	—		30,357	—		30,357
Operating lease liabilities, less current portion	40,246	429	—		40,675	—		40,675
Deferred payroll taxes	24,824	—	—		24,824	—		24,824
Deferred income taxes	2,591	—	—		2,591	—		2,591
Other long-term liabilities	30,957	—	—		30,957	—		30,957
Total liabilities	$ 1,576,847	$ 34,337	$ 53,080		$ 1,664,264	$ (559,033)		$ 1,105,231
Commitments and contingencies (Note 13)								
Deferred restricted stock units	2,135	—	—		2,135	—		2,135
Shareholders’ equity:								
Preferred shares, no par value, 5,000,000 shares authorized, none issued or outstanding, actual; 5,000,000 shares authorized, none issued or outstanding, pro forma;	—	—	—		—	—		—
Common shares, 1,000,000,000 shares authorized, 141,928,184 shares issued and shares outstanding, actual; $0.01 par value, 1,000,000,000 shares authorized, 180,164,184 shares issued and outstanding, pro forma	1,419	—	—		1,419	382	(k)	1,801
Doctor’s Choice Common Stock		1	(1)	(j)	—	—		—
Additional paid-in capital	721,247	43	(43)	(j)	721,247	602,953	(k), (m), (o)	1,324,200
Accumulated deficit	(457,632)	4,568	(6,325)	(j)	(459,389)	(15,535)	(n), (o)	(474,924)
Total shareholders’ equity	265,034	4,612	(6,369)		263,277	587,800		851,077
Total liabilities, deferred restricted stock units, and shareholders’ equity	$ 1,844,016	$ 38,949	$ 46,711		$ 1,929,676	$ 28,767		$ 1,958,443

The accompanying notes are an integral part of this Unaudited Pro Forma Condensed Consolidated Balance Sheet.

AVEANNA HEALTHCARE HOLDINGS INC. AND SUBSIDIARIES UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
for the Fiscal Year Ended January 2, 2021
(Dollars in thousands, except share and per share amounts)

	Historical Aveanna Year ended January 2, 2021	Historical 2020 Acquisitions Year ended January 2, 2021 (3a)	Transaction Accounting Adjustments for the 2020 Acquisitions	Note 3	Pro Forma for the 2020 Acquisitions	Historical 2021 Acquisition Year ended January 2, 2021 (3f)	Transaction Accounting Adjustments for the 2021 Acquisition	Note 3	Pro Forma for the 2020 Acquisitions and 2021 Acquisition	Transaction Accounting Adjustments for the Offering	Note 3	Pro Forma for the Acquisitions and the Offering
Revenue	$ 1,495,105	$ 159,424	$ —		$1,654,529	$ 64,362	$ —		$1,718,891	$ —		$ 1,718,891
Cost of revenue, excluding depreciation and amortization	1,040,590	95,392	—		1,135,982	30,555	—		1,166,537	—		1,166,537
Branch and regional administrative expenses	240,946	33,778	—		274,724	18,353	—		293,077	1,844	(p)	294,921
Corporate expenses	113,828	19,884	(359)	(b)	133,353	10,227	(330)	(g)	143,250	15,510	(l), (m), (p)	158,760
Goodwill Impairment	75,727	—	—		75,727	—	—		75,727	—		75,727
Depreciation and amortization	17,027	1,090	1,679	(c)	19,796	267	1,500	(h)	21,563	—		21,563
Acquisition-related costs	9,564	6,715	—		16,279	290	9,550	(i)	26,119	—		26,119
Other operating expenses	910	(2,502)	—		(1,592)	(2,621)	—		(4,213)	—		(4,213)
Operating (loss) income	(3,487)	5,067	(1,320)		260	7,291	(10,720)		(3,169)	(17,354)		(20,523)
Interest income	345	31	—		376	9	—		385	—		385
Interest expense	(82,983)	(854)	(9,948)	(d)	(93,785)	(1,316)	(5,179)	(j)	(100,280)	51,702	(n)	(48,578)
Loss on debt extinguishment	(73)	—	—		(73)	—	—		(73)	(10,249)	(o)	(10,322)
Other income (expense)	34,464	85	—		34,549	—	—		34,549	—		34,549
(Loss) Income before income taxes	(51,734)	4,329	(11,268)		(58,673)	5,984	(15,899)		(68,588)	24,099		(44,489)
Income tax (expense) benefit	(5,316)	(826)	2,630	(e)	(3,512)	—	2,578	(k)	(934)	(6,266)	(q)	(7,200)
Net (loss) Income	$ (57,050)	$ 3,503	$ (8,638)		$ (62,185)	$ 5,984	$ (13,321)		$ (69,522)	$ 17,833		$ (51,689)
(Loss) Income per share:												
Net (loss) income per share, basic and diluted	$ (0.40)											$ (0.30)
Weighted average shares outstanding, basic and diluted	140,971,924									33,705,882	(r)	174,677,806

The accompanying notes are an integral part of this Unaudited Pro Forma Condensed Consolidated Statement of Operations.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(Dollars in thousands, except share and per share amounts)

1. Description of Transactions

The unaudited pro forma condensed consolidated financial information and the related notes present our unaudited pro forma condensed consolidated statement of operations for the fiscal year ended January 2, 2021 and our unaudited pro forma condensed consolidated balance sheet as of January 2, 2021 after giving effect to the consummation of the 2020 Acquisitions, 2021 Acquisition and to the IPO Transactions. The table below provides the date each acquisition closed, the date and period for which each acquisition has been reflected in our historical financial statements and the date and period for which each acquisition is contained in the unaudited pro forma condensed consolidated statement of operations, giving effect to the Acquisitions as if they had occurred on December 29, 2019 and giving effect to the 2021 Acquisition as if it had occurred on January 2, 2021 for the unaudited pro forma condensed consolidated balance sheet, including the incremental financing of $67.0 million under our existing Second Lien Term Facility. The 2020 Acquisitions are fully reflected in the Company's historical audited consolidated balance sheet as of January 2, 2021.

Acquired Company	Transaction Close Date	Period reflected in historical financial statements:	Period reflected in the pro forma adjustments:
Total Care, Inc.	August 1, 2020	August 1, 2020 - January 2, 2021	December 29, 2019 - July 31, 2020
D&D Services, Inc. (d/b/a Preferred Pediatric Home Health Care)	September 19, 2020	September 19, 2020 - January 2, 2021	December 29, 2019 - September 18, 2020
Evergreen Home Healthcare, LLC	September 26, 2020	September 26, 2020 - January 2, 2021	December 29, 2019 - September 25, 2020
Five Points Healthcare, LLC	October 23, 2020	October 23, 2020 - January 2, 2021	December 29, 2019 - October 22, 2020
Recover Health, Inc.	December 19, 2020	December 19, 2020 - January 2, 2021	December 29, 2019 - December 18, 2020
Doctor's Choice Holdings, LLC	April 16, 2021	N/A	December 29, 2019 - January 2, 2021

Each acquisition was accounted for as a business combination using the acquisition method of accounting under the provisions of ASC 805, Business Combinations ("ASC 805"), and using the fair value concepts defined in ASC 820, Fair Value Measurements. Under ASC 805, all assets acquired and liabilities assumed are recorded at their acquisition date fair value. The determination of the fair values of the assets acquired and liabilities assumed (and the related determination of estimated useful lives of amortizable identifiable intangible assets) requires significant judgment and estimates. The estimates and assumptions used include the projected timing and amount of future cash flows and discount rates reflecting risk inherent in the future cash flows related to the businesses acquired. Although the Company believes the fair values assigned to the assets acquired and liabilities assumed from the acquisitions are accurate, new information may be obtained about facts and circumstances that existed as of the date of the Acquisitions during the twelve-month period following each Acquisition which could cause actual results to differ materially from the unaudited pro forma condensed consolidated financial information.

Total nonrecurring acquisition-related costs incurred related to the 2020 Acquisitions of $16.3 million, including $6.7 million in the pre-acquisition results of the acquired companies, are included within the unaudited pro forma condensed consolidated statement of operations. Additionally, total nonrecurring acquisition-related costs incurred related to the 2021 Acquisition of $9.9 million are included within the unaudited pro forma condensed consolidated statement of operations, including $0.3 million in the historical results of Doctor's Choice. The unaudited pro forma condensed consolidated financial information does not include the realization of any cost savings from operating efficiencies, synergies or other restructuring activities which might result from the Acquisitions.

In addition to giving effect to the Acquisitions, the unaudited pro forma condensed consolidated financial information is presented after giving effect to the IPO Transactions. We estimate that the net proceeds to us from the sale of the shares of our common stock offered by us will be approximately $602.6 million, based upon an assumed initial public offering price of $17.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us before considering offering expenses paid prior to January 2, 2021 of $2.1 million. The exercise of the underwriters' overallotment option is not reflected in these pro forma financial statements.

The unaudited pro forma condensed consolidated financial information also gives effect to our use of the net proceeds from this offering to repay approximately $573.0 million of our existing indebtedness under our Senior Secured Credit Facilities. These amounts include the $185.0 million borrowed under our First Lien Fourth Amendment Loan used in part to fund the 2020 Acquisitions as well as the $67.0 million of incremental borrowings under our Second Lien Term Facility to fund a portion of the 2021 Acquisition.

2. *Unaudited Pro Forma Condensed Consolidated Balance Sheet Transaction Accounting Adjustments*

Transaction Accounting Adjustments for the 2021 Acquisition

(a) Reflects the total cash consideration of $100.4 million related to the 2021 Acquisition. The cash purchase price paid at closing to Doctor's Choice shareholders is subject to certain adjustments set forth in the purchase agreement based on estimated and actual working capital, cash and indebtedness of Doctor's Choice at closing, and unpaid seller transaction costs. The calculation of the estimated purchase consideration is based on the terms of the purchase agreement and management's estimates as of the date of this offering. Therefore, the estimated purchase price used for purposes of the unaudited pro forma condensed consolidated financial information may differ materially from the actual purchase price. Further, as the $12.5 million of Doctor's Choice's historical debt was retired at the closing date, this adjustment also reflects the settlement of the remaining principal balance, of which $0.4 million is recorded within the current portion of long-term obligation and $12.1 million is recorded within long-term obligations, and accrued interest of less than $0.1 million for the existing credit facilities as part of the 2021 Acquisition.

The preliminary GAAP purchase price is as follows (in thousands):

Cash Consideration to shareholders	$ 63,706
Settlement of closing debt	12,539
Settlement of seller transaction costs	8,420
Cash paid into escrow and reserve accounts	15,724
Total Preliminary GAAP Purchase Price	**$ 100,389**

(b) Reflects the write-off of $0.4 million of current portion of long-term obligations and $0.1 million of accrued interest representing amounts that existed as of the end of fiscal year 2020 but not as of close of the 2021 Acquisition and which are accordingly excluded from purchase price. Additionally, reflects the write-off of $13.2 million of cash and cash equivalents as these amounts were not transferred to Aveanna upon closing.

(c) Reflects the adjustment to step-up acquired intangible assets to their estimated acquisition-date fair values based upon a preliminary valuation. The fair value of the trade name was derived from an income approach. Significant assumptions include expected growth rates, future government payer reimbursement rates, and the weighted average cost of capital. The fair value of the licenses were derived from the cost approach. Significant assumptions include the median time to issue a license and the costs incurred to maintain a branch during that time. The pro forma adjustment is calculated as follows (in thousands):

	Estimated Useful Life	Fair Value
Licenses	Indefinite	$ 5,000
Tradenames	12 months	1,500
Fair value of intangibles assets		6,500
Less: historical book value		—
Pro forma adjustment		$ 6,500

No assurances can be given that the underlying assumptions and estimates used to estimate the fair values of the licenses and tradenames will not change. For this and other reasons, actual results may vary significantly from estimated results.

(d) Reflects the adjustment to remove the liabilities of $1.2 million recorded in accounts payable and accrued liabilities associated with Doctor’s Choice PRF funds because they were preliminarily determined to have no fair value and we estimate there will be no disallowed funds as of the acquisition date. Amounts have been placed into escrow relating to the Doctor’s Choice PRF funds received, which was included in the calculation of GAAP purchase price.

(e) Reflects the adjustment to goodwill of $90.3 million to be recorded based on our preliminary purchase price allocation.

Goodwill represents the excess of the aggregate purchase consideration over the preliminary estimated fair values of recorded tangible and intangible assets acquired and liabilities assumed in the 2021 Acquisition. The actual amount of goodwill to be recorded in connection with the 2021 Acquisition is subject to change once the valuation of the fair value of tangible and intangible assets acquired and liabilities assumed has been completed. The final valuation of such assets and liabilities is expected to be completed as soon as practicable but no later than one year after the consummation of the 2021 Acquisition.

The table below reflects the preliminary purchase price allocation based on estimates, assumptions, valuations and other analyses (in thousands):

Total preliminary GAAP purchase price	$100,389
Patient accounts receivable	11,645
Receivables under insured programs	142
Prepaid expenses and other current assets	1,728
Intangible assets	6,500
Property and equipment	468
Operating lease right of use assets	936
Other long-term assets	416
Accounts payable and other accrued liabilities	(4,294)
Accrued payroll and employee benefits	(3,163)
Current portion of insurance reserves	(142)
Current portion of operating lease liabilities	(521)
Current portion of deferred payroll taxes	(1,751)
Other current liabilities	(11,485)
Long-term portion of insurance reserves	(333)
Operating lease liabilities	(429)
Net assets acquired, excluding goodwill	(283)
Goodwill	$100,627
Less: historical Doctor’s Choice goodwill	(10,402)
Pro forma adjustment	$ 90,270

(f) Reflects the payment of $2.4 million of acquisition-related costs incurred by Aveanna and $8.4 million of acquisition-related costs incurred by Doctor’s Choice, including $1.2 million accrued for in Doctor’s Choice’s historical balance sheet, all of which were paid on the closing date.

(g) Reflects new borrowings of $67.0 million of incremental principal borrowings on the existing Second Lien Term Facility. The proceeds from these borrowings were used to fund a portion of the 2021 Acquisition.

(h) Reflects the elimination of $0.2 million of unamortized deferred financing costs related to outstanding debt that was settled on the closing date of the 2021 Acquisition and the payment and capitalization of $1.7 million of deferred financing costs associated with the incremental borrowings under our Second Lien Term Facility, presented net of debt within Long term obligations, less current portion.

(i) Reflects a $4.9 million increase to accounts payable and other accrued liabilities related to the recording of an estimated uncertain tax position in connection with the 2021 Acquisition.

(j) Reflects a $6.4 million adjustment to equity, which represents the historical book value of net assets, as a result of the application of the acquisition method of accounting for the 2021 Acquisition, calculated as follows (in thousands):

Accrual for seller transaction costs not recorded in the historical results of Doctor's Choice as they had not yet been incurred	$(7,177)
Tax effect of deductible seller transaction costs (1)	1,866
Elimination of historical Doctor's Choice equity as well as the aforementioned transaction costs not yet incurred and tax effect of deductible transaction costs (2)	699
Non-capitalizable buyer transaction costs	(2,374)
Tax effect of deductible buyer transaction costs (1)	617
Net adjustment	$(6,369)

(1) Reflects the portion of transaction costs which are expected to be deductible for tax purposes, recorded within accounts payable and other accrued liabilities calculated by applying the blended statutory rate of 26% to those transaction costs which are expected to be deductible. The tax effect of deductible buyer transaction costs is recorded within deferred income taxes.

(2) Includes amounts recorded within Doctor's Choice common stock, additional paid-in capital and accumulated deficit.

Transaction Accounting Adjustments for the Offering

(k) Reflects the issuance of 38,236,000 shares of common stock and proceeds of $650.0 million, net of $40.6 million of underwriters' discount, in connection with this offering. See "Capitalization" for additional information.

(l) Reflects the repayment upon consummation of this offering of $266.0 million and $307.0 million principal balances outstanding under our existing First Lien Term Facility and Second Lien Term Facility, respectively. $1.9 million was recorded within current portion of long-term obligations as of January 2, 2021. See "Use of Proceeds" for additional information.

(m) Reflects $6.8 million of specific incremental direct costs attributable to this offering that will be offset against the proceeds as a reduction of additional paid-in-capital. This adjustment includes $3.9 million of incremental direct costs incurred after fiscal year 2020 and $2.9 million of amounts capitalized as of January 2, 2021, of which $0.8 million was recorded within accounts payable.

(n) Reflects the write-off of unamortized deferred financing costs of $14.8 million associated with our existing credit facilities that were repaid upon consummation of this offering.

(o) Reflects $0.7 million of one-time share-based compensation expense resulting from meeting a performance condition, the completion of this offering, for certain options granted that were outstanding as of January 2, 2021.

3. *Unaudited Pro Forma Condensed Consolidated Statement of Operations Transaction Accounting Adjustments*

Transaction Accounting Adjustments for the 2020 Acquisitions

(a) Reflects historical results of operations for the 2020 Acquisitions prior to being acquired by Aveanna. The aggregate historical results of operations were calculated as follows:

(dollars in thousands)	Total Care Inc. Period ended August 1, 2020	Preferred Pediatric Home Healthcare Period ended September 18, 2020	Evergreen Home Healthcare Period ended September 25, 2020	Five Points Healthcare, LLC Period ended October 22, 2020	Recover Health, Inc. Period ended December 18, 2020	Historical 2020 Acquisitions Fiscal Year ended January 2, 2021
Revenue	$ 8,385	$ 35,508	$ 11,083	$ 35,824	$ 68,624	$ 159,424
Cost of revenue, excluding depreciation and amortization	4,928	22,843	8,409	18,625	40,587	95,392
Branch and regional administrative expenses	1,695	5,081	1,882	10,523	14,597	33,778
Corporate expenses	743	2,467	450	4,603	11,621	19,884
Goodwill impairment	—	—	—	—	—	—
Depreciation and amortization	14	530	36	63	447	1,090
Acquisition-related costs	69	1,229	580	1,969	2,868	6,715
Other operating expenses (income)	2	(149)	18	(2,373)	—	(2,502)
Operating income (loss)	934	3,507	(292)	2,414	(1,496)	5,067
Interest income	1	3	—	1	26	31
Interest expense	(1)	(44)	(2)	(256)	(551)	(854)
Loss on debt extinguishment	—	—	—	—	—	—
Other income (expense)	2	21	(20)	44	38	85
Income (loss) before income taxes	936	3,487	(314)	2,203	(1,983)	4,329
Income tax expense	—	(3)	—	(815)	(8)	(826)
Net income (loss)	$ 936	$ 3,484	$ (314)	$ 1,388	$ (1,991)	$ 3,503

(b) Reflects a reduction of corporate expenses of $0.4 million for the fiscal year ended January 2, 2021 related to historical annual fees paid to existing sponsors of the 2020 Acquisitions.

(c) Reflects the $1.7 million adjustment to amortization expense for the $2.0 million amortization expense associated with acquired trade name intangible assets of the 2020 Acquisitions, net of $0.3 million of historical amortization expense recorded in the post-combination period. The acquired license intangible assets are indefinite-lived while the acquired trade name intangible assets have useful lives ranging from twelve to eighteen months.

(d) Reflects the $9.9 million increase to interest expense related to the First Lien Fourth Amendment Term Loan, which we entered into on September 21, 2020 in order to partially fund one of the 2020 Acquisitions, as well as the removal of historical interest expense recorded within the pre-acquisition results of the 2020 Acquisitions related to debt, which was settled when the companies were acquired. The adjustment was calculated as follows:

(dollars in thousands)	**For the Fiscal Year ended January 2, 2021**
Pro forma interest expense (1)	14,839
Historical Aveanna interest expense related to the First Lien Fourth Amendment Term Loan	(4,037)
Historical 2020 Acquisitions interest expense	(854)
Total pro forma adjustment	$ 9,948

(1) We assumed an interest rate of 7.25%. A 0.125% variance in the weighted–average variable interest rates would result in a $0.2 million change in income before income taxes annually.

(e) Reflects the pro forma income tax adjustment related to the 2020 Acquisitions assuming a combined state and federal statutory tax rate of 26%.

Additionally, reflects the increased income tax expense as if the 2020 Acquisitions' historical income before income taxes was taxed as a C corporation, consistent with Aveanna's tax structure and using a combined state and federal statutory tax rate of 26%, as opposed to the 2020 Acquisitions' historical filing statuses which either claimed an election under Subchapter S of Chapter 1 of the Internal Revenue Code or were taxed as a partnership.

Transaction Accounting Adjustments for the 2021 Acquisition

(f) Reflects historical results of operations for Doctor's Choice.

(g) Reflects a reduction of corporate expenses of $0.3 million for the fiscal year ended January 2, 2021 related to historical annual fees paid to the sponsors of Doctor's Choice.

(h) Reflects the estimated $1.5 million adjustment to amortization expense for the expense associated with acquired trade name intangible assets from the 2021 Acquisition. There was no amortization expense recorded in the historical period by Doctor's Choice,

(i) Reflects the incurrence of $9.6 million of transaction costs associated with the 2021 Acquisition, including $2.4 million of costs incurred by Aveanna and $7.2 million of costs incurred by Doctor's Choice.

(j) Reflects the $5.2 million increase to interest expense related to the incremental borrowings under the Second Lien Term Facility which we drew on the closing date of the 2021 Acquisition, as well as the removal of historical interest expense recorded within the historical results of Doctor's Choice related to debt that was settled when the company was acquired. The adjustment was calculated as follows:

(dollars in thousands)	**For the Fiscal Year ended January 2, 2021**
Pro forma interest expense (1)	6,495
Historical Doctor's Choice interest expense	(1,316)
Total pro forma adjustment	$ 5,179

(1) We assumed an interest rate of 9.00%. A 0.125% variance in the weighted–average variable interest rates would result in a $0.1 million change in income before income taxes annually.

(k) Reflects the pro forma income tax adjustment related to the 2021 Acquisition assuming a combined state and federal statutory tax rate of 26%.

Additionally, reflects the increased Income tax expense as if Doctor's Choice's historical income before income taxes was taxed as a C corporation, consistent with Aveanna's tax structure as opposed to Doctor's Choice's historical filing status which utilized an election under Subchapter S of Chapter 1 of the Internal Revenue Code, using a combined state and federal statutory tax rate of 26%.

Transaction Accounting Adjustments for the Offering

(l) Reflects a reduction of corporate expenses of $3.2 million for the fiscal year ended January 2, 2021 related to the annual fees under our Management Agreement with our Sponsors, which will terminate upon the consummation of the offering.

(m) Reflects a reduction of corporate expenses of $4.3 million for the fiscal year ended January 2, 2021 related to expense recognized in connection with the debt modification of our existing First Lien Fourth Amendment Term Loan, which was used in part to fund one of the 2020 Acquisitions, as this modification would not have taken place had the Offering occurred on December 29, 2019, the first day of our fiscal year 2020. See "Use of Proceeds" for additional information.

(n) Reflects a reduction of interest expense of $51.7 million for the fiscal year ended January 2, 2021 as a result of the repayment of $266.0 million and $307.0 million of our principal balances outstanding under our existing First Lien Term Facility and Second Lien Term Facility, respectively, upon consummation of this offering. Included within the reduction of interest expense of $51.7 million is the reversal of the $10.8 million and $6.5 million of incremental interest expense associated with the 2020 Acquisitions and 2021 Acquisition, respectively, as this interest expense would not have been incurred had this offering occurred on December 29, 2019, the first day of our fiscal year 2020.

(o) Reflects a $10.3 million loss on the extinguishment of debt as a result of the repayment of outstanding indebtedness under our First Lien Term Facility and Second Lien Term Facility upon consummation of this offering.

(p) Reflects $0.7 million of incremental share-based compensation expense from meeting a performance condition, the completion of this offering, for certain options granted. Additionally, reflects $24.1 million of estimated annual compensation expense associated with these options we will begin to recognize upon completion of this offering based upon a three year requisite service period. $1.8 million of this additional share-based compensation expense is recorded within branch and regional administrative expenses and the remaining $23.0 million is recorded within corporate expenses. The expected grant date fair value of $75.4 million and requisite service period are based upon a preliminary valuation utilizing the Monte Carlo option-pricing model. The Monte Carlo option-pricing model require various highly judgmental assumptions including volatility and expected option term. As the valuation is preliminary, and subject to finalization, and if any of the assumptions used in the models change significantly, stock-based compensation expense may differ materially in the future from that presented within the unaudited pro forma condensed consolidated statement of operations.

(q) Reflects the pro forma income tax adjustment related to this offering assuming a combined state and federal tax rate of 26%.

(r) The weighted average shares outstanding used to compute basic and diluted net income per share for the fiscal year ended January 2, 2021 have been adjusted to give effect to the issuance of shares of common stock issued in this offering used to repay outstanding principal under the First Lien Term Facility and Second Lien Term Facility, as if such issuance had occurred on December 29, 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis provides information we believe is relevant to an assessment and understanding of our results of operations, financial condition, liquidity and cash flows for the periods presented below. This discussion should be read in conjunction with the section entitled "Unaudited Pro Forma Condensed Consolidated Financial Information" and our audited consolidated financial statements and related notes contained elsewhere in this prospectus. This discussion contains forward-looking statements that are based upon our current expectations, including with respect to our future revenues and operating results. Our actual results may differ materially from those anticipated in such forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" contained elsewhere in this prospectus.

Our fiscal year ends on the Saturday that is closest to December 31 of a given year, resulting in either a 52- or 53-week fiscal year. "Fiscal year 2019" and "fiscal year 2018" refer to the 52-week fiscal years ended on December 28, 2019 and December 29, 2018, respectively. "Fiscal year 2020" refers to the 53-week fiscal year ending on January 2, 2021.

Overview

We are a leading, diversified home care platform focused on providing care to medically complex, high-cost patient populations. We directly address the most pressing challenges facing the U.S. healthcare system by providing safe, high-quality care in the home, the lower cost care setting preferred by patients. Our patient- centered care delivery platform is designed to improve the quality of care our patients receive, which allows them to remain in their homes and minimizes the overutilization of high-cost care settings such as hospitals. Our clinical model is led by our caregivers, primarily skilled nurses, who provide specialized care to address the complex needs of each patient we serve across the full range of patient populations: newborns, children, adults and seniors. We have invested significantly in our platform to bring together best-in-class talent at all levels of the organization and support such talent with industry leading training, clinical programs, infrastructure and technology-enabled systems, which are increasingly essential in an evolving healthcare industry. We believe our platform creates sustainable competitive advantages that support our ability to continue driving rapid growth, both organically and through acquisitions, and positions us as the partner of choice for the patients we serve.

Over the past five years, we have scaled our business by a factor of approximately 5x, expanding from 17 states and $324.6 million of revenue in 2016 to 30 states and $1.5 billion in revenue in fiscal year 2020. We currently have 245 branch locations. In 2020, we provided approximately 39 million hours of home care to our patients, pro forma for the acquisitions we completed in 2020. We have recently expanded into adult home health and hospice for Medicare populations, adding a new platform to help drive our future growth. Our management team, led by Rodney Windley (Executive Chairman) and Tony Strange (Chief Executive Officer), has a successful track record of building leading businesses, including Gentiva, which was the largest U.S. home health company before being acquired by Kindred in 2015. Adult home health and hospice are natural extensions of Aveanna's core home health infrastructure. In particular, the adult home health business leverages our platform infrastructure and core competencies in clinical program management, automated and efficient nurse recruitment, technology-driven revenue cycle management, payer contracting and entry into new geographic markets. We believe that we have the opportunity to leverage our national home health infrastructure to develop an industry leading adult home health and hospice business similar in size and scale to our pediatric home health business. We believe this long-term expansion strategy in adult end markets through de novo expansion and acquisitions will provide Aveanna with a highly distinctive profile as compared to its home health peers, with more diversified reimbursement sources, a lower risk profile and a broader set of organic and inorganic growth avenues to pursue opportunistically.

Segments

We deliver our services to patients through three segments: Private Duty Services (“PDS”); Home Health & Hospice (“HHH”); and Medical Solutions (“MS”).

The following table summarizes the revenues generated by each of our segments for the most recent three fiscal years:

(dollars in thousands)	Consolidated	PDS	HHH	MS
Fiscal year 2020	$1,495,105	$1,329,745	$31,180	$134,180
Percentage of consolidated revenue		88.9%	2.1%	9.0%
Fiscal year 2019	$1,384,065	$1,254,117	$17,071	$112,877
Percentage of consolidated revenue		90.6%	1.2%	8.2%
Fiscal year 2018	$1,253,673	$1,137,156	$17,858	$ 98,659
Percentage of consolidated revenue		90.7%	1.4%	7.9%

PDS Segment

Private Duty Services predominantly includes private duty nursing (“PDN”) services, as well as pediatric therapy services. Our PDN patients typically enter our service as children, as our most significant referral sources for new patients are children’s hospitals. It is common for our PDN patients to stay on our service to adulthood, as approximately 50% of our PDN patients are over the age of 18.

Our PDN services involve the provision of skilled and unskilled hourly care to patients in their homes, which is the preferred setting for patient care. PDN services typically lasts four to 24 hours a day, provided by our registered nurses, licensed practical nurses, and home health aides who are focused on providing high-quality short-term and long-term clinical care to medically fragile children and adults with a wide variety of serious illnesses and conditions. Patients who typically qualify for our PDN services include those with the following conditions:

- Tracheotomies or ventilator dependence;
- Dependence on continuous nutritional feeding through a “G-tube” or “NG-tube”;
- Dependence on intravenous nutrition;
- Oxygen-dependence in conjunction with other medical needs; and
- Complex medical needs such as frequent seizures.

Our PDN services include:

- In-home skilled nursing services to medically fragile children;
- Nursing services in school settings in which our caregivers accompany patients to school;
- Services to patients in our Pediatric Day Healthcare Centers (“PDHC”);
- Unskilled nursing services; and
- Employer of record support services (“EOR”).

Through our pediatric therapy services, we provide a valuable multidisciplinary approach that we believe serves all of a child’s therapy needs. We provide both in-clinic and home-based therapy services to our patients. Our therapy services include Physical, Occupational and Speech services. We regularly collaborate with physicians and other community healthcare providers, which allows us to provide more comprehensive care. Additionally, our Applied Behavioral Analysis (“ABA”) Therapy services previously provided children with the strategies and skills necessary to maximize their individual potential, achieve meaningful outcomes, and reach their goals to the greatest extent possible. We also provide parents with useful strategies and techniques to support their child's progress towards meeting developmental milestones in communication and behavior throughout their lifetime. As further discussed below, in July 2020, we discontinued providing ABA Therapy services. See " —COVID-19 Pandemic Impact on our Business."

HHH Segment

Our Home Health and Hospice segment predominantly includes home health services, as well as hospice and specialty program services. Our HHH patients typically enter our service as seniors, and our most significant referral sources for new patients are hospitals, physicians and long-term care facilities.

Our home health services involve the provision of in-home services to our patients by our clinicians which may include nurses, therapists, social workers and home health aides. Our caregivers work with our patients' physicians to deliver a personalized plan of care to our patients in their homes. Home healthcare can help our patients recover after a hospitalization or surgery and assist patients in managing chronic illnesses. We also help our patients manage their medications. Through our care, we help our patients recover more fully in the comfort of their own homes, while remaining as independent as possible. Our home health services include: in-home skilled nursing services; physical, occupational and speech therapy; medical social services and aide services.

Our hospice services involve a supportive philosophy and concept of care for those nearing the end of life. Our hospice care is a positive, empowering form of care designed to provide comfort and support to our patients and their families when a life-limiting illness no longer responds to cure-oriented treatments. The goal of hospice is to neither prolong life nor hasten death, but to help our patients live as dignified and pain-free as possible. Our hospice care is provided by a team of specially trained professionals in a variety of living situations, including at home, at the hospital, a nursing home, or an assisted living facility.

MS Segment

Through our Medical Solutions segment, we offer a comprehensive line of durable medical equipment and enteral nutrition supplies to adults and children, delivered on a periodic or as-needed basis. We provide our patients with access to one of the largest selections of enteral formulas, supplies and pumps in our industry, with more than 300 nutritional formulas available. Our registered nurses, registered dietitians and customer service technicians support our patients 24 hours per day, 365 days per year, in-hospital, at-home, or remotely to help ensure that our patients have the best nutrition assessments, change order reviews and formula selection expertise.

Factors Affecting Results of Operations and Comparability

Acquisition-related Activities

We acquired Premier Healthcare Services, LLC ("Premier") on July 1, 2018 (the "Premier Acquisition"), which had substantially all of its operations in California. Our operating results for fiscal year 2018 included six months of Premier's results of operations, and our operating results for fiscal year 2019 included Premier's results for the entirety of that year. Therefore, our results of operations for fiscal years 2019 and 2018 included revenue attributable to Premier of approximately $233.8 million and $109.5 million, respectively. Accordingly, the Premier Acquisition significantly impacts the comparability of our results of operation for fiscal years 2019 and 2018. All of Premier's business operations are included in our PDS segment.

In December 2018, we entered into an agreement to acquire a private duty services company (the "2019 Transaction"), the consummation of which acquisition would have significantly increased the size of our business. In the fourth quarter of fiscal year 2018, in contemplation of closing the 2019 Transaction and developing the necessary corporate infrastructure to support the combined businesses after closing, we began incurring significant acquisition-related costs, incremental corporate expenses, and related costs associated with executing the necessary financing arrangements to finance the acquisition. As a result of these activities, our acquisition-related costs, corporate expenses, and related items such as debt extinguishment costs, were significantly higher for fiscal year 2019 as compared to fiscal year 2018. We terminated the 2019 Transaction in December 2019, and, beginning in January 2020, we implemented cost-savings initiatives to reduce our corporate workforce and corporate expenses. We have significantly reduced acquisition-related costs in fiscal year 2020 as compared to fiscal year 2019.

During the third fiscal quarter of 2020, we acquired three companies that primarily deliver PDN services, in addition to medical solutions services (collectively, the “2020 PDS Acquisitions”). The 2020 PDS Acquisitions generated revenues in 2020 prior to being acquired by us of $55.0 million and $22.8 million after being acquired by us, which are included within our results of operations for fiscal year 2020. The 2020 PDS Acquisitions generated operating income in 2020 prior to being acquired by us of $4.1 million and $1.6 million after being acquired by us, which is included within our results of operations for fiscal year 2020.

In the fourth quarter of 2020, we acquired two companies that primarily deliver home health and hospice services, as well as PDN services (collectively, the “2020 HHH Acquisitions”). The 2020 HHH Acquisitions generated revenues in 2020 prior to being acquired by us of $104.4 million and $13.1 million after being acquired by us, which are included within our results of operations for fiscal year 2020. The 2020 HHH Acquisitions generated operating income in 2020 prior to being acquired by us of $0.9 million and $2.6 million after being acquired by us, which is included within our results of operations for fiscal year 2020. Home health and hospice businesses are primarily reimbursed by Medicare for services rendered and these new lines of business will accordingly begin to diversify our current payer base beyond its current concentration of Medicaid and Medicaid Managed Care revenue. We are reporting these new lines of business in our HHH segment.

In the second quarter of fiscal year 2021, we acquired Doctor’s Choice. Doctor’s Choice generated revenues and operating income in fiscal year 2020 of $64.4 million and $7.3 million, respectively.

COVID-19 Pandemic Impact on our Business

In March 2020, the World Health Organization declared COVID-19 a pandemic. The COVID-19 outbreak has adversely impacted economic activity and conditions worldwide, including workforces, liquidity, capital markets, consumer behavior, supply chains and macroeconomic conditions. After the declaration of a national emergency in the United States on March 13, 2020, in compliance with stay-at-home and physical distancing orders and other restrictions on movement and economic activity intended to reduce the spread of COVID-19, we altered numerous clinical, operational, and business processes. While each of the states deemed healthcare services an essential business, allowing us to continue to deliver healthcare services to our patients, the effects of the pandemic have been wide-reaching. We have implemented contingency planning policies whereby most employees at our corporate support offices in Georgia, Texas and Arizona are working remotely in compliance with recommendations from the Centers for Disease Control and Prevention and federal and state governmental orders. We have invested in technology and equipment that allows our remote workforce to provide continued and seamless functionality to our clinicians who continue to care for our patients.

We are taking precautions to protect the safety and well-being of our employees and patients by purchasing and delivering significant additional supplies of PPE and other medical supplies to branches and regional offices across the country. We have had success in sourcing our PPE from both traditional and non-traditional suppliers for these needs and while we have been fortunate to secure the necessary PPE supplies, we have incurred significantly higher per unit costs for such items, as compared to pre-pandemic costs.

With the exception of EOR, patient volumes in our PDS segment have been negatively impacted by COVID-19. While we observed declining PDN, PDN Therapy, and ABA Therapy patient volumes during the first and second fiscal quarters of 2020 with a low point in mid-April 2020, shortly thereafter these volumes stabilized at approximately 11% below our pre-COVID-19 PDS hours run rate. Since that time, our PDN and PDN Therapy volumes began recovering. As a result of COVID-19, during the second fiscal quarter of 2020, we made the decision to exit our pediatric ABA Therapy services and completed the exit of this business in the third fiscal quarter of 2020. Annual ABA Therapy revenues, which have subsequently been exited, approximated $6.9 million, $16.4 million, and $21.2 million, respectively, for the years ended January 2, 2021, December 28, 2019 and December 29, 2018. In connection with these activities, we evaluated our ABA Therapy reporting unit for goodwill impairment and recorded an impairment charge of $75.7 million during our second fiscal quarter of 2020. While our new HHH businesses were negatively impacted by COVID-19, as of the respective dates on which we acquired Five Points and Recover in our fourth fiscal quarter of 2020, those businesses had already recovered from lost volumes associated with COVID-19. Our MS segment has not been negatively impacted by COVID-19.

While we believe our PDS patient volumes will recover in 2021, the following factors could potentially alter this outlook and negatively impact our recovery from the pandemic: vaccine distribution, the continued increase or decrease in the number of COVID-19 cases nationwide, any future or prolonged shelter-in-place orders, the return of our patients' families confidence to allow our caregivers into their homes, our ability to attract and retain qualified caregivers as a result of COVID-19 concerns, cost normalization around PPE, and our ability to readily access referrals from children's hospitals. Potential negative impacts of COVID-19 on our results include lower revenue, higher salary and wage expenses due to increased market rate expectations of caregivers, and increased PPE supply costs. The impacts to revenue may consist of the following: lower volumes due to interruption of the operations of our referral sources and patient unwillingness to accept services in their homes; prolonged school closures; and lower reimbursement rates due to any negative impacts to state Medicaid budgets as a result of the pandemic.

We continually review and adjust our operations to adapt to the changing COVID-19 environment. We have remained fully operational and have continued to provide our patients with critical services during the pandemic. In addition, we plan to continue to execute on our strategic business plans to grow our services both organically and through acquisitions.

CARES Act

In response to COVID-19, the U.S. Government enacted the CARES Act on March 27, 2020. The following portions of the CARES Act have impacted us in fiscal year 2020:

- *Provider Relief Fund:* Beginning in April 2020, funds were distributed to health care providers who provide or provided diagnoses, testing, or care for individuals with possible or actual cases of COVID-19. The payments received under the Provider Relief Fund ("PRF") are subject to certain terms and conditions. Payments are to be used to prevent, prepare for, and respond to COVID-19. As of January 2, 2021, we had received $25.1 million in PRF payments. For the year ended January 2, 2021, we recognized no amounts related to these funds as government stimulus income in our consolidated statements of operations. The unrecognized amount of $25.1 million is recorded in government stimulus liabilities in our consolidated balance sheet at January 2, 2021. The Company believes that it is in compliance with all applicable terms and conditions, regulations and interim guidance regarding the receipt and usage of PRF funds. In March 2021, the Company returned the full amount of PRF funds received, with interest, to the respective Federal agencies.
- *State Sponsored Relief Funds:* In June 2020, we began receiving stimulus funds from the Commonwealth of Pennsylvania Department of Human Services ("Pennsylvania DHS"). Such funds were not applied for or requested.

  As of January 2, 2021, we have received approximately $4.8 million in direct stimulus funds from Pennsylvania DHS. Such funds were also not applied for or requested. For the year ended January 2, 2021, we recognized income of $0.5 million related to these funds, which is included in other operating expenses in our consolidated statements of operations. The unrecognized amount of $4.3 million is recorded in government stimulus liabilities in our condensed consolidated balance sheet at January 2, 2021, and we expect to return this amount to Pennsylvania DHS in 2021. The net $0.5 million amount of the retained payments are not subject to repayment, provided we are able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for healthcare-related expenses or lost revenue attributable to COVID-19. We have filed all necessary reports with Pennsylvania DHS documenting the usage of the $0.5 million that was retained and issued payment back to Pennsylvania DHS for $4.3 million. While we believe our reporting complies with all Pennsylvania DHS requirements, should Pennsylvania DHS disagree with our usage of the funds, those funds could be subject to return to Pennsylvania DHS. We have not received stimulus funds from any individual state other than Pennsylvania.

- *Deferred payment of the employer portion of social security tax:* We are permitted to defer payments of the employer portion of social security tax for 2020, which will be payable in 50% increments, with the first due by December 31, 2021 and the second 50% due by December 31, 2022. This deferral increased our 2020 cash flow from operations by approximately $46.8 million. Certain of the companies we acquired in 2020 had also deferred the employer portion of social security taxes in 2020, approximating $2.8 million in aggregate deferrals. As of January 2, 2021, we had deferred payment of approximately $49.6 million of social security tax in total, and this amount is reflected in current portion of deferred payroll tax liabilities and deferred payroll taxes, less current portion in our consolidated balance sheet.
- *Temporary reimbursement rate increases from various state Medicaid and Medicaid Managed Care Programs:* Numerous state Medicaid programs have issued temporary rate increases and similarly directed Medicaid Managed Care programs within those states to issue temporary rate increases. The states from which we have received the most significant temporary rate increases include Massachusetts, Washington, and North Carolina. These temporary rate increases are paid to us via normal claim processing by the respective payers. For the year ended January 2, 2021, we recognized $4.3 million related to these temporary rate increases funds as revenue in our consolidated statements of operations.

Components of Operating Results

Revenue

Revenue is primarily derived from pediatric and adult healthcare services provided by our PDS and HHH segments (referred to as “patient revenue”) and from the sale of enteral nutrition and other products to patients by our MS segment (referred to as “product revenue”). Components of revenue include the established bill rates, explicit price concessions, also known as contractual adjustments and discounts, provided to third-party payers, and implicit price concessions.

Cost of Revenue, Excluding Depreciation and Amortization

Cost of revenue, excluding depreciation and amortization (referred to as “cost of revenue”), is incurred by our PDS, HHH and MS segments. For the PDS and HHH segments, cost of revenue primarily includes direct labor costs and associated payroll taxes and benefits for the patient care services provided by our caregivers. It also includes workers compensation and professional liability insurance costs. For our MS segment, cost of revenue primarily includes the cost of enteral nutrition products shipped to our patients, as well as shipping costs.

Branch and Regional Administrative Expenses

Branch and regional administrative expenses are supervisory and administrative costs incurred in our branch and regional offices to support the provision of clinical care to our patients. These costs include the compensation of our branch and regional leaders, recruiting, people services, scheduling and rent, among other administrative costs to support our clinical operations. We also incur transitionary branch and regional administrative expenses in connection with integrating the companies we acquire. For example, redundant wages, benefits and severance for acquired company branch and regional personnel until such personnel exit the company, and costs associated with duplicative branch leases in overlapping markets, until such leases are terminated.

Corporate Expenses

Corporate expenses include costs to support our branch and regional operations (which we also refer to as "field operations"), and include our corporate headquarters, corporate payroll, billing and collections, corporate facilities, corporate people services, corporate information technology, our Integration Management Office ("IMO"), and related professional services necessary to support our field operations.

We also incur a significant amount of transitionary corporate expenses in connection with integrating the companies we acquire. Such activities are supervised by our corporate IMO and include items such as our IMO itself, third-party professional services to assist us with our integration efforts, redundant wages, benefits and severance for acquired company corporate personnel whose roles are duplicative or overlapping with existing corporate personnel until such personnel exit the company, duplicative corporate leases and related costs prior to elimination of such overlapping leases, among other things. Collectively, we refer to these transitionary corporate expenses, as well as the transitionary branch and regional administrative expenses described above as "integration costs" and such costs are included in either branch and regional administrative expenses or corporate expenses, as applicable.

Goodwill Impairment

Goodwill impairment represents non-cash charges to write-down reporting-unit goodwill established at the time of business acquisitions.

Depreciation and Amortization

Depreciation and amortization includes depreciation and amortization expenses for all of our property and equipment, including leasehold improvements, accreditation costs and intangible assets.

Acquisition-related Costs

Acquisition-related costs represent transaction costs incurred in connection with planned, completed, or terminated acquisitions. These costs include investment banking fees, legal diligence and related documentation costs, and finance, tax and accounting diligence and documentation.

Other Operating Expenses

Other operating expenses include changes to the contingent consideration paid in connection with the Premier Acquisition and license impairment charges. It is also reduced for amounts recognized as income from state sponsored relief funds through the CARES Act, such as the $0.5 million of funds received from Pennsylvania DHS that we recognized as income. We recognize this income at such time as qualifying cost offsets or other uses of the funds are identified and all related program terms and conditions have been met.

Interest Income

Interest income includes income received from payers for untimely payment of outstanding accounts receivable balances.

Interest Expense

Interest expense includes the debt service costs associated with our various debt instruments, including our term loans and Revolving Credit Facility. Interest expense also includes the amortization of deferred financing fees, which are amortized over the term of the respective credit agreement.

Other Income (Expense)

Other income (expense) primarily includes the charges we record to state our interest rate derivatives at fair value, as well as the periodic net settlements we incur with the counterparties under our interest rate swap agreements, in addition to other miscellaneous sources of income and expense.

Income Tax Benefit (Expense)

Income tax benefit (expense) includes the recognized portion of current and deferred income taxes at a federal, state and local level.

Evaluation and Measurement of our Business

In assessing our performance, we consider a variety of performance and financial measures. The key measures include revenue, gross margin (and gross margin percentage), Field contribution (and Field contribution margin) and corporate expenses. We review these metrics on a consolidated and segment basis with the exception of Field contribution, Field contribution margin and corporate expenses, which we review on a consolidated basis only. We also assess our performance using EBITDA, Adjusted EBITDA, Field contribution and Field contribution margin which are non-GAAP financial measures. See “—Non-GAAP Financial Measures” below.

Revenue

For each of our business segments, we manage our operations locally at the branch level, with support from our regional operations offices. The contractual reimbursement we expect to receive from third-party payers as payment for our PDS and HHH services and MS supplies, less estimated implicit price concessions, is recorded as revenue in our consolidated statements of operations.

Gross Margin and Gross Margin Percentage

Gross margin is equal to revenue less cost of revenue. We manage our business and make operating decisions based upon the gross margin delivered by each of our segments. Gross margin determines whether or not a given line of service or market is providing appropriate returns, and consequently whether or not a given line of service or market requires additional focus and resources, should be expanded, or curtailed. We also evaluate our gross margin based on the percentage of revenue it represents, which we define as gross margin percentage.

Field Contribution and Field Contribution Margin

Field contribution is calculated as operating income before corporate expenses and other non-field related costs, including depreciation and amortization, acquisition-related costs, and other operating expenses. Field contribution is an important metric because it represents the contribution generated by our field operations, prior to corporate expenses and other non-field related costs. This metric is also important because it guides us in determining whether or not our branch and regional administrative expenses are appropriately sized to support our caregivers and direct patient care operations. We also evaluate our Field contribution based on the percentage of revenue it represents, which we define as Field contribution margin.

Corporate Expenses

We align and manage our corporate expenses based on the necessary amount of support required for our field operations, as well as to integrate acquired companies into our field and corporate operations. Corporate expenses is an important metric because it includes not only the on-going, normal corporate costs necessary to support our core field operations, but also includes transitionary costs we incur to integrate the companies we acquire. We believe that effective management of our integration costs is an important component of driving results of operations and cash flows. We also evaluate and manage our corporate expenses based on the percentage of revenue such costs represent.

Other Metrics

We also review other important metrics such as volume, revenue rate, cost of revenue rate and spread rate, which we describe in greater detail below. We evaluate these metrics on a segment basis and not on a consolidated basis.

Volume

Volume represents PDS hours of care provided and MS unique patients served, which is how we measure the amount of our patient services provided. We review the number of hours of PDS care provided and the number of MS unique patients served on a weekly basis. We believe volume is an important metric because it helps us understand how the Company is growing in each of these segments through strategic planning and acquisitions. We also use this metric to inform strategic decision making in determining opportunities for growth.

Revenue Rate

For our PDS and MS segments, revenue rate is calculated as revenue as described above, divided by PDS hours of care provided or the number of unique patients served, respectively. We believe revenue rate is an important metric because it represents the amount of revenue we receive per PDS hour of patient service or per individual MS patient transaction and helps management assess the amount of fees that we are able to bill for our services. Management uses this metric to assess how effectively we optimize reimbursement rates.

Cost of Revenue Rate

For our PDS and MS segments, cost of revenue rate is calculated as cost of revenue as described above, divided by PDS hours of care provided or the number of unique patients served, respectively. We believe cost of revenue rate is an important metric because it helps us understand the cost per PDS hour of patient service or per individual MS patient transaction. Management uses this metric to understand how effectively we manage labor and product costs.

Spread Rate

For our PDS and MS segments, spread rate represents the difference between the respective revenue rates and cost of revenue rates. Spread rate is an important metric because it helps us better understand the margins being recognized per PDS hour of patient service or per individual MS patient transaction. Management uses this metric to assess how successful we have been in optimizing reimbursement rates, managing labor and product costs, and assessing opportunities for growth.

Results of Operations

Fiscal Year 2020 Compared to the Fiscal Year 2019

The following table summarizes our consolidated results of operations for the periods indicated:

	Fiscal Year 2020		Fiscal Year 2019			
(dollars in thousands)	Amount	% of Revenue	Amount	% of Revenue	Change	% Change
Revenue	$ 1,495,105	100.0%	$ 1,384,065	100.0%	$ 111,040	8.0%
Cost of revenue	1,040,590	69.6%	964,814	69.7%	75,776	7.9%
Gross margin	454,515	30.4%	419,251	30.3%	35,264	8.4%
Branch and regional administrative expenses	240,946	16.1%	227,762	16.5%	13,184	5.8%
Field contribution	213,569	14.3%	191,489	13.8%	22,080	11.5%
Corporate expenses	113,828	7.6%	113,235	8.2%	593	0.5%
Goodwill impairment	75,727	5.1%	—	0.0%	75,727	N/A
Depreciation and amortization	17,027	1.1%	14,317	1.0%	2,710	18.9%
Acquisition-related costs	9,564	0.6%	22,661	1.6%	(13,097)	-57.8%
Other operating expenses	910	0.1%	2,322	0.2%	(1,412)	-60.8%
Operating (loss) income	(3,487)	-0.2%	38,954	2.8%	(42,441)	-109.0%
Interest expense, net of interest income	(82,638)		(92,089)		9,451	-10.3%
Loss on extinguishment of debt	(73)		(4,858)		4,785	-98.5%
Other income (expense)	34,464		(17,037)		51,501	-302.3%
Income tax (expense) benefit	(5,316)		(1,486)		(3,830)	257.7%
Net loss	$ (57,050)		$ (76,516)		$ 19,466	-25.4%

The following table summarizes our consolidated key performance measures, including Field contribution and Field contribution margin, which are non-GAAP measures, for the periods indicated:

(dollars in thousands)	Fiscal Year 2020	Fiscal Year 2019	Change	% Change
Revenue	$ 1,495,105	$ 1,384,065	$ 111,040	8.0%
Cost of revenue	1,040,590	964,814	75,776	7.9%
Gross margin	$ 454,515	$ 419,251	$ 35,264	8.4%
Gross margin percentage	30.4%	30.3%		
Branch and regional administrative expenses	$ 240,946	$ 227,762	$ 13,184	5.8%
Field contribution	$ 213,569	$ 191,489	$ 22,080	11.5%
Field contribution margin	14.3%	13.8%		
Corporate expenses	$ 113,828	$ 113,235	$ 593	0.5%
As a percentage of revenue	7.6%	8.2%		
Operating (loss) income	$ (3,487)	$ 38,954	$ (42,441)	-109.0%

The following table summarizes our key performance measures by segment for the periods indicated:

	PDS			
(dollars in thousands)	**Fiscal Year 2020**	**Fiscal Year 2019**	**Change**	**% Change**
Revenue	$1,329,745	$1,254,117	$75,628	6.0%
Cost of revenue	949,048	889,970	59,078	6.6%
Gross margin	$ 380,697	$ 364,147	$16,550	4.5%
Gross margin percentage	28.6%	29.0%		-0.4%(4)
Volume	37,885	35,481	2,404	6.8%
Revenue rate (1)	$ 35.10	$ 35.35	$ (0.25)	-0.8%
Cost of revenue rate (2)	$ 25.05	$ 25.08	$ (0.03)	-0.2%
Spread rate (3)	$ 10.05	$ 10.27	$ (0.22)	-2.3%

	HHH			
(dollars in thousands)	**Fiscal Year 2020**	**Fiscal Year 2019**	**Change**	**% Change**
Revenue	$ 31,180	$ 17,071	$14,109	82.6%
Cost of revenue	17,869	11,077	6,792	61.3%
Gross margin	$ 13,311	$ 5,994	$ 7,317	122.1%
Gross margin percentage	42.7%	35.1%		7.6%(4)

	MS			
(dollars in thousands)	**Fiscal Year 2020**	**Fiscal Year 2019**	**Change**	**% Change**
Revenue	$ 134,180	$ 112,877	$21,303	18.9%
Cost of revenue	73,673	63,767	9,906	15.5%
Gross margin	$ 60,507	$ 49,110	$11,397	23.2%
Gross margin percentage	45.1%	43.5%		1.6%(4)
Volume	294	256	38	14.8%
Revenue rate (1)	$ 456.39	$ 440.93	$ 15.46	4.1%
Cost of revenue rate (2)	$ 250.59	$ 249.09	$ 1.50	0.7%
Spread rate (3)	$ 205.80	$ 191.84	$ 13.96	8.4%

(1) Represents the period over period change in revenue rate, plus the change in revenue rate attributable to the change in volume.
(2) Represents the period over period change in cost of revenue rate, plus the change in cost of revenue rate attributable to the change in volume.
(3) Represents the period over period change in spread rate, plus the change in spread rate attributable to the change in volume.
(4) Represents the change in margin percentage year over year.

The following discussion of our results of operations should be read in conjunction with the foregoing tables summarizing our consolidated results of operations and key performance measures.

Summary Operating Results

Operating Loss

Overall, our operating loss was $3.5 million, or 0.2% of revenue, for fiscal year 2020, as compared to operating income of $39.0 million, or 2.8% of revenue, for fiscal year 2019, a decrease of $42.4 million.

Fiscal year 2020 operating income was positively impacted by an approximate $22.1 million, or 11.5%, increase in Field contribution as compared to the prior year. The $22.1 million increase in Field contribution was delivered by a $111.0 million, or 8.0% increase in consolidated revenue, combined with a 0.5% improvement in our Field contribution margin to 14.3% for fiscal year 2020 from 13.8% for fiscal year 2019. The primary driver of our improved Field contribution margin for fiscal year 2020 was a reduction in branch and regional administration expenses as a percentage of revenue to 16.1% from 16.5% in the prior year.

In addition to the $22.1 million increase in Field contribution, the following activity contributed to the $42.4 million decrease in operating income, resulting in our operating loss for fiscal year 2020:

- a $75.7 million non-cash charge for goodwill impairment recorded in the second fiscal quarter of 2020 related to our exit of the ABA Therapy business; and
- a $13.1 million reduction in acquisition-related deal fees and transaction costs as we discontinued the significant activity associated with the 2019 Transaction and focused on new acquisitions in 2020

Net Loss

The $19.5 million decrease in net loss for fiscal year 2020, as compared to the prior fiscal year was primarily driven by the following:

- the previously discussed $42.4 million decrease in operating income;
- a $9.5 million decrease in interest expense, net of interest income, primarily due to a sustained reduction of the interest rates applicable to our outstanding indebtedness, commencing with the onset of the COVID-19 pandemic;
- a $50.0 million increase in other income associated with a legal settlement related to an acquisition;
- a $1.2 million net decrease in valuation charges associated with our interest rate swaps as well as net settlements incurred with swap counterparties; and
- a $3.8 million net increase in tax expense.

Revenue

Revenue was $1,495.1 million for fiscal year 2020 as compared to $1,384.1 million for fiscal year 2019, an increase of 111.0 million, or 8.0%. This increase resulted from the following segment activity:

- a $75.6 million, or 6.0%, increase in PDS revenue;
- a $21.3 million, or 18.9%, increase in MS revenue; and
- a $14.1 million, or 82.6%, increase in HHH revenue.

Our PDS segment revenue growth of $75.6 million, or 6.0%, in fiscal year 2020 was attributable to volume growth of 6.8%, net of a decrease in revenue rate of approximately 0.8%. The primary drivers of the 6.8% PDS volume increase in fiscal year 2020 compared to fiscal year 2019 were the following:

- strong growth in the Employer of Record ("EOR") support services business, net of COVID-19 related volume decreases in our other PDS businesses;
- new volumes contributed by the 2020 PDS Acquisitions completed in the third quarter of 2020; and
- a 53rd week of operations in fiscal year 2020.

Our EOR volumes increased 51.7% in fiscal year 2020 as compared to fiscal year 2019. This volume growth resulted from the state of California's strong support of our services and the expansion of authorized hours available to our EOR patients in the COVID-19 environment. We expect EOR volumes to begin to moderate in 2021 as schools that had been closed due to the COVID-19 pandemic reopen. Volumes for the balance of our

PDS businesses across the country decreased approximately 1.9% for fiscal year 2020 as compared to fiscal year 2019, as a result of the COVID-19 environment. Additionally, fiscal year 2020 included a 53rd week of operations, which resulted in incremental PDS volumes of approximately 2.0%. In summary, the strong volume increases provided by our EOR business, net of the volume decrease in the balance of our PDS businesses, in addition to new volumes delivered by the 2020 PDS Acquisitions and the volumes contributed by the 53rd week in 2020, all contributed to our overall 6.8% volume growth in the PDS segment for the year ended January 2, 2021.

The 0.8% decrease in PDS revenue rate in 2020, compared to 2019 resulted from the previously noted 51.7% volume growth in our EOR business, which has significantly lower average revenue rates per hour than the comparable rates in the balance of our PDS businesses. Accordingly, the strong growth in our EOR business diluted the rate growth experienced in the balance of our PDS businesses, yielding an overall 0.8% PDS revenue rate decrease during the comparable periods. Revenue rate in the balance of our PDS businesses across the country increased 1.8% over the comparable prior year period as a result of both normal rate increases issued by various State Medicaid programs, as well as temporary rate increases implemented by various State Medicaid programs. We began to observe temporary rate increases in April 2020, and such rate increases, some of which have already ended, will continue at the respective State Medicaid program's discretion. Temporary rate increases received by the Company for fiscal year 2020 approximated $4.2 million.

Our MS segment revenue growth of $21.3 million, or 18.9%, for fiscal year 2020, as compared to fiscal year 2019, was attributable to 14.8% volume growth combined with an increase in revenue rate of approximately 4.1%. Our MS segment delivered strong organic growth in 2020 as the MS business continued to expand in existing and growth markets. The 2020 PDS Acquisitions also contributed to the growth of MS segment revenue in fiscal year 2020 through expansion of our MS services into two new markets, Illinois and Oklahoma. The 4.1% revenue rate increase primarily results from negotiated rate increases with certain payers, as well as a shift in mix related to the services provided by our newly acquired MS business via the 2020 PDS Acquisitions.

Our HHH segment revenue growth of $14.1 million, or 82.6%, in fiscal year 2020 results from the incremental business delivered by the 2020 HHH Acquisitions.

Cost of Revenue, Excluding Depreciation and Amortization

Cost of revenue, excluding depreciation and amortization, was $1,040.6 million for fiscal year 2020 as compared to $964.8 million for fiscal year 2019, an increase of $75.8 million, or 7.9%. This increase resulted from the following segment activity:

- a $59.1 million, or 6.6%, increase in PDS cost of revenue;
- a $9.9 million, or 15.5%, increase in MS cost of revenue; and
- a $6.8 million, or 61.3%, increase in HHH cost of revenue.

The 6.6% increase in PDS cost of revenue in fiscal year 2020 resulted from the previously noted 6.8% growth in PDS volumes for fiscal year 2020, net of a 0.2% decrease in PDS cost of revenue rate. The 0.2% decrease in cost of revenue rate primarily resulted from the growth of our EOR business, which has significantly lower cost of revenue rates than the comparable rates in the balance of our PDS businesses across the country.

As a result of the COVID-19 environment, we also incurred incremental costs of patient services in the form of incremental compensation paid to caregivers such as hero pay, COVID-19 relief pay, incremental overtime, and other retention-related compensation to maintain our clinical workforce in the COVID-19 environment. We also incurred incremental PPE costs to support our caregivers and care for our patients. These costs in aggregate were $14.8 million in 2020. We believe we will continue to incur some of these types of incremental costs in 2021, as dictated by the continually evolving COVID-19 environment.

The 15.5% increase in MS cost of revenue in fiscal year 2020 was driven by the previously noted 14.8% growth in MS volumes in 2020, as well as a 0.7% increase in cost of revenue rate. The increase in cost of revenue rate was attributable to higher costs to fulfill capitated contracts during fiscal year 2020 compared to fiscal year 2019.

The 61.3% increase in HHH cost of revenue in fiscal year 2020 was driven by the increased volumes associated with the 2020 HHH Acquisitions.

Gross Margin and Gross Margin Percentage

Gross margin was $454.5 million, or 30.4% of revenue, for fiscal year 2020, as compared to $419.3 million, or 30.3% of revenue, for fiscal year 2019. Gross margin increased $35.3 million, or 8.4% in fiscal year 2020 as compared to fiscal year 2019. The 0.1% increase in gross margin percentage in fiscal year 2020 resulted from the combined changes in our revenue rates and cost of revenue rates in each of our segments, which we refer to as the change in our spread rate, as follows:

- a 2.3% decrease in PDS spread rate from $10.27 for fiscal year 2019 to $10.05 for fiscal year 2020, driven by the 0.8% decrease in PDS revenue rate, net of the 0.2% decrease in PDS cost of revenue rate;
- an 8.4% increase in MS spread rate from $191.84 for fiscal year 2019 to $205.80 for fiscal year 2020, driven by the 4.1% increase in MS revenue rate, net of the 0.7% increase in MS cost of revenue rate; and
- our HHH segment, which increased HHH gross margin percentage by 7.6% through 2020 HHH Acquisitions.

Branch and Regional Administrative Expenses

Branch and regional administrative expenses were $240.9 million, or 16.1% of revenue, for fiscal year 2020 as compared to $227.8 million, or 16.5% of revenue, for fiscal year 2019, an increase of $13.2 million, or 5.8%.

The increase in branch and regional administrative expenses of $13.2 million, or 5.8% compares favorably to revenue growth of 8.0% for fiscal year 2020, as compared to fiscal year 2019, and decreased as a percentage of revenue. We reduced travel and office and administrative costs in the COVID-19 environment by $4.7 million in fiscal year 2020. We also incurred incremental branch and regional incentive compensation costs of $5.0 million in fiscal year 2020.

As a result of the COVID-19 environment, we also incurred incremental branch and regional administrative expenses in the form of COVID-19 relief pay, costs or remote work enablement, and severance and lease termination costs. These costs in aggregate were $4.1 million in fiscal year 2020.

Field Contribution and Field Contribution Margin

Field contribution was $213.6 million, or 14.3% of revenue for fiscal year 2020 as compared to $191.5 million, or 13.8% of revenue for fiscal year 2019. Field contribution increased $22.1 million, or 11.5% for fiscal year 2020 from fiscal year 2019. The 0.5% increase in Field contribution margin in fiscal year 2020 resulted from the following combined changes:

- the 0.1% increase in gross margin percentage in fiscal year 2020 as compared to fiscal year 2019; and
- the 0.4% decrease in branch and regional administrative expenses as a percentage of revenue in fiscal year 2020 as compared to fiscal year 2019.

Corporate Expenses

The primary components of our corporate expenses for our two most recent fiscal years were as follows:

	Fiscal Year 2020		Fiscal Year 2019	
(dollars in thousands)	Amount	% of Net Revenue	Amount	% of Net Revenue
Revenue	$1,495,105		$1,384,065	
Corporate expense components:				
Compensation and benefits	$ 64,654	4.3%	$ 58,800	4.2%
Professional services	28,619	1.9%	28,849	2.1%
Rent and facilities expense	11,268	0.8%	10,626	0.8%
Office and administrative	2,221	0.1%	3,464	0.3%
Travel and related	904	0.1%	3,613	0.3%
Other	6,162	0.4%	7,883	0.5%
Total corporate expenses	$ 113,828	7.6%	$ 113,235	8.2%

Corporate expenses were $113.8 million, or 7.6% of revenue for the year ended January 1, 2021, as compared to $113.2 million, or 8.2% of revenue, the year ended December 28, 2019. The $0.6 million, or 0.5% increase in year over year corporate expenses resulted primarily from increased compensation and benefits, offset by decreases in travel and office expenses.

Our corporate expenses as a percentage of revenue decreased as a result of $1.2 million lower office and administrative costs, $2.7 million lower travel and related costs, and $1.7 million lower other corporate expenses, primarily due to the COVID-19 environment, which resulted in significantly reduced travel and office costs as a result of the emerging remote work environment. Travel and related costs also decreased following our termination of the 2019 Transaction in December 2019 and as we focused more on remote meetings and diligence to complete our acquisitions in fiscal year 2020.

Offsetting these decreases was a $5.9 million increase in compensation and benefits. Prior to the onset of COVID-19, we acted in January 2020 to reduce our corporate costs after terminating the 2019 Transaction in December 2019. We realized lower corporate compensation and benefits during fiscal year 2020 as a result of this action, net of severance and other incremental costs incurred as a result of these actions. Offsetting these corporate compensation and benefits savings were increased corporate costs as a result of the 2020 PDS Acquisitions and the 2020 HHH Acquisitions, increased corporate incentive costs and increased share-based compensation costs.

Goodwill Impairment

Goodwill impairment was $75.7 million and $0.0 million for fiscal years 2020 and 2019, respectively. We recognized a goodwill impairment charge in the second fiscal quarter of 2020 in connection with our decision to exit our ABA Therapy operations.

Depreciation and Amortization

Depreciation and amortization was $17.0 million for fiscal year 2020 compared to $14.3 million for fiscal year 2019, an increase of $2.7 million, or approximately 18.9%. The $2.7 million increase in depreciation and amortization in 2020 resulted from incremental capital expenditures in fiscal year 2019 that were in service for a full year in fiscal year 2020 as compared to a partial year in fiscal year 2019 and incremental depreciation and amortization associated with assets acquired in connection with the 2020 PDS Acquisitions and 2020 HHH Acquisitions.

Acquisition-related Costs

Acquisition-related costs were $9.6 million for fiscal year 2020 compared to $22.7 million for fiscal year 2019, a decrease of $13.1 million, or approximately 57.8%. The decrease was primarily attributable to the termination of the 2019 Transaction, for which we incurred $22.5 million of acquisition related costs in 2019 and no related costs in 2020. The $9.6 million acquisition related costs that we incurred during fiscal year 2020 were related to the 2020 PDS Acquisitions and 2020 HHH Acquisitions.

Other Operating Expenses

Other operating expenses were $0.9 million for fiscal year 2020 compared to $2.3 million for fiscal year 2019, a decrease of $1.4 million, or approximately 60.8%. The decrease was attributable to the recognition of $0.5 million in direct stimulus funds from state-sponsored programs under the CARES Act and a $1.0 million loss recorded in 2019 upon the divestiture of a business line acquired in connection with the Premier Acquisition, with no comparable losses in 2020.

Interest Expense, net of Interest Income

Interest expense, net of interest income approximated $82.6 million for fiscal year 2020 compared to $92.1 million for fiscal year 2019, a decrease of $9.5 million, or approximately 10.3%. With the onset of COVID-19 in March 2020, the interest rates applicable to our outstanding indebtedness decreased rapidly and have remained at lower levels, resulting in lower interest costs under our credit facilities. In addition, we fully repaid our Revolving Credit Facility in March 2020 resulting in lower interest costs incurred under our Revolving Credit Facility for fiscal year 2020 as compared to fiscal year 2019. In September 2020, we issued an additional $185.0 million in first lien debt to fund acquisition activities resulting in additional interest expense of $3.8 million in fiscal year 2020.

Loss on Debt Extinguishment

Loss on debt extinguishment was $0.1 million for fiscal year 2020 compared to $4.9 million for fiscal year 2019. We recognized a $4.9 million loss on extinguishment of debt in the fourth fiscal quarter of 2019 related to the redemption of senior secured notes issued in December 2019 in order to finance a portion of the 2019 Transaction, which we also redeemed in December 2019. Accordingly, the capitalized deferred financing costs associated with the senior secured notes were written off as debt extinguishment costs when we redeemed the senior secured notes. We recorded nominal adjustments to these write-offs during fiscal year 2020.

Other Income (Expense)

Other income was $34.5 million for fiscal year 2020, compared to other expense of $17.0 million for fiscal year 2019, an increase of $51.5 million. The primary driver of the change was a legal settlement in connection with an acquisition related matter in the first fiscal quarter of 2020. Other expense also includes the charges we record to state our interest rate derivatives at fair value, as well as the net settlements we incur with the counterparties under our interest rate swap agreements. Our valuation charges under our interest rate swaps decreased during 2020, and our net settlements increased. The increase in net settlements result from the decrease in LIBOR that occurred with the onset of COVID-19, which increased our payments to swap counterparties. Other expense was composed of the following in 2020 and 2019:

(dollars in thousands)	**Fiscal Year 2020**	**Fiscal Year 2019**
Valuation charge to state interest rate swaps at fair value	$ (4,881)	$(12,151)
Net settlements incurred with swap counterparties	(10,457)	(4,395)
Proceeds from legal settlement associated with acquisition related matters	50,000	—
Other	(198)	(491)
Total other income (expense)	$ 34,464	$(17,037)

Income Taxes

We incurred income tax expense of $5.3 million in fiscal year 2020, as compared to income tax expense of $1.5 million in fiscal year 2019. This increase in tax expense was primarily driven by changes in state tax expense, uncertain tax positions as well as federal and state valuation allowances. On March 27, 2020, the CARES Act was enacted. The CARES Act includes multiple income tax provisions that impact our tax expense, such as relaxing limitations on the deductibility of interest, the deferral of the employer's share of social security taxes to December 31, 2021 and December 31, 2022, and the use of net operating losses ("NOLs") arising in taxable years beginning after December 31, 2017 but before January 1, 2021 that would have otherwise been limited to 80% of taxable income. We have accounted for the impact of the CARES Act in our fiscal year ended January 2, 2021. As of January 2, 2021, the Company had federal NOL carryforwards and state NOL carryforwards of $1.1 million and $161.1 million, respectively. Our federal and state NOL carryforwards will expire at various dates beginning in 2021, if not utilized. The Company also has indefinite carryforwards associated with disallowed business interest of $93.2 million as of January 2, 2021. Valuation allowances are recorded to reduce deferred tax assets to the amount that we believe is more likely than not to be realized. As of January 2, 2021, our valuation allowance recorded against our deferred tax assets is $94.0 million.

Fiscal Year 2019 Compared to the Fiscal Year 2018

The following table summarizes our consolidated results of operations for the periods indicated:

	Fiscal Year 2019		**Fiscal Year 2018**			
(dollars in thousands)	**Amount**	**% of Revenue**	**Amount**	**% of Revenue**	**Change**	**% Change**
Revenue	$1,384,065	100.0%	$1,253,673	100.0%	$130,392	10.4%
Cost of revenue	964,814	69.7%	859,351	68.5%	105,463	12.3%
Gross margin	419,251	30.3%	394,322	31.5%	24,929	6.3%
Branch and regional administrative expenses	227,762	16.5%	217,357	17.4%	10,405	4.8%
Field contribution	191,489	13.8%	176,965	14.1%	14,524	8.2%
Corporate expenses	113,235	8.2%	104,486	8.3%	8,749	8.4%
Depreciation and amortization	14,317	1.0%	11,938	1.0%	2,379	19.9%
Acquisition-related costs	22,661	1.6%	15,577	1.2%	7,084	45.5%
Other operating expenses	2,322	0.2%	5,931	0.5%	(3,609)	-60.8%
Operating (loss) income	38,954	2.8%	39,033	3.1%	(79)	-0.2%
Interest expense, net of interest income	(92,089)		(74,948)		(17,141)	22.9%
Loss on extinguishment of debt	(4,858)		—		(4,858)	N/A
Other income (expense)	(17,037)		(13,744)		(3,293)	24.0%
Income tax (expense) benefit	(1,486)		2,513		(3,999)	-159.1%
Net loss	$ (76,516)		$ (47,146)		$ (29,370)	62.3%

The following table summarizes our consolidated key performance measures for the periods indicated:

(dollars in thousands)	Fiscal Year 2019	Fiscal Year 2018	Change	% Change
Revenue	$1,384,065	$1,253,673	$130,392	10.4%
Cost of revenue, excluding depreciation and amortization	964,814	859,351	105,463	12.3%
Gross margin	$ 419,251	$ 394,322	$ 24,929	6.3%
Gross margin percentage	30.3%	31.5%	—	
Branch and regional administrative expenses	$ 227,762	$ 217,357	$ 10,405	4.8%
Field contribution	$ 191,489	$ 176,965	$ 14,524	8.2%
Field contribution margin	13.8%	14.1%		
Corporate Expenses	$ 113,235	$ 104,486	$ 8,749	8.4%
As a percentage of revenue	8.2%	8.3%		
Operating Income	$ 38,954	$ 39,033	$ (79)	-0.2%

The following table summarizes our key performance measures by segment for the periods indicated:

	PDS			
(dollars in thousands)	Fiscal Year 2019	Fiscal Year 2018	Change	% Change
Revenue	$1,254,117	$1,137,156	$116,961	10.3%
Cost of revenue	889,970	793,625	96,345	12.1%
Gross margin	$ 364,147	$ 343,531	$ 20,616	6.0%
Gross margin percentage	29.0%	30.2%	—	-1.2%(4)
Volume	35,481	31,185	4,296	13.8%
Revenue rate (1)	$ 35.35	$ 36.46	$ (1.11)	-3.5%
Cost of revenue rate (2)	$ 25.08	$ 25.45	$ (0.37)	-1.7%
Spread rate (3)	$ 10.27	$ 11.01	$ (0.74)	-7.8%

	HHH			
(dollars in thousands)	Fiscal Year 2019	Fiscal Year 2018	Change	% Change
Revenue	$ 17,071	$ 17,858	$ (787)	-4.4%
Cost of revenue	11,077	11,811	(734)	-6.2%
Gross margin	$ 5,994	$ 6,047	$ (53)	-0.9%
Gross margin percentage	35.1%	33.9%	—	1.2%(4)

	MS			
(dollars in thousands)	Fiscal Year 2019	Fiscal Year 2018	Change	% Change
Revenue	$ 112,877	$ 98,659	$ 14,218	14.4%
Cost of revenue	63,767	53,915	9,852	18.3%
Gross margin	$ 49,110	$ 44,744	$ 4,366	9.8%
Gross margin percentage	43.5%	45.4%	—	-1.9%(4)
Volume	256	225	31	13.8%
Revenue rate (1)	$ 440.93	$ 438.48	$ 2.45	0.6%
Cost of revenue rate (2)	$ 249.09	$ 239.62	$ 9.47	4.5%
Spread rate (3)	$ 191.84	$ 198.86	$ (7.02)	-4.0%

(1) Represents the period over period change in revenue rate, plus the change in revenue rate attributable to the change in volume.

(2) Represents the period over period change in cost of revenue rate, plus the change in cost of revenue rate attributable to the change in volume.
(3) Represents the period over period change in spread rate, plus the change in spread rate attributable to the change in volume.
(4) Represents the change in margin percentage year over year.

The following discussion of our results of operations should be read in conjunction with the foregoing tables summarizing our consolidated results of operations and key performance measures.

Summary Operating Results

Operating Income

Overall, our operating income approximated $39.0 million, or 2.8% of revenue, for fiscal year 2019, as compared to $39.0 million, or 3.1% of revenue, for fiscal year 2018. The primary driver of our reduced operating income as a percentage of revenue in fiscal year 2019 as compared to fiscal year 2018 was a 0.3% decrease in Field contribution margin as discussed below. In aggregate, our corporate expenses, depreciation and amortization, acquisition-related costs, and other operating expenses were unchanged as a percentage of revenue in fiscal year 2019 as compared to fiscal year 2018.

Net Loss

With operating income consistent on a year over year basis at approximately $39.0 million, the $29.4 million increase in net loss to $76.5 million for fiscal year 2019 from $47.1 million for fiscal year 2018 was driven by the following items:

- a $17.1 million increase in interest expense, net, primarily related to a full year of interest expense in fiscal year 2019 on indebtedness under our First Lien First Amendment Term Loan (as defined below), which was issued in July 2018 in connection with the Premier Acquisition, as well as interest on our Delayed Draw Term Loan (as defined below), which was issued in February 2019;
- $4.9 million of debt extinguishment costs incurred in fiscal year 2019 upon termination of the 2019 Transaction, whereas no such costs were incurred in fiscal year 2018;
- $3.3 million of incremental other expense, which was primarily associated with higher net settlements we incurred with the counterparties under our interest rate swap agreements in 2019, in addition to increased non-cash charges to state our interest rate swaps at fair value; and
- a $4.0 million increase in income tax expense.

Revenue

Revenue was $1,384.1 million for fiscal year 2019 as compared to $1,253.7 million for fiscal year 2018, an increase of $130.4 million, or 10.4%. This increase resulted from the following segment activity:

- a $117.0 million, or 10.3%, increase in PDS revenue;
- a $14.2 million, or 14.4%, increase in MS revenue; and
- a $0.8 million, or 4.4%, decrease in HHH revenue.

Our PDS segment revenue growth of $117.0 million, or 10.3%, in fiscal year 2019 was attributable to volume growth of 13.8%, net of a decrease in revenue rate of approximately 3.5%.

A key driver of the 13.8% PDS volume increase in fiscal year 2019 was the inclusion of a full year of Premier results in fiscal year 2019 as compared to the inclusion of only six months of Premier results in fiscal year 2018. Volumes from our California PDS businesses (formerly Premier) increased 124.0% in fiscal year 2019 as compared to the six months included in fiscal year 2018. This volume growth resulted not only from a full year of results included in fiscal year 2019, but also strong organic California PDS volume growth due to the state of California's strong support of our services and attendant positive market environment.

The 3.5% decrease in PDS revenue rate similarly resulted from the inclusion of a full year of Premier results in fiscal year 2019 as compared to the inclusion of only six months of Premier results in fiscal year 2018. The average revenue rates per hour in our California PDS businesses are significantly lower than the comparable rates in the balance of our PDS businesses across the country. Because our hourly revenue rates for our employer of record support services in California are lower than our private duty hourly revenue rates, the overall blended revenue rate in California is lower than the comparable rates in the balance of our PDS businesses across the country. Notwithstanding the overall decrease in PDS revenue rate due to the inclusion of a full year of our EOR business in our results, EOR revenue rates increased approximately 9.4% and revenue rate in the balance of our PDS businesses increased approximately 0.7% in fiscal year 2019 compared to fiscal 2018.

Our MS segment revenue growth of $14.2 million, or 14.4%, in fiscal year 2019 was attributable to 13.8% volume growth combined with an increase in revenue rate of approximately 0.6%. Our MS segment delivered strong organic growth in fiscal year 2019 as this business continued to expand in existing and growth markets.

Our HHH segment revenue decreased $0.8 million, or 4.4%, in fiscal year 2019 compared to fiscal year 2018 due to exiting certain low margin contracts.

Cost of Revenue, Excluding Depreciation and Amortization

Cost of revenue, excluding depreciation and amortization, was $964.8 million for fiscal year 2019 as compared to $859.4 million for fiscal year 2018, an increase of $105.5 million, or 12.3%. This increase resulted from the following segment activity:

- a $96.3 million, or 12.1%, increase in PDS cost of revenue;
- a $9.9 million, or 18.3%, increase in MS cost of revenue; and
- a $0.7 million, or 6.2%, decrease in HHH cost of revenue.

The 12.1% increase in PDS cost of revenue in fiscal year 2019 resulted from the previously noted 13.8% growth in fiscal year 2019 PDS volumes, net of a 1.7% decrease in PDS cost of revenue rate. The 1.7% decrease in cost of revenue rate primarily resulted from the inclusion of a full year of Premier results in fiscal year 2019 as compared to the inclusion of only six months of Premier results in fiscal year 2018. Our average cost of revenue rate in our California PDS businesses are significantly lower than the comparable rates in the balance of our PDS businesses across the country. Because our hourly cost of revenue rates for our employer of record support services in California are lower than our private duty hourly cost of revenue rates, the overall blended cost of revenue rates in California is lower than the comparable rates in the balance of our PDS businesses across the country.

The 18.3% increase in MS cost of revenue in fiscal year 2019 was driven by the previously noted 13.8% growth in MS volumes in fiscal year 2019, as well as a 4.5% increase in cost of revenue rate. The increase in cost of revenue rate was attributable to a one-time, $2.9 million benefit recognized in cost of revenue in fiscal year 2018 as a result of a favorable settlement with a supplier.

The 6.2% decrease in HHH cost of revenue in fiscal year 2019 was driven by the previously noted 4.4% decrease in HHH revenues from exiting certain low margin contracts.

Gross Margin and Gross Margin Percentage

Gross margin was $419.3 million, or 30.3% of revenue, for fiscal year 2019, as compared to $394.3 million, or 31.5% of revenue, for fiscal year 2018. Gross margin increased $24.9 million, or 6.3% in fiscal year 2019 as compared to fiscal year 2018. The 1.2% decrease in gross margin percentage in fiscal year 2019 resulted from the combined changes in our revenue rates and cost of revenue rates in each of our segments, which we refer to as the change in our spread rate, and the change in our gross margin in the HHH segment as follows:

- a 7.8% decrease in PDS spread rate from $11.01 for fiscal year 2018 to $10.27 for fiscal year 2019, driven by the 3.5% decrease in PDS revenue rate, net of the 1.7% decrease in PDS cost of revenue rate;
- a 4.0% decrease in MS spread rate from $198.86 for fiscal year 2018 to $191.84 for fiscal year 2019, driven by the 0.6% increase in MS revenue rate, net of the 4.5% increase in MS cost of revenue rate; and
- a 1.2% increase in gross margin percentage in our HHH segment.

Branch and Regional Administrative Expenses

Branch and regional administrative expenses were $227.8 million for fiscal year 2019 as compared to $217.4 million for fiscal year 2018, an increase of $10.4 million, or 4.8%.

The increase of $10.4 million was primarily due to $6.9 million resulting from the inclusion of a full year of Premier results in fiscal year 2019 as compared to the inclusion of only six months of Premier results in fiscal year 2018. Our branch and regional administrative expenses in our California PDS businesses were significantly lower as a percentage of revenue than the comparable costs in the rest of our PDS businesses across the country. Because the branch and regional administrative expenses associated with supporting our employer of record support services in California are lower than the branch and regional administrative expenses associated with supporting our private duty services in California, the overall blended branch and regional administrative expenses in California is lower than the comparable costs in the balance of our PDS businesses across the country.

The remaining $3.5 million increase from fiscal year 2018 to fiscal year 2019 resulted from incremental investments in branch and regional support operations to effectively operate in and prepare for an expected continuation of the growth environment in our MS segment.

Expressed as a percentage of revenue, the aforementioned segment activity resulted in total branch and regional administrative expenses decreasing by 0.9% to 16.5% in fiscal year 2019 from 17.4% in fiscal year 2018.

Field Contribution and Field Contribution Margin

Field contribution was $191.5 million, or 13.8% of revenue for fiscal year 2019 as compared to $177.0 million, or 14.1% of revenue for fiscal year 2018. Field contribution increased $14.5 million, or 8.2% for fiscal year 2019 as compared to fiscal year 2018. The 0.3% decrease in Field contribution margin in fiscal year 2019 resulted from the following combined changes:

- the 1.2% reduction in gross margin percentage in fiscal year 2019 as compared to fiscal year 2018; and
- the 0.9% decrease in branch and regional administrative expenses as a percentage of revenue in fiscal year 2019 as compared to fiscal year 2018.

Corporate Expenses

The primary components of our corporate expenses for fiscal year 2019 and fiscal year 2018 are as follows:

(dollars in thousands)	Fiscal Year 2019	% of Revenue	Fiscal Year 2018	% of Revenue
Revenue	$1,384,065		$1,253,673	
Corporate expense components:				
Compensation and benefits	58,800	4.2%	56,100	4.5%
Professional services	28,849	2.1%	27,993	2.2%
Rent and facilities expense	10,626	0.8%	8,764	0.7%
Office and administrative	3,464	0.3%	2,538	0.2%
Travel and related	3,613	0.3%	3,125	0.2%
Other	7,883	0.5%	5,966	0.5%
Total corporate expenses	$ 113,235	8.2%	$ 104,486	8.3%

Corporate expenses were $113.2 million, or 8.2% of revenue for fiscal year 2019, as compared to $104.5 million, or 8.3% of revenue, for fiscal year 2018. The $8.7 million, or 8.4% growth in year over year corporate expenses resulted primarily from an intentional increase in our corporate overhead footprint in fiscal year 2019 necessary to support the anticipated combination of Aveanna and the target companies under the 2019 Transaction. This increase was offset by a decrease in transitionary integration costs in fiscal year 2019, as we made further progress with our integration work related to the Formation and the Premier Acquisition, net of new integration costs incurred in connection with the 2019 Transaction.

Depreciation and Amortization

Depreciation and amortization was $14.3 million for fiscal year 2019 compared to $11.9 million for fiscal year 2018, an increase of $2.4 million, or 19.9%. The $2.4 million increase in depreciation and amortization in fiscal year 2019 resulted from incremental capital expenditures in fiscal year 2018 that were in service for a full year in fiscal year 2019 as compared to a partial year in fiscal year 2018.

Acquisition-related Costs

Acquisition-related costs were $22.7 million for fiscal year 2019 compared to $15.6 million for fiscal year 2018, an increase of $7.1 million, or 45.5%. Approximately $22.5 million of our acquisition-related costs in the fiscal year 2019 related to the 2019 Transaction. Approximately $6.9 million of our acquisition-related costs in fiscal year 2018 related to the Premier Acquisition, and $8.7 million related to the 2019 Transaction, which we incurred in the fourth fiscal quarter of 2018.

Other Operating Expenses

Other operating expenses were $2.3 million for fiscal year 2019 as compared to $5.9 million in fiscal year 2018, a decrease of $3.6 million, or 60.8%. The decrease was primarily attributable to a $4.4 million charge recorded in fiscal year 2018 to reflect the earn-out component of the consideration for the Premier Acquisition at fair value, net of certain other items in fiscal year 2018. We incurred no such earn-out charges in fiscal year 2019.

Interest Expense, net of Interest Income

Our interest expense approximated $92.3 million for fiscal year 2019, as compared to $75.5 million for fiscal year 2018, representing a 22.2% increase. The increase in interest expense was primarily driven by the First Lien First Amendment Term Loan, which we entered into in connection with the Premier Acquisition.

$171.0 million of the First Lien First Amendment Term Loan was incurred in July 2018, and the $50.0 million Delayed Draw Term Loan was drawn in February 2019. As a result, we incurred approximately $10.1 million higher interest expense on the First Lien Term Facility (as defined below) in fiscal year 2019 as compared to fiscal year 2018. Additionally, in fiscal year 2019, we incurred $2.3 million of interest expense related to senior secured notes that we issued in order to finance a portion of the 2019 Transaction, which we ultimately redeemed in full following termination of the 2019 Transaction in December 2019. We also incurred $1.3 million higher amortization of deferred financing costs in fiscal year 2019 as compared to fiscal year 2018, as a result of financing costs that we incurred to enter into the First Lien First Amendment Term Loan.

Loss on Debt Extinguishment

The $4.9 million loss on extinguishment of debt in fiscal year 2019 related to the aforementioned senior secured notes we issued in December 2019 in order to finance a portion of the 2019 Transaction, which we also redeemed in December 2019. Accordingly, the capitalized deferred financing costs associated with the senior secured notes were written off as debt extinguishment costs when we redeemed the senior secured notes.

Other Expense

Other expense increased from $13.7 million for fiscal year 2018 to $17.0 million for fiscal year 2019. Other expense primarily included the charges we recorded to state our interest rate derivatives at fair value, as well as the net settlements we incurred with the counterparties under our interest rate swap agreements. Other expense was composed of the following in fiscal year 2019 and fiscal year 2018, respectively.

(dollars in thousands)	**Fiscal Year 2019**	**Fiscal Year 2018**
Valuation charge to state interest rate swaps at fair value	$(12,151)	$(11,832)
Net settlements incurred with swap counterparties	(4,395)	(668)
Other	(491)	(1,244)
Total other expense	$(17,037)	$(13,744)

Income Taxes

We incurred income tax expense of $1.5 million in fiscal year 2019, as compared to an income tax benefit of $2.5 million in fiscal year 2018. This increase in expense was primarily driven by an increase in state tax expense partially offset by the release of state valuation allowances. As a result of utilization of our historical net losses, we did not incur federal income taxes of any significance in fiscal year 2018 or fiscal year 2019. However, we incurred certain state income taxes. As of December 28, 2019, the Company had federal NOL carryforwards and state NOL carryforwards of $21.1 million and $117.7 million, respectively. Federal and state NOL carryforwards will expire at various dates beginning in 2021, if not utilized. The Company also had indefinite carryforwards associated with the disallowed business interest of $127.8 million as of the end of fiscal year 2019. Valuation allowances are recorded to reduce deferred tax assets to the amount we believe is more likely than not to be realized.

Non-GAAP Financial Measures

In addition to our results of operations prepared in accordance with GAAP, which we have discussed above, we also evaluate our financial performance using EBITDA, Adjusted EBITDA, Field contribution and Field contribution margin.

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are non-GAAP financial measures and are not intended to replace financial performance measures determined in accordance with GAAP, such as net income (loss). Rather, we present

EBITDA and Adjusted EBITDA as supplemental measures of our performance. We define EBITDA as net income (loss) before interest expense, net; income tax (expense) benefit; and depreciation and amortization. We define Adjusted EBITDA as EBITDA, adjusted for the impact of certain other items that are either non-recurring, infrequent, non-cash, unusual, or items deemed by management to not be indicative of the performance of our core operations, including impairments of goodwill, intangible assets, and other long-lived assets; non-cash, share-based compensation; sponsor fees; loss on extinguishment of debt; fees related to debt modifications; the effect of interest rate derivatives; acquisition-related and integration costs; legal costs and settlements associated with acquisition matters; the discontinuation of our ABA Therapy services; non-acquisition related legal settlements; and other system transition costs, professional fees and other costs. As non-GAAP financial measures, our computations of EBITDA and Adjusted EBITDA may vary from similarly termed non-GAAP financial measures used by other companies, making comparisons with other companies on the basis if this measure impracticable.

Management believes our computations of EBITDA and Adjusted EBITDA are helpful in highlighting trends in our core operating performance. In determining which adjustments are made to arrive at EBITDA and Adjusted EBITDA, management considers both (1) certain non-recurring, infrequent, non-cash or unusual items, which can vary significantly from year to year, as well as (2) certain other items that may be recurring, frequent, or settled in cash but which management does not believe are indicative of our core operating performance. We use EBITDA and Adjusted EBITDA to assess operating performance and make business decisions.

We have incurred substantial acquisition-related costs and integration costs in fiscal years 2019 and 2018. The underlying acquisition activities take place over a defined timeframe, have distinct project timelines and are incremental to activities and costs that arise in the ordinary course of our business. Therefore, we believe it is important to exclude these costs from our Adjusted EBITDA because it provides management a normalized view of our core, ongoing operations after integrating our acquired companies, which is an important measure in assessing our performance.

Given our determination of adjustments in arriving at our computations of EBITDA and Adjusted EBITDA, these non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as substitutes or alternatives to net income or loss, revenue, operating income or loss, cash flows from operating activities, total indebtedness or any other financial measures calculated in accordance with GAAP.

The following table reconciles net loss to EBITDA and Adjusted EBITDA:

(dollars in thousands)	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Net income (loss)	$ (57,050)	$ (76,516)	$ (47,146)
Interest expense, net	82,638	92,089	74,948
Income taxes	5,316	1,486	(2,513)
Depreciation and amortization	17,027	14,317	11,938
EBITDA	47,931	31,376	37,227
Goodwill, intangible and other long-lived asset impairment	77,570	1,936	1,681
Non-cash share-based compensation	3,275	1,948	2,118
Sponsor fees (1)	3,229	3,230	3,177
Loss on extinguishment of debt	73	4,858	—
Fees related to debt modifications	4,265	—	—
Interest rate derivatives (2)	15,338	16,546	12,592
Acquisition-related costs and other costs (3)	12,049	28,482	19,977
Integration costs (4)	8,601	17,200	23,659
Legal costs and settlements associated with acquisition matters (5)	(45,180)	3,783	3,575
COVID-related costs, net of reimbursement (6)	15,815	—	—
ABA exited operations (7)	4,495	1,949	(412)
Non-acquisition related legal settlements (8)	—	850	(2,918)
Other system transition costs, professional fees and other (9)	4,954	1,164	467
Total Adjustments (10)	$104,484	$ 81,946	$ 63,916
Adjusted EBITDA	$152,415	$113,322	$101,143

(1) Represents annual management fees payable to our Sponsors under our Management Agreement (as defined in the section titled “Certain Relationships and Related Party Transactions”). This Management Agreement will be terminated upon completion of our initial public offering.

(2) Represents costs associated with interest rate derivatives not included in interest expense.

(3) Represents (i) transaction costs incurred in connection with planned, completed, or terminated acquisitions, which include investment banking fees, legal diligence and related documentation costs, and finance and accounting diligence and documentation, as presented on the Company’s consolidated statement of operations, of $9.6 million for the year ended January 2, 2021, $22.7 million for the year ended December 28, 2019 and $15.6 million for the year ended December 29, 2018, (ii) corporate salary and severance costs in connection with our January 2020 corporate restructuring in response to the terminated 2019 Transaction of $2.5 million for the year ended January 2, 2021 and $5.8 million for the year ended December 28, 2019, and (iii) a $4.4 million fair value adjustment for contingent consideration related to the Premier acquisition for the year ended December 29, 2018.

(4) Represents (i) costs associated with our Integration Management Office, which focuses solely on our integration efforts, of $3.4 million for the year ended January 2, 2021, $3.4 million for the year ended December 28, 2019 and $1.8 million for the year ended December 29, 2018 and (ii) transitionary costs incurred to integrate acquired companies into Aveanna’s field and corporate operations of $5.2 million for the year ended January 2, 2021, $13.8 million for the year ended December 28, 2019 and $21.9 million for the year ended December 29, 2018. Transitionary costs incurred to integrate acquired companies include IT consulting costs and related integration support costs; salary, severance and retention costs associated with duplicative acquired company personnel until such personnel are exited from Aveanna; accounting, legal and consulting costs; expenses and impairments related to the closure and consolidation of overlapping markets of acquired companies, including lease termination and relocation costs; and one-time costs associated with rebranding our acquired companies and locations to the Aveanna brand.

(5) Represents legal and forensic costs, as well as settlements associated with resolving legal matters arising during or as a result of our acquisition related activity. This includes costs associated with pursuing certain

claims in connection with the Formation, as well as a settlement received pertaining to such matter in fiscal year 2020. It also includes, among other amounts, costs of $3.0 million and $1.1 million for the years ended January 2, 2021 and December 28, 2019, respectively, to comply with the U.S. Department of Justice, Antitrust Division's grand jury subpoena related to nurse wages and hiring activities in certain of our markets, which arose as a result of the 2019 Transaction.

(6) Represents costs incurred as a result of the COVID-19 environment, primarily including, but not limited to (i) relief and hero pay provided to our caregivers and other incremental compensation costs (ii) incremental PPE costs, (iii) salary, severance and lease termination costs associated with workforce reductions necessitated by COVID-19 and (iv) costs of remote workforce enablement, all of which approximated $20.7 million for the year ended January 2, 2021, net of temporary reimbursement rate increases provided by certain state Medicaid and Medicaid Managed Care programs which approximated $4.3 million for the ended January 2, 2021, as well as stimulus payments received from Pennsylvania DHS to replace lost revenue, which approximated $0.5 million for the year ended January 2, 2021.

(7) Represents the results of operations for the periods indicated related to the ABA Therapy services business that we exited as a result of the COVID-19 environment, as well as one-time costs incurred in connection with exiting the ABA Therapy services business.

(8) Represents legal settlements not associated with acquisition-related matters. The $2.9 million gain for the year ended December 29, 2018 is related to a favorable settlement reached with a MS supplier.

(9) Represents (i) costs associated with the implementation of, and transition to, new electronic medical record systems, billing, collection and payroll systems, business intelligence systems, duplicative system costs while such transformational projects are in-process, and other system transition costs of $2.7 million for the year ended January 2, 2021, $0.1 million for the year ended December 28, 2019 and $0.0 for the year ended December 29, 2018; and (ii) professional fees associated with preparation for Sarbanes-Oxley compliance and other advisory fees associated with preparation for our initial public equity offering, professional fees associated with preparation for a bond offering to finance the terminated 2019 Transaction, and advisory costs associated with the adoption of new accounting standards, such as ASC 606 and ASC 842, of $2.2 million for the year ended January 2, 2021, $1.0 million for the year ended December 28, 2019 and $0.5 million for the year ended December 29, 2018.

(10) The table below reflects the increase or decrease and aggregate impact, to the line items included on our statement of operations based upon the adjustments used in arriving at Adjusted EBITDA from EBITDA:

	Impact to Adjusted EBITDA		
(dollars in thousands)	**Fiscal Year 2020**	**Fiscal Year 2019**	**Fiscal Year 2018**
Revenue	$ (11,256)	$ (20,850)	$ (24,437)
Cost of revenue, excluding depreciation and amortization	19,731	15,483	12,217
Branch and regional administrative expenses	12,153	10,483	11,872
Corporate expenses	31,971	30,829	30,106
Goodwill impairment	75,727	—	—
Acquisition-related costs	9,564	22,661	15,577
Other operating expense	910	1,291	5,931
Loss on debt extinguishment	73	4,858	—
Other income (expense)	(34,389)	17,191	12,650
Total adjustments	**$ 104,484**	**$ 81,946**	**$ 63,916**

Field contribution and Field contribution margin

Field contribution and Field contribution margin are non-GAAP financial measures and are not intended to replace financial performance measures determined in accordance with GAAP, such as operating income (loss). Rather, we present Field contribution and Field contribution margin as supplemental measures of our performance. We define Field contribution as operating income (loss) prior to corporate expenses and other non-field related costs, including depreciation and amortization, acquisition-related costs, and other operating expenses. Field contribution margin is Field contribution as a percentage of revenue. As non-GAAP financial measures, our computations of Field contribution and Field contribution margin may vary from similarly termed non-GAAP financial measures used by other companies, making comparisons with other companies on the basis of these measures impracticable.

Field contribution and Field contribution margin have limitations as analytical tools and should not be considered in isolation or as substitutes or alternatives to net income or loss, revenue, operating income or loss, cash flows from operating activities, total indebtedness or any other financial measures calculated in accordance with GAAP.

Management believes Field contribution and Field contribution margin are helpful in highlighting trends in our core operating performance and evaluating trends in our branch and regional results, which can vary from year to year. We use Field contribution and Field contribution margin to make business decisions and assess the operating performance and results delivered by our core field operations, prior to corporate and other costs not directly related to our field operations. These metrics are also important because they guide us in determining whether or not our branch and regional administrative expenses are appropriately sized to support our caregivers and direct patient care operations. Additionally, Field contribution and Field contribution margin determine how effective we are in managing our field supervisory and administrative costs associated with supporting our provision of services and sale of products.

The following table reconciles Operating income to Field contribution and Field contribution margin:

(dollars in thousands)	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Operating income (loss)	$ (3,487)	$ 38,954	$ 39,033
Other operating expense	910	2,322	5,931
Acquisition-related costs	9,564	22,661	15,577
Depreciation and amortization	17,027	14,317	11,938
Goodwill impairment	75,727	—	—
Corporate expenses	113,828	113,235	104,486
Field contribution	$ 213,569	$ 191,489	$ 176,965
Revenue	$1,495,105	$1,384,065	$1,253,673
Field contribution margin	14.3%	13.8%	14.1%

Liquidity and Capital Resources

Overview

Our principal sources of cash have historically been from operating activities. Our principal source of liquidity in excess of cash from operating activities has historically been from proceeds from our debt facilities and issuances of common stock. Our principal uses of cash and liquidity have historically been for acquisitions, debt service requirements and financing of working capital. As permitted by the CARES Act, we deferred payment of approximately $46.8 million of payroll taxes as of January 2, 2021, which increased our net cash provided by operating activities and available cash on hand. Certain of the companies we acquired in 2020 had also deferred payroll taxes of approximately $2.8 million in the aggregate as of January 2, 2021. As of January 2, 2021, we have deferred payroll taxes totaling approximately $49.6 million. These deferred payroll taxes will require payments to the Internal Revenue Service of 50% on December 31, 2021 and 50% on December 31, 2022. We believe that our operating cash flows, available cash on hand, and availability under current and future credit facilities will be sufficient to meet our cash requirements for the next twelve months and beyond. Our future capital requirements will depend on many factors that are difficult to predict, including the size, timing and structure of any future acquisitions, future capital investments and future results of operations. We cannot assure you that cash provided by operating activities or cash and cash equivalents will be sufficient to meet our future needs. If we are unable to generate sufficient cash flows from operations in the future, we may have to obtain additional financing. If we obtain additional capital by issuing equity, the interests of our existing stockholders will be diluted. If we incur additional indebtedness, that indebtedness may contain significant financial and other covenants that may significantly restrict our operations. We cannot assure you that we could obtain refinancing or additional financing on favorable terms or at all. See "Risk Factors—Risks Related to Our Business and Industry—We have substantial indebtedness, which will increase our vulnerability to general adverse economic and industry conditions and may limit our ability to pursue strategic alternatives and react to changes in our business and industry or pay dividends."

We evaluate our liquidity based upon the availability we have under our credit facilities in addition to the net cash (used in) or provided by operating, investing and financing activities. Specifically, we review the activity under the Revolving Credit Facility (as defined below) and consider period end balances outstanding under the Revolving Credit Facility. Based upon the outstanding borrowings and letters of credit under the Revolving Credit Facility, we calculate the availability for incremental borrowings under the Revolving Credit Facility. Such amount, in addition to cash on our balance sheet, is what we consider to be our "Total Liquidity."

The following table provides a calculation of our Total Liquidity for fiscal years 2020, 2019 and 2018 respectively:

	Fiscal Year		
(dollars in thousands)	**2020**	**2019**	**2018**
Revolving Credit Facility Rollforward			
Beginning Revolving Credit Facility balance	$ 31,500	$ —	$ —
Draws	14,000	50,000	15,000
Repayments	(45,500)	(18,500)	(15,000)
Ending Revolving Credit Facility balance	$ —	$ 31,500	$ —
Calculation of Revolving Credit Facility availability			
Revolving Credit Facility limit	$ 75,000	$ 75,000	$ 75,000
Less: outstanding Revolving Credit Facility balance	—	(31,500)	—
Less: outstanding letters of credit	(19,817)	(19,718)	(21,762)
End of period Revolving Credit Facility availability	55,183	23,782	53,238
End of period cash balance	137,345	3,327	8,001
Total Liquidity, end of period	$192,528	$ 27,109	$ 61,239

Cash Flow Activity

The following table sets forth a summary of our cash flows from operating, investing, and financing activities for the periods presented:

	Fiscal Year		
(dollars in thousands)	**2020**	**2019**	**2018**
Net cash (used in) provided by operating activities	$ 116,618	$ (8,714)	$ 21,596
Net cash used in investing activities	$(193,544)	$(17,824)	$ (229,547)
Net cash provided by financing activities	$ 210,944	$ 21,864	$ 204,153

Operating Activities

Net cash provided by operating activities increased by $125.3 million, from $8.7 million net cash used for fiscal year 2019, to $116.6 million net cash provided for fiscal year 2020. The increase was primarily due to three items, beginning with an improvement in our core results of operations in 2020. Those items were:

- our operating income, excluding the effect of the $75.7 million non-cash charge we recorded in fiscal 2020 for goodwill impairment, increased by $33.3 million in fiscal 2020 as compared to 2019;
- we realized cash benefits from the deferral of payment of $46.8 million in social security payroll taxes in 2020 as permitted by the CARES Act; and
- we received a $50.0 million settlement payment in 2020 related to an acquisition-related legal matter.

These items were the primary drivers of the 2020 increase in net cash provided by operating activities.

Net cash provided by operating activities decreased by $30.3 million, from $21.6 million net cash provided for fiscal year 2018, to $8.7 million net cash used for fiscal year 2019. The decrease was primarily due to a $30.0 million increase in cash paid for interest in fiscal year 2019.

Investing Activities

Net cash used in investing activities was $193.5 million in fiscal year 2020, as compared to $17.8 million in fiscal year 2019. The significant increase in 2020 was related to acquisition activity. We paid an aggregate of $178.3 million, net of cash acquired for the 2020 PDS Acquisitions and the 2020 HHH Acquisitions. There were no acquisitions in 2019. Together with fiscal year 2020 purchases of property and equipment of $15.2 million, fiscal year 2020 net cash used in investing activities was $193.5 million.

Net cash used in investing activities was $17.8 million in fiscal year 2019, as compared to $229.5 million in fiscal year 2018. The significant decrease in 2019 net cash used in investing activities results from the acquisition of Premier on July 1, 2018. Cash used for the Premier Acquisition in fiscal year 2018, net of cash acquired was $210.0 million. Together with fiscal year 2018 purchases of property and equipment of $19.6 million, fiscal year 2018 net cash used in investing activities was $229.5 million. In fiscal year 2019, there were no significant acquisitions or other significant investing activities. The primary driver of the $17.8 million of fiscal year 2019 net cash used in investing activities was $16.6 million of purchases of property and equipment.

Financing Activities

Net cash provided by financing activities was $210.9 million in fiscal 2020, primarily attributable to $177.6 million of proceeds from the issuance of the First Lien Fourth Amendment Term Loan, net of amounts paid for debt issuance costs. We also received $50.0 million of proceeds from the issuance of shares of common stock to the Sponsor Affiliates, and $29.4 million of proceeds from government stimulus funds, partially offset by $31.5 million of net repayments under the Revolving Credit Facility, $11.7 million of principal payments of long-term obligations under the First Lien Facilities (as defined below) and payment of $2.1 million of deferred offering costs.

For fiscal year 2019, net cash provided by financing activities was $21.9 million, primarily attributable to $50.0 million of proceeds from the issuance of the Delayed Draw Term Loan in connection with the Premier Acquisition in order to fund the payment of contingent consideration, $31.5 million of net borrowings under the Revolving Credit Facility, partially offset by $12.6 million of principal payments of long-term obligations under the First Lien Facilities (as defined below) and a $45.6 million payment of contingent consideration related to the Premier Acquisition.

For fiscal year 2018, net cash provided by financing activities was $204.2 million primarily attributable to $156.5 million of proceeds from the issuance of long-term obligations under the First Lien First Amendment

Term Loan and $54.4 million of proceeds from the issuance of shares of common stock to the Sponsor Affiliates, partially offset by $6.8 million of principal payments of long-term obligations.

(dollars in thousands)	Long-term obligations and note payable				Interest Expense		
Instrument	**Fiscal Year 2020**	**Fiscal Year 2019**	**Fiscal Year 2018**	**Interest Rate (1)**	**Fiscal Year 2020**	**Fiscal Year 2019**	**Fiscal Year 2018**
Initial First Lien Term Loan	$ 563,061	$ 568,913	$576,225	L + 4.25%	$ 31,636	$ 37,966	$ 36,463
First Lien First Amendment Term Loans	217,133	219,342	171,000	L + 5.50%	15,012	16,737	6,675
First Lien Fourth Amendment Term Loan	184,538	—	—	L + 6.25%	3,837	—	—
Second Lien Term Facility	240,000	240,000	240,000	L + 8.00%	22,672	25,014	24,255
Senior Secured Notes Associated with Terminated Acquisition	—	—	—	9.75%	—	2,275	—
Revolving Credit Facility	—	31,500	—	L + 4.25%	779	1,755	342
Amortization of Deferred Financing Costs	—	—	—		7,534	6,724	5,379
Other	2,872	2,027	2,700	2.07%	1,513	1,825	2,428
Total	$1,207,604	$1,061,782	$989,925		$ 82,983	$ 92,296	$ 75,542
Less: unamortized deferred financing costs	(31,332)	(34,136)	(37,486)				
Total long-term obligations, net of unamortized deferred financing costs	1,176,272	1,027,646	952,439				
Weighted Average Interest Rate	6.5%	7.1%	7.7%				

Purchases of Property and Equipment ("Capital Expenditures" or "Capex")

We manage our Capex based upon a percentage of revenue. Our Capex expressed as a percentage of revenue was as follows for the periods presented:

- $15.2 million, or 1.0% of revenue in fiscal year 2020;
- $16.6 million, or 1.2% of revenue in fiscal year 2019; and
- $19.6 million, or 1.6% of revenue in fiscal year 2018.

Our Capex in fiscal year 2018 included $9.4 million of one-time capex we incurred in connection with completing the integration of the Formation and the Premier acquisition. Our Capex in fiscal year 2019 included $2.2 million of one-time capex we incurred in connection with preparing for the 2019 Transaction that we ultimately terminated in December 2019. Our Capex in fiscal year 2020 did not include any one-time capex.

Indebtedness

We typically incur debt to finance mergers and acquisitions, and we borrow under our Revolving Credit Facility from time to time for working capital purposes, as well as to finance acquisitions, as needed. Below is a summary of our long-term indebtedness obligations as of the end of fiscal years 2020, 2019, and 2018.

(1) Our variable rate debt instruments accrue interest at a rate equal to the LIBOR rate (subject to a minimum of 1.0%), plus an applicable margin.

Aveanna was in compliance with all covenants related to existing loan facilities as of each of the end of fiscal year 2020, the end of fiscal year 2019 and the end of fiscal year 2018. See also “Description of Certain Indebtedness.”

On March 16, 2017, we entered into that certain First Lien Credit Agreement, dated as of March 16, 2017 (as amended by the Joinder Agreement and Amendment, dated as of July 1, 2018 (the “First Amendment”), that certain Second Amendment, dated as of March 19, 2020 (the “Second Amendment”), that certain Third Amendment, dated as of April 1, 2020 (the “Third Amendment”), that certain Second Joinder Agreement and Fourth Amendment, dated as of September 21, 2020 (the “Fourth Amendment”) and as may be further amended, restated, supplemented, waived or otherwise modified from time to time (the “First Lien Credit Agreement”), with Barclays Bank PLC, as administrative agent, the collateral agent, a letter of credit issuer and the swingline lender, and the lenders and other agents party thereto from time to time (in such capacity, the “First Lien Lenders”), which provides for (i) a senior secured first lien term loan facility (the “First Lien Term Facility”) in an aggregate principal amount of $991.0 million (comprised of (A) $585.0 million of initial term loans (the “Initial First Lien Term Loan”), (B) $171.0 million of additional term loans incurred pursuant to the First Amendment (the “First Lien First Amendment Term Loan”), (C) $50.0 million of delayed draw term loans (the “Delayed Draw Term Loan” and, together with the First Lien First Amendment Term Loan, the “First Lien First Amendment Term Loans”) incurred pursuant to the First Amendment and drawn down in full on February 28, 2019 and (D) $185.0 million of additional term loans incurred pursuant to the Fourth Amendment (the “First Lien Fourth Amendment Term Loan”)) and (ii) a senior secured revolving credit facility (the “Revolving Credit Facility” and together with the First Lien Term Facility, the “First Lien Facilities” and together with the Second Lien Term Facility (as defined below), the “Senior Secured Credit Facilities”) in an aggregate principal amount equal to $75.0 million (including revolving loans, swingline loans and letters of credit). The First Lien Facilities also permit the Borrower (as defined below) to incur an unlimited amount of incremental loans subject to certain limitations and compliance, on a pro forma basis, with specified leverage ratios for the unlimited incurrence of such incremental loans. The proceeds from the First Lien First Amendment Term Loan were used to fund the Premier Acquisition and the proceeds from the Delayed Draw Term Loan were used to fund a contingent earnout payment in connection with the Premier Acquisition. The Borrower entered into the Second Amendment to permit the Company to retain for business operations a representations and warranties insurance claim totaling $50.0 million related to the Formation. The Borrower entered into the Third Amendment to increase the letter of credit commitment limit under the Revolving Credit Facility from $20.0 million to $30.0 million. The proceeds from the First Lien Fourth Amendment Term Loan were principally used to fund the 2020 PDS Acquisitions and the acquisition of Five Points Healthcare, LLC.

Concurrently with the entry into the First Lien Facilities, we and our wholly owned subsidiary, Aveanna Healthcare LLC, as borrower (the “Borrower”), entered into that certain Second Lien Credit Agreement, dated as of March 16, 2017 (as amended, restated, supplemented, waived or otherwise modified from time to time, the “Second Lien Credit Agreement” and together with the First Lien Credit Agreement, the “Senior Secured Credit Agreements”) with Royal Bank of Canada, as administrative agent and collateral agent, and the lenders and other agents party thereto from time to time (in such capacity, the “Second Lien Lenders”), which provides for a senior secured second lien term loan facility (the “Second Lien Term Facility”) in an original aggregate principal amount of $240.0 million. The Second Lien Term Facility also permits the Borrower to incur an unlimited amount of incremental loans subject to certain limitations and compliance, on a pro forma basis, with specified leverage ratios for the unlimited incurrence of such incremental loans.

For the First Lien Term Facility and the Second Lien Term Facility, the Company can elect, at its option, the applicable interest rate for borrowings using a variable interest rate based on either LIBOR, prime or federal funds rate (“Annual Base Rate” or “ABR”) for the interest period relevant to such borrowing, plus an applicable margin. The Initial First Lien Term Loan currently accrues interest at a rate equal to the 30-day LIBOR (subject to a minimum of 1.00%), plus 4.25%. As of January 2, 2021, the effective interest rate of the First Lien Term Facility was 5.25% per annum. The First Lien First Amendment Term Loans currently accrue interest at a rate equal to the 30-day LIBOR (subject to a minimum of 1.0%), plus 5.50%. As of January 2, 2021, the interest rate of the First Lien First Amendment Term Loans was 6.50% per annum. The First Lien Fourth Amendment Term Loans currently accrue interest at a rate equal to the 30-day LIBOR (subject to a minimum of 1.0%), plus 6.25%. As of January 2, 2021, the interest rate of the First Lien Fourth Amendment Term Loans was 7.25% per annum. The principal amount of each loan in the First Lien Term Facility requires quarterly principal payments of 0.25% until March 16, 2024, the final maturity date. The First Lien Term Facility is secured by substantially all of the assets of Aveanna. The Second Lien Term Facility currently accrues interest at a rate equal to the 30-day LIBOR (subject to a minimum of 1.0%), plus 8.00%. As of January 2, 2021, the interest rate was 9.00% per annum. The Second Lien Term Facility requires lump sum payment upon the maturity date of March 16, 2025.

Under the Revolving Credit Facility, we can elect, at our option, the applicable interest rate for borrowings classified as revolving loans using a variable interest rate based on either LIBOR or an ABR, plus an applicable margin. LIBOR loans under the Revolving Credit Facility accrue interest at a rate equal to a LIBOR rate determined by reference to the Reuters LIBOR rate for the interest period relevant to such borrowing plus the applicable margin (initially 4.25%), with minimum LIBOR per annum of 1.00%. Outstanding borrowings under the Revolving Credit Facility currently accrue interest at a rate equal to the 30-day LIBOR (subject to a minimum of 1.00%) plus 4.25%, which was 5.25% on January 2, 2021. There were no borrowings outstanding as of January 2, 2021. The Revolving Credit Facility has a maturity date of March 16, 2022, with no scheduled payments due until maturity, except monthly interest payments.

On March 11, 2021, the Company amended the Revolving Credit Facility to increase the maximum availability to $200.0 million, subject to the occurrence of an initial public offering prior to December 31, 2021. The amendment also extended the maturity date to March 2023; provided that upon the occurrence of an initial public offering, the maturity date will become the date that is five years after the consummation of such initial public offering; provided further that if the Company fails to refinance its term loans under the Senior Secured Credit Facilities by December 2023, the Revolving Credit Facility's maturity date will become December 2023.

In July 2017, the U.K. Financial Conduct Authority, the regulator of the LIBOR, indicated that it will no longer require banks to submit rates to the LIBOR administrator after 2021 ("LIBOR Phaseout"). This announcement signaled that the calculation of LIBOR and its continued use could not be guaranteed after 2021 and the anticipated cessation date is June 30, 2023. A change away from LIBOR may impact our Senior Secured Credit Facilities. We continue to monitor developments related to the LIBOR transition and/or identification of an alternative, market-accepted rate. The impact related to any changes cannot be predicted at this time.

Refinancing

We expect to use the net proceeds from this offering to repay indebtedness under our Credit Facilities, which will reduce our cost of capital and debt service obligations. For more information, please see "Use of Proceeds."

Commitments and Contractual Obligations

The following table provides a summary of our commitments and contractual obligations for debt, minimum lease payment obligations under non-cancelable leases, and other obligations as of January 2, 2021.

	Payments due by period				
(dollars in thousands)	**Total**	**Less than 1 year**	**1-3 Years**	**3-5 Years**	**More than 5 Years**
Long-term debt obligations (1)	$ 1,207,604	$ 12,782	$ 19,820	$ 1,175,002	$ —
Interest on long-term debt (1)	274,563	79,342	156,909	38,312	—
Operating leases	66,649	16,044	24,647	13,279	12,679
Financing leases (2)	2,263	768	1,495	—	—
Total (3)	$ 1,551,079	$ 108,936	$ 202,871	$ 1,226,593	$ 12,679

(1) Represents principal and interest payments under the First Lien Term Facility and Second Lien Term Facility. Total interest payments associated with these borrowings are estimated based on the interest rate of 1.00%, the minimum LIBOR per annum, plus the applicable margin of the respective facility, both of which are floating rate instruments.

(2) Includes imputed interest payments.

(3) As of January 2, 2021, we had liabilities for unrecognized tax benefits of $6.2 million and related interest and penalties of $0.7 million. As of January 2, 2021, we cannot reasonably estimate the future period or periods of cash settlement of these liabilities.

Off-Balance Sheet Arrangements

We have not entered into off-balance sheet arrangements. We do enter into operating lease commitments and letters of credit in the normal course of our operations.

Critical Accounting Policies

In preparing our consolidated financial statements in conformity with GAAP, we must use estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosures and the reported amounts of revenue and expenses. In general, our estimates are based on historical experience and various other assumptions we believe are reasonable under the circumstances. We evaluate our estimates on an ongoing basis and make changes to the estimates and related disclosures as experience develops or new information becomes known. Actual results could differ from those estimates.

We consider our critical accounting policies to be those that involve significant judgments and uncertainties and may potentially result in materially different results under different assumptions and conditions. See Note 2 to our audited financial statements included elsewhere in this prospectus for a summary of all of our significant accounting policies.

Patient Accounts Receivable

Our patient accounts receivable is reported net of estimated explicit and implicit price concession to reflect the estimated consideration we expect to ultimately collect. These receivables are uncollateralized and consist of amounts due from the following sources: (i) state governments under their respective Medicaid programs (“Medicaid”), (ii) Managed Care providers of state government Medicaid programs (“Medicaid MCO”), (iii) commercial insurers, (iv) other government programs including Medicare and Tricare (“Medicare”), and (v) individual patients. We believe the collectability risk associated with our Medicaid accounts, which represented 16.1%, 31.7%, and 35.1% of our patient accounts receivable as of the end of fiscal years 2020, 2019, and 2018, respectively, is limited due to our historical collection rates from the related payers and the fact that the U.S. government is the payer. Similarly, we believe the collectability risk associated with our Medicaid MCO accounts, which represented 53.0%, 38.9% and 35.5% of our patient accounts receivable as of the end of fiscal years 2020, 2019, and 2018, respectively, is limited due to our historical collection rates from the related payers and the fact that the U.S. government is the payer. As of January 2, 2021 and December 28, 2019, there is no other single payer that accounts for more than 10% of our total outstanding patient accounts receivable. Thus, we believe there are no other significant concentrations of receivables that would subject us to any significant credit risk in the collection of our patient accounts receivable. Changes in general economic conditions, patient accounting service center operations, payer mix, or federal or state governmental health care coverage could affect our collection of patient accounts receivable, cash flows and results of operations. See “Risk Factors—Risks Related to our Business and Industry” and “Risk Factors—Risks Related to Our Regulatory Framework.” At January 2, 2021 and December 28, 2019, estimated explicit and implicit price concessions of $55.4 million and $44.3 million, respectively, had been recorded as reductions to accounts receivable balances to enable the Company to record revenues and accounts receivable at the estimated amounts the Company expected to collect.

Business Combinations

We account for acquisitions of entities that qualify as business combinations under the acquisition method of accounting in accordance with ASC 805, Business Combinations. In determining whether an acquisition should be accounted for as a business combination or asset acquisition, we first determine whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. If this is the case, the single identifiable asset or the group of similar assets is not deemed to be a business and is instead deemed to be an asset. Under the acquisition method of accounting, the total consideration is allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values at the acquisition date. The excess of the purchase price over the fair values of these identifiable assets and liabilities is recorded as goodwill. During the measurement period, which may be up to one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill.

In determining the fair value of assets acquired and liabilities assumed in a business combination, we primarily use an income approach to estimate the value of tradenames acquired and a cost approach to estimate the value of licenses acquired. The income approach utilizes projected operating results and cash flows and includes significant assumptions such as base revenue, revenue growth rate, projected EBITDA margin, discount rates, rates of increase in operating expenses, and the future effective income tax rates. The cost approach utilizes projected cash outflows and includes significant assumptions such as projected facility costs, projected administrative costs and estimates of the time and effort to acquire a license. The valuations of our significant acquired companies have been performed by a third-party valuation specialist under our management’s supervision. We believe that the estimated fair value assigned to the assets acquired and liabilities assumed is based on reasonable assumptions and estimates that marketplace participants would use. However, such assumptions are inherently uncertain and actual results could differ from those estimates. Future changes in our assumptions or the interrelationship of those assumptions may result in purchase price allocations that are different than those recorded in recent years.

Acquisitions related costs are not considered part of the consideration paid and are expensed as operating expenses as incurred. Contingent consideration, if any, is measured at fair value initially on the acquisition date as well as subsequently at the end of each reporting period until the contingency is resolved and settlement occurs. Subsequent adjustments to contingent considerations are recorded in our consolidated statements of operations. We include the results of operations of the businesses acquired as of the beginning of the acquisition dates.

Goodwill

We perform an impairment test for goodwill and indefinite-lived intangible assets at least annually or more frequently if adverse events or changes in circumstances indicate that the asset may be impaired. We perform our annual goodwill impairment test on the first day of the fourth quarter of each fiscal year for each of our reporting units. Tests are performed more frequently if events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount. The impairment test is a single-step process. The process requires us to estimate and compare the fair value of a reporting unit to its carrying amount, including goodwill. If the fair value exceeds the carrying amount, the goodwill is not considered impaired. To the extent a reporting unit’s carrying amount exceeds its fair value, the reporting unit’s goodwill is deemed impaired, and an impairment charge is recognized based on the excess of a reporting unit’s carrying amount over its fair value.

A reporting unit is either an operating segment or one level below the operating segment, referred to as a component. When the components within our operating segments have similar economic characteristics, we aggregate the components of our operating segments into one reporting unit. Since quoted market prices for our reporting units are not available, we apply judgment in determining the fair value of these reporting units for purposes of performing the goodwill impairment test. For both interim and annual goodwill impairment tests, we engage a third-party valuation firm to assist management in calculating a reporting unit's fair value, which is derived using a combination of both income and market approaches. The income approach utilizes projected operating results and cash flows and includes significant assumptions such as revenue growth rates, projected EBITDA margins, and discount rates. The market approach compares reporting units' earnings and revenue multiples to those of comparable companies. Estimates of fair value may differ from actual results due to, among other things, economic conditions, changes to business models or changes in operating performance. These factors increase the risk of differences between projected and actual performance that could impact future estimates of fair value of all reporting units. Significant differences between these estimates and actual future performance could result in impairment in future fiscal years. During our annual goodwill impairment tests for fiscal year 2020, fiscal year 2019, and fiscal year 2018, we did not identify any reporting units in which its carrying value exceeded its estimated fair value. The fair value of the reporting unit was measured using Level 3 inputs such as operating cash flows and market data

As a result of the onset of COVID-19 in 2020, during the second fiscal quarter of 2020 we made the decision to exit our pediatric ABA Therapy services, which we completed as of the end of the third fiscal quarter of 2020. Annual ABA Therapy revenues in 2019 approximated $16.4 million. In connection with these activities, we evaluated our Therapy reporting unit for goodwill impairment and recorded an impairment charge of $75.7 million during our second fiscal quarter of 2020. Subsequent to this impairment charge, the economic impact of COVID-19 on our Therapy reporting unit and on the Company as a whole improved, and management determined that the carrying value of goodwill allocated to Therapy and all other PDS reporting units were not at risk of impairment as of the date we recorded the Therapy reporting unit impairment charge. Our MS segment has not been negatively impacted by COVID-19. Our HHH segment consists primarily of acquisitions made during the fourth fiscal quarter of 2020 and were not negatively impacted by COVID-19 as of the respective acquisition close dates. We can provide no assurance that our goodwill will not become subject to impairment in any future period.

Intangible Assets, Net

Our intangible assets with finite lives consist of trade names and non-compete agreements. These assets are amortized in accordance with the authoritative guidance for goodwill and other intangible assets, primarily using the straight-line method over their estimated useful lives ranging from one to ten years. The fair values of trade names are derived from an income approach. Significant assumptions include expected growth rates, future government payer reimbursement rates, and weighted average cost of capital. The fair value of non-compete agreements are derived from the with or without approach. Significant assumptions include forecasted market conditions and competitor behavior.

During fiscal year 2020, fiscal year 2019, and fiscal year 2018, we did not record any impairment charges related to intangible assets with finite lives nor were they considered at risk of impairment as of the end of fiscal year 2020, fiscal year 2019, or fiscal year 2018.

Our indefinite-lived intangible assets consist of licenses (including certificates of need). The fair value of licenses are derived from the cost approach. Significant assumptions include the medium time to issue a license and the costs incurred to maintain a branch during that time. We review indefinite-lived intangibles annually for impairment or more frequently if circumstances indicate impairment may have occurred. To determine whether an indefinite-lived intangible asset is impaired, we perform a qualitative assessment. Based on the results of the qualitative assessment, we may perform a quantitative test.

During fiscal year 2020, fiscal year 2019, and fiscal year 2018, we recorded asset impairment charges of $1.5 million, $1.1 million, and $1.5 million, respectively, related to previously acquired licenses due to their surrender and the closure of related branches.

This impairment charge represents the amount by which the carrying value of the assets exceeded its estimated fair value at each impairment date.

Assessment of Loss Contingencies

We have legal and other contingencies that could result in significant losses upon the ultimate resolution of such contingencies. See Note 13, *Commitments and Contingencies*, to the accompanying consolidated financial statements for additional information.

We have provided for losses in situations where we have concluded it is probable a loss has been or will be incurred and the amount of loss is reasonably estimable. A significant amount of judgment is involved in determining whether a loss is probable and estimable due to the uncertainty involved in determining the likelihood of future events and estimating the financial statement impact of such events. If further developments or resolution of a contingent matter are not consistent with our assumptions and judgments, we may need to recognize a significant charge in a future period related to an existing contingent matter.

Insurance Reserves

As is typical in the healthcare industry, we are subject to claims that our services have resulted in patient injury or other adverse effects.

Our insurance reserves include estimates of the ultimate costs, in the event we are unable to receive funds from claims made under commercial insurance policies, for claims that have been reported but not paid and claims that have been incurred but not reported at the balance sheet dates. Although substantially all reported claims are paid directly by our commercial insurance carriers less any applicable deductibles and/or self-insured retentions), we are ultimately responsible for payment of these claims in the event our insurance carriers become insolvent or otherwise do not honor the contractual obligations under the malpractice policies. We are required under U.S. GAAP to recognize these estimated liabilities in our consolidated financial statements on a gross basis, with a corresponding receivable from the insurance carriers reflecting the contractual indemnity provided by the carriers under the related malpractice policies.

Our insurance reserves require management to make assumptions and apply judgment to estimate the ultimate cost of reported claims and claims incurred but not reported as of the balance sheet date. Our reserves and provisions for professional liability, general liability, and workers’ compensation risks are based largely upon semi-annual actuarial calculations prepared by third-party actuaries. Periodically, we review our assumptions and the valuations provided by third-party actuaries to determine the adequacy of our insurance reserves. The following are certain of the key assumptions and other factors that significantly influence our estimate of insurance reserves:

- historical claims experience;
- trending of loss development factors;
- trends in the frequency and severity of claims;
- coverage limits of third-party insurance;
- statistical confidence levels;
- medical cost inflation; and
- payroll dollars.

The time period to resolve claims can vary depending upon the jurisdiction, the nature, and the form of resolution of the claims. The estimation of the timing of payments beyond a year can vary significantly. In addition, if current and future claims differ from historical trends, our estimated reserves for insured claims may be significantly affected. Our insurance reserves are not discounted.

We believe our insurance reserves are adequate to cover projected costs for claims that have been reported but not paid and for claims that have been incurred but not reported. Due to the considerable variability that is inherent in such estimates, there can be no assurance that the ultimate liability will not exceed management's estimates. If actual results are not consistent with our assumptions and judgments, we may be exposed to gains or losses that could be material.

Equity

We have granted stock-based awards, consisting of stock options and restricted stock, to our employees and certain members of our Board of Directors. Our employee stock options have service-based, market-based and performance-based vesting conditions.

We measure the fair value of our stock options at grant date. We utilize the Black-Scholes option-pricing model to calculate the fair value of our service stock-based awards, and the Monte Carlo option-pricing model for performance and accelerator stock-based awards awards. Both pricing models require various highly judgmental assumptions including volatility and expected option term. If any of the assumptions used in the models change significantly, stock-based compensation expense may differ materially in the future from that recorded in the current period.

The Black-Scholes option-pricing model requires the use of highly subjective assumptions which determine the fair value of stock-based awards. These assumptions include:

- *Expected Term*. Our expected term represents the period that our stock-based awards are expected to be outstanding and is determined using the simplified method (based on the mid-point between the vesting date and the end of the contractual term), as we do not have sufficient historical data to use any other method to estimate expected term.
- *Expected Volatility*. As there has been no public market for our common stock to date, and as a result we do not have any trading history of our common stock, the expected volatility is estimated based on the average volatility for comparable publicly traded companies over a period equal to the expected term of the stock option grants. The comparable companies are chosen based on their similar service provided.
- *Risk-Free Interest Rate*. The risk-free interest rate is based on the U.S. Treasury zero coupon issues in effect at the time of grant for periods corresponding with the expected term of the stock option grants.
- *Expected Dividend*. We have never paid dividends on our common stock and have no plans to pay dividends on our common stock. Therefore, we use an expected dividend yield of zero.

For performance and accelerator stock-based awards, we use the Monte-Carlo model. Key assumptions using a Monte-Carlo model include the probabilities of settlement scenarios, enterprise value, time to liquidity, risk-free interest rates and volatility. The estimates of fair value for these instruments are based, in part, on subjective assumptions and could differ materially in the future. Generally, increases or decreases in the fair value of the underlying share would result in a directionally similar impact in the fair value measurement of the market-based awards.

We recognize the associated compensation cost over the remaining explicit vesting term in the case of service-based awards and the longer of the derived service period or the explicit service period for awards with market conditions, on a straight-line basis. For performance-based awards, we recognized the associated compensation cost over the service period of the award when we believe vesting of the performance-based award is considered probable. Once vesting of performance-based awards is considered probable, we record compensation expense based on the portion of the service period elapsed to date, with a cumulative catch-up, and recognize remaining compensation expense, if any, over the remaining estimated service period. We account for forfeitures as they occur rather than apply an estimated forfeiture rate to share-based compensation expense.

We measure the fair value of our restricted stock awards at grant date based upon the value of our common stock. Our restricted stock awards are considered fully vested at the time of grant and compensation expense is recognized based upon the fair value at that time. Our restricted stock awards are initially liability-classified as we deem it not probable that the employees holding the awards will bear the risk and rewards of stock ownership for a reasonable period of time. Such restricted stock awards are revalued at the end of each reporting period until the earlier of settlement or when the award is reclassified to temporary equity, with the associated increase or decrease in fair value representing an adjustment to compensation expense.

In valuing our common stock, we determine the fair value using both the income and market approach valuation methods. The income approach estimates value based on the expectation of future cash flows that a company will generate. These future cash flows are discounted to their present values using a discount rate based on our weighted-average cost of capital and is adjusted to reflect the risks inherent in our cash flows. The market approach estimates value based on a comparison to comparable public companies in a similar line of business.

From the comparable companies, a representative market value multiple is determined and then applied to our financial results to estimate the value of our company. The valuation results from both income and market methods are then equally weighted to estimate the value of our common stock.

Patient Services and Product Revenue

Because our services have no fixed duration and can be terminated by the patient or the facility at any time, we consider each treatment as a stand-alone contract for revenue recognition purposes. Additionally, as services ordered by a healthcare provider in an episode of care cannot be separately identified, we combine all services provided into a single performance obligation for each contract. We recognize patient revenue in the reporting period in which we perform the service, and we recognize product revenue on the date products are delivered to patients. We have minimal unsatisfied performance obligations at the end of the reporting period as our patients typically are under no obligation to remain under our care.

All revenue is recognized based on established billing rates reduced by contractual adjustments and discounts provided to third-party payers and implicit price concessions. Contractual adjustments and discounts are based on contractual agreements, discount policies and historical experience. Implicit price concessions are based on historical collection experience. Our revenue cycle management systems calculate contractual adjustments and discounts on a patient-by-patient or product-by-product basis based on the rates in effect for each primary third-party payer. Due to complexities involved in determining amounts ultimately due under reimbursement arrangements with third-party payers, which are often subject to interpretation and review, we may receive reimbursement for healthcare services authorized and provided that is different from our estimates. In addition, due to changes in general economic conditions, patient accounting service center operations, or payer mix, historical collection experience may not accurately reflect current period collections.

We continually review the contractual and implicit concession estimation process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms that result from contract renegotiations and renewals. In addition, laws and regulations governing the Medicaid, Medicaid MCO and Medicare programs are complex and subject to interpretation. If actual results are not consistent with our assumptions and judgments, we may be exposed to gains or losses that could be material.

Income Taxes

We use the asset and liability approach for measuring deferred tax assets and liabilities based on temporary differences existing at each balance sheet date using currently enacted tax rates. The deferred tax calculation requires us to make certain estimates about future operations. Deferred tax assets are reduced by a valuation allowance when we believe it is more likely than not that some portion of all of the deferred tax assets will not be realized. The effect of a change in tax rate is recognized as income or expense in the fiscal year that includes the enactment date.

We regularly assess the ability to realize deferred tax assets recorded in our entities based upon the weight of available evidence, including such factors as our recent earnings history and expected future taxable income. In the event future taxable income is below our estimates or is generated in tax jurisdictions different than projected, we could be required to increase the valuation allowance for deferred tax assets. This would result in an increase in our effective tax rate.

We record liabilities for uncertain income tax positions based on a two-step process. The first step is recognition, where an individual tax position is evaluated as to whether it has a likelihood of greater than 50% of being sustained upon examination based on the technical merits of the position, including resolution of any related appeals or litigation processes. For tax positions that are currently estimated to have less than a 50% likelihood of being sustained, no tax benefit is recorded. The amount of the benefit that may be recognized is the largest amount that has a greater than 50% likelihood of being realized on ultimate settlement. The actual benefits ultimately realized may differ from the estimates. In future fiscal years, changes in facts, circumstances, and new information may require us to change the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recorded in income tax expense and liability in the fiscal year in which such changes occur. Any interest or penalties incurred related to unrecognized tax benefits are recorded as a component of the provision for income tax expense.

Recent Accounting Pronouncements

See Note 2 to our audited financial statements and unaudited interim financial statements included elsewhere in this prospectus for information regarding recently issued accounting pronouncements.

Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

The Company has exposure to changing interest rates primarily under the Revolving Credit Facility, the First Lien Term Facility and the Second Lien Term Facility, each of which current bears interest at variable rates based on LIBOR. The Company had $1.2 billion of variable rate loans outstanding as of January 2, 2021.

For borrowings under the First Lien Term Facility and the Second Lien Term Facility, the Company elected a variable interest rate based on LIBOR plus an applicable margin. The LIBOR rate is subject to a floor of 1.00%, respectively, under both the First Lien Term Facility and the Second Lien Term Facility. The applicable margin for LIBOR loans will be 4.25%, 5.50%, 6.25% or 8.00% depending on the amount of borrowings under the facility then outstanding. The Revolving Credit Facility is subject to a range of interest rates depending on certain consolidated first lien net leverage ratios, with an applicable margin of 3.75%, 4.00% or 4.25% in the case of LIBOR loans depending on such ratios.

In October 2018, the Company entered into interest rate swap agreements to limit exposure to variable rate debt. The agreements expire on October 31, 2023. Under the terms of the interest rate swap agreements, the Company pays a rate of 3.107%, and receives the one-month LIBOR rate, subject to a 1.00% floor. As of January 2, 2021, the total notional amounts of the interest rate swap agreements were $520.0 million.

It is management’s intention that the notional amount of interest rate swaps be less than the First Lien Term Facility and the Second Lien Term Facility during the life of the derivatives. For fiscal year 2020, the Company recognized $15.3 million of expense associated with interest rate swaps, which is reflected in other income (expense) on the consolidated statements of operations. For fiscal year 2019, the Company recognized $16.5 million of expense associated with interest rate swaps, which is reflected in other income (expense) on the consolidated statements of operations. For fiscal year 2018, the Company recognized $12.6 million of expense, which is reflected in other income (expense) on the consolidated statements of operations. At January 2, 2021 and December 28, 2019, the fair value of the outstanding interest rate swap agreements was $28.6 million and

$23.7 million, respectively, which is reflected in other long-term liabilities on the consolidated balance sheets. On an annual basis, a hypothetical 1.0% change in interest rates for the $684.8 million of unhedged variable rate debt as of January 2, 2021 would affect interest expense by approximately $6.8 million.

The result of the LIBOR Phase-out may impact our interest rate swap agreements. We continue to monitor developments related to the LIBOR transition and/or identification of an alternative, market-accepted rate. The impact related to any changes cannot be predicted at this time.

Impact of Inflation

Wages and other expenses increase during periods of inflation and when labor shortages occur in the marketplace. The impact of inflation on the Company is primarily in the area of labor costs. The healthcare industry is labor intensive. There can be no guarantee we will not experience increases in the cost of labor, particularly given the shortage of qualified caregivers in our markets, and the demand for homecare services is expected to grow. In addition, increases in healthcare costs are typically higher than inflation and impact our costs under our employee benefit plans. Managing these costs remains a significant challenge and priority for us. While we believe the effects of inflation, if any, and labor shortages on our results of operations and financial condition have not been significant, there can be no guarantee we will not experience the effect of inflation in the future.

In addition, suppliers pass along rising costs to us in the form of higher prices, which impacts us primarily in the area of enteral related products in our MS segment. Our supply chain efforts have enabled us to effectively manage and mitigate any inflationary impacts in our supply chain over recent years. However, we cannot predict our ability to cover future cost increases.

We have little or no ability to pass on these increased costs associated with providing services to Medicare and Medicaid patients due to federal and state laws that establish fixed reimbursement rates.

BUSINESS

Our Diversified Home Care Platform

We are a leading, diversified home care platform focused on providing care to medically complex, high-cost patient populations. We directly address the most pressing challenges facing the U.S. healthcare system by providing safe, high-quality care in the home, the lower cost care setting preferred by patients. Our patient-centered care delivery platform is designed to improve the quality of care our patients receive, which allows them to remain in their homes and minimizes the overutilization of high-cost care settings such as hospitals. Our clinical model is led by our caregivers, primarily skilled nurses, who provide specialized care to address the complex needs of each patient we serve across the full range of patient populations: newborns, children, adults and seniors. We have invested significantly in our platform to bring together best-in-class talent at all levels of the organization and support such talent with industry leading training, clinical programs, infrastructure and technology-enabled systems, which are increasingly essential in an evolving healthcare industry. We believe our platform creates sustainable competitive advantages that support our ability to continue driving rapid growth, both organically and through acquisitions, and positions us as the partner of choice for the patients we serve.

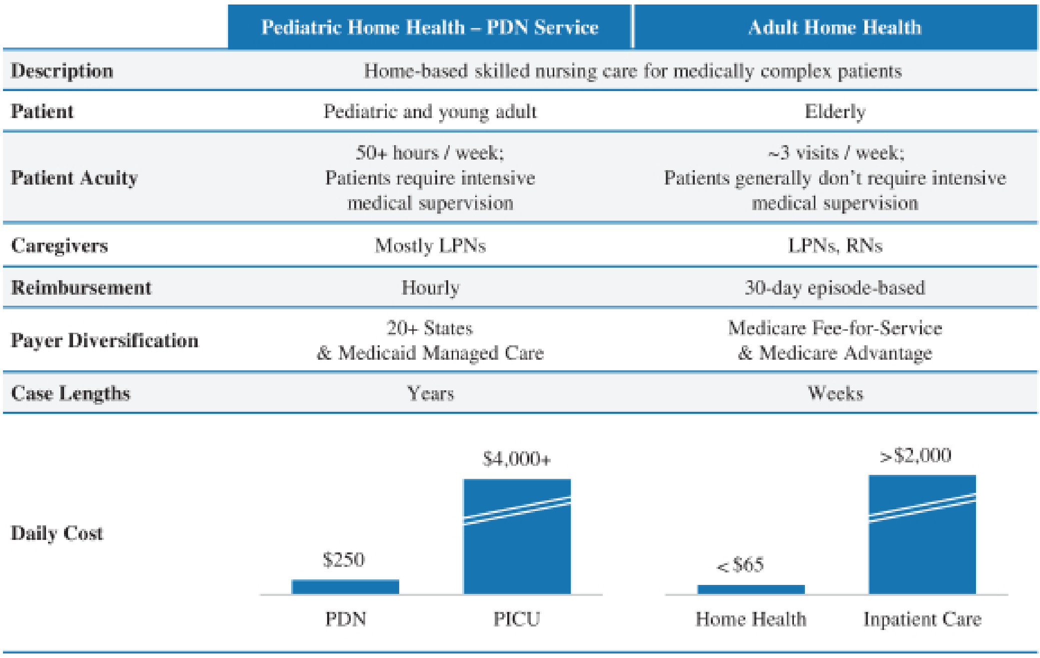
Over the past five years, we have scaled our business by a factor of approximately 5x, expanding from 17 states and $324.6 million of revenue in 2016 to 30 states and $1.5 billion in revenue in fiscal year 2020. We currently have 245 branch locations. In 2020, we provided approximately 39 million hours of home care to our patients, pro forma for the acquisitions we completed in 2020. We have recently expanded into adult home health and hospice for Medicare populations, adding a new platform to help drive our future growth. Our management team, led by Rodney Windley (Executive Chairman) and Tony Strange (Chief Executive Officer), has a successful track record of building leading businesses, including Gentiva Health Services, Inc. (“Gentiva”), which was the largest U.S. home health company before being acquired by Kindred Healthcare, Inc. (“Kindred”) in 2015. Adult home health and hospice are natural extensions of Aveanna’s core home health infrastructure. In particular, the adult home health business leverages our platform infrastructure and core competencies in clinical program management, automated and efficient nurse recruitment, technology-driven revenue cycle management, payer contracting and entry into new geographic markets. We believe that we have the opportunity to leverage our national home health infrastructure to develop an industry leading adult home health and hospice business similar in size and scale to our pediatric home health business. We believe this long-term expansion strategy in adult end markets through de novo expansion and acquisitions will provide Aveanna with a highly distinctive profile as compared to its home health peers, with more diversified reimbursement sources, a lower risk profile and a broader set of organic and inorganic growth avenues to pursue opportunistically.

Our pediatric home health business is fundamentally similar to the adult home health business, with many of the same positive attributes, as well as several notable advantages. In particular, adult home health and pediatric home health providers both utilize similar caregivers (including registered nurses, “RNs” and licensed practical nurses, “LPNs”) and care models, treat similarly complex patients and serve similarly large and fragmented end markets. The value proposition of pediatric and adult home health is comparable as well: providing high-quality, low-cost care in a more convenient setting for patients as compared to other care settings. As a result, pediatric home health typically benefits from many of the same macro tailwinds benefitting the adult home health market, including alignment with payers and a shift to deliver more care in the home to drive cost savings.

However, pediatric home health differs from adult home health in several respects, including having a meaningfully higher-acuity patient base with higher weekly case hours, longer case duration, clearer patient diagnoses and more stable and diversified payer sources. Pediatric home health patients often need ventilators or tracheostomy tubes, which means they require significantly more hours of care (often greater than 50 weekly hours) and years of in-home nursing care. Moreover, because pediatric home health coverage is federally mandated with benefits provided at the state level through Medicaid agencies and managed Medicaid health plans, our payer mix is highly diversified, with no individual payer representing more than 7% of revenue for fiscal year 2020. We currently benefit from structural factors protecting rates, including a cost savings proposition to payers and a fragile population sensitive to access challenges. For example, today, we serve more than 5,000 pediatric private duty nursing patients weekly at a cost of roughly $250 per day, providing care that could otherwise cost over $4,000 per day in a hospital's pediatric intensive care unit. As a result, we have enjoyed a long, consistent and predictable trajectory of reimbursement rate increases consistent with cost inflation over the last five years.

We believe that payers appreciate the cost savings and clinical benefits associated with home health and are highly motivated to move towards value-based arrangements that reward providers for providing high-quality care in the home. We further believe that we are uniquely well-positioned to benefit from this push towards value-based care by virtue of our scale, which allows us to care for a meaningful share of our payer partners' eligible populations, and the substantial investments we've made in our clinical training program, compliance protocols and technology infrastructure, which allow us to provide consistent, high-quality care along with patient data and reporting directly from the home. We therefore see Aveanna as a natural "partner of choice" for payers as the industry moves towards value-based arrangements.

The following table summarizes the key elements of our diversified home health business, of which our primary service is private duty nursing ("PDN") to our pediatric patients.



	Pediatric Home Health – PDN Service	Adult Home Health
Description	Home-based skilled nursing care for medically complex patients	
Patient	Pediatric and young adult	Elderly
Patient Acuity	50+ hours / week; Patients require intensive medical supervision	~3 visits / week; Patients generally don't require intensive medical supervision
Caregivers	Mostly LPNs	LPNs, RNs
Reimbursement	Hourly	30-day episode-based
Payer Diversification	20+ States & Medicaid Managed Care	Medicare Fee-for-Service & Medicare Advantage
Case Lengths	Years	Weeks

Daily Cost

In addition to PDN and adult home health and hospice, we provide home-based pediatric therapy and enteral nutrition services, also known as tube or intravenous feeding, and related supplies. We have grown our enteral nutrition business significantly through our focus on pediatric and adult patients, which we believe differentiates us from our competitors, as we have the ability to cross-sell those services into our PDN patient populations, many of whom also require enteral nutrition. We believe there is significant opportunity to continue scaling our enteral nutrition business.

We believe our diversified home care platform is differentiated and exceptionally well-positioned to continue driving sustainable long-term growth:

- *Our business model is aligned with the right macro trends in healthcare today.* Healthcare costs in the United States are rising at unsustainable rates. Home health is widely recognized as part of the solution, particularly in a post-COVID-19 world where there is an imperative to avoid unnecessary facility-based care. Our national reach into the homes of many of the highest-cost patient populations positions us to deliver a better experience for our patients and their families, improve clinical outcomes and reduce aggregate costs to the U.S. healthcare system. We believe we will continue to benefit from the following trends in healthcare: (1) focus on delivering high-quality, low-cost care in the home, (2) increased targeting of high cost, complex patients that drive disproportionate cost to the healthcare system and require highly specialized care models, (3) value-based care models that focus on delivering coordinated, high-quality care, allowing patients to remain in their homes and out of the hospital, and (4) growing focus on the patient experience.

- *The markets we operate in are large, highly fragmented and growing rapidly.* Home health, broadly defined, is one of the fastest growing sectors in the healthcare industry, with spending projected to grow at a compound annual growth rate of 7.1% from 2019 through 2028 according to the Centers for Medicare and Medicaid Services (“CMS”). Our management believes that our core pediatric home health, adult home health and hospice end markets today are estimated to be over $90 billion in 2020 and are highly fragmented. The vast majority of our geographic markets are composed of small local or regional providers. For example, our management believes that approximately 75% of the PDN market is composed of small local and regional providers. Conversely, our management believes that we have a national market share of 11% in PDN, which creates significant scale advantages and a differentiated opportunity for us to continue to gain share and consolidate markets.

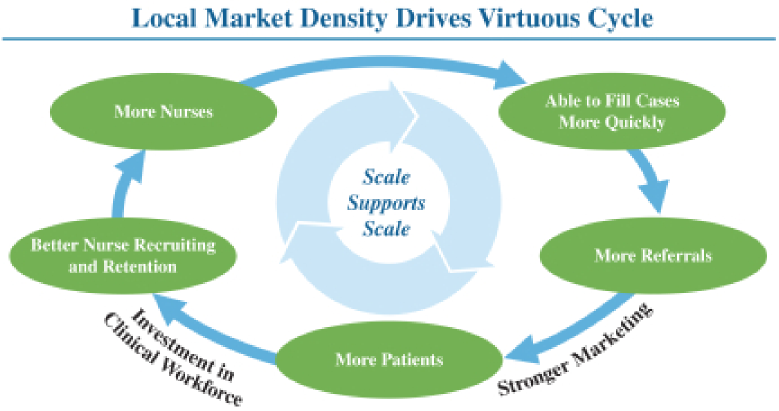
- *Our national and local scale density creates sustainable competitive advantages.* We believe that scale matters in our industry and that it drives sustainable competitive advantages.

  - ***We believe that we attract more nurses*** due to our higher number of available shifts near our caregivers’ homes, our prestigious brand, our mission-driven culture that puts caregivers and families first, our advanced nurse training platform and industry leading benefits that provide for an attractive career path. Caregiver recruitment is of paramount importance for success in our home care markets. In a competitive and supply-constrained labor market for qualified caregivers, we believe that our ability to attract, train and retain nurses provides us with a significant competitive advantage. We believe our approximately 42,000 caregivers are a valuable asset and we have the ability to leverage not only our caregiver network, but also our recruiting operations to expand into adult home health in our existing markets.

  - ***As a result, we obtain more cases***, as our large nursing panel allows us to more quickly place nurses with families seeking care, driving (1) higher referent and patient family satisfaction, (2) better brand advocacy, and (3) the ability to fill a high percentage of prescribed patient hours (known as “fill rate”). Our average fill rate was 85% from 2018 to 2020. We believe this in turn drives our high PDN patient satisfaction score (90.4% in 2020), low re-hospitalization rates and more profitable branches, resulting in stronger branch leadership talent capable of delivering 24/7 for our patients, families and referents. Specifically, because of our scale, our highly regarded brand, our clinical expertise and our rigorous compliance standards designed to provide strong peace of mind, we believe that we are viewed as the clear “provider of choice” by our patients, their families and referral sources at leading children’s hospitals. These referral sources entrust us to help them quickly find patients the compassionate care they need in their home, enabling us to regularly capture a higher share of referral volumes, accelerate our “virtuous cycle,” described below, and create more value and shift flexibility for nurses seeking new cases.

  - ***Our scale allows us to reinvest in our capabilities that deliver more value for nurses and families.*** Importantly, our national scale and local market density create a profit advantage at the branch level as compared to smaller competitors in that we are able to reinvest each year into deeper capabilities to support our network, including: (1) a sophisticated pediatric home health sales team, training and recruiting team and compliance and payer relations team, which we believe are the largest in the industry, (2) the industry’s only scaled, vertically integrated pediatric offering, bundling home health with enteral feeding services, and, critically, (3) a technology-enabled operating platform with tools for nurse recruiting, training and care reporting that we believe allows us to scale in a highly efficient and compliant manner.

- ***We believe that these operating efficiencies create a sustainable competitive advantage for Aveanna as compared to smaller home health providers, resulting in continued growth.*** Specifically, our significant capital and technology investments in our platform have distanced us from smaller healthcare providers in our local markets, catalyzing ongoing organic growth and acquisition opportunities. The small local and regional home health providers we compete against often operate with a "paper-based" mentality and face growing challenges operating in today's complex and increasingly digital business environment. Conversely, as a scaled, national platform, we have invested in technology, technology-enabled processes, clinical training, compliance and advanced staffing optimization workflows designed to enable us to drive expanding levels of productivity from our recruiting and clinical workforce. We have also implemented sophisticated revenue cycle management, contracting and administrative systems which help us operate more efficiently and leverage our corporate infrastructure to drive margin improvement. We believe these technology-enabled capabilities will position us to continue to drive competitive advantages and above-market growth, as illustrated in the "virtuous cycle" below.


Local Market Density Drives Virtuous Cycle
More Nurses
Able to Fill Cases More Quickly
Scale Supports Scale
Better Nurse Recruiting and Retention
More Referrals
Investment in Clinical Workforce
More Patients
Stronger Marketing

- *Our management team has decades of experience driving growth in home health through acquisitions.* Our senior management team, led by Rodney Windley (Executive Chairman), Tony Strange (Chief Executive Officer), Jeffrey Shaner (Chief Operating Officer), David Afshar (Chief Financial Officer) and Shannon Drake (General Counsel and Chief Legal Officer), has more than 100 collective years of home health experience and has a strong track record of building home health platforms through acquisitions. Beginning with the founding of The Healthfield Group ("Healthfield") in 1986 and following its merger with Gentiva in 2006, members of our senior management team oversaw the creation of the largest home care company in the United States. Under their leadership, the combined companies became a large, diversified public home health provider, growing revenue from $869 million in 2005 to over $2 billion annually at the time of its sale to Kindred in 2015. Over the past 30 years, our team has executed more than 50 acquisitions comprising over $6 billion of transaction value.

- *We have a proven ability to source, execute, and integrate acquisitions into the Aveanna platform.* Aveanna was formed through the transformative merger of Epic Health Services Inc. ("Epic") and Pediatric Services of America, Inc. ("PSA") in March 2017 (the "Formation"). Since our Formation, we have successfully completed and integrated ten acquisitions, and are currently in the process of integrating our eleventh acquisition. We have invested heavily in our M&A platform capabilities, developing a purpose built, dedicated acquisition team whose sole function is to identify and execute on M&A transactions. Our Integration Management Office (“IMO”) has developed a proven playbook over long M&A careers to lead the quick and synergistic integration of acquisitions. We currently have a robust pipeline of potential acquisition targets, which we continue to actively develop and evaluate.

- *Reimbursement for our services is highly diversified and stable.* We are paid by a diverse group of more than 1,500 distinct payers that include Medicaid managed care organizations (“MCOs”), state-based Medicaid programs, Medicare, Medicare Advantage plans, commercial insurance plans and other governmental payers across 30 states. No single payer source accounted for more than 7% of our revenue for fiscal year 2020. This is due to our diversification across pediatric and adult end markets as well as our geographic diversification across states. Although we cannot control reimbursement rates, predict whether they will remain at current levels or provide assurance that they will always be sufficient to cover the costs allocable for patient services, rates in home health have generally been stable as governmental and commercial payers widely recognize its value proposition relative to higher cost settings. In PDN, our largest business today, reimbursement rates have increased 1.5% per year on a weighted average basis from 2015 to 2020 and tend to track increases in nursing wages, which has supported our highly stable gross margin historically. Furthermore, PDN reimbursement rates have been highly stable to positive over long periods of time, including through the Great Recession, during which time pediatric home health services were not targeted as sources of savings for states facing budget pressure, according to the Marwood Group, a healthcare regulatory consultant (“Marwood”). In particular, in the past three years, 20 states had positive rate increases while only one state reduced rates by more than 1%, according to Marwood. In our PDN business, rates have been stable for several reasons:
  - PDN patients are viewed as a “protected population” and supported by strong, vocal family advocacy groups who are highly sensitive to any access constraints;
  - PDN services are often essential, life-sustaining care for patients that have a clear clinical diagnosis and demonstrated need;
  - Reimbursement for PDN in the aggregate represents approximately 1.6% of total Medicaid expenditures, which we believe makes it an unlikely source for savings for states facing budget pressure; and
  - The demand for PDN services in most markets exceeds the supply, placing pressure on payers to reimburse at levels that support adequate nursing wages.

We also believe that we operate in an attractive reimbursement environment for our adult home health services. With CMS’s transition to the Patient-Driven Groupings Model at the beginning of 2020, we see the outlook for reimbursement in adult home health as stable, and believe that CMS has demonstrated strong support for home health given its ability to lower system-wide costs and improve patient care. Moreover, we see our home health platform as well-positioned to capitalize on broader shifts to value-based care within the Medicare Advantage market, which is increasingly important to home health providers and where payers have indicated strong interest in shared savings and value-based arrangements. Over the longer-term, we see Aveanna as well-suited to benefit from payers’ push towards delivering more high-acuity care in the home, outside of inpatient settings, to drive better outcomes, satisfaction and cost efficiency for both children and adults.

We believe that our financial results have validated the power of our diversified home care platform. Between fiscal year 2018 and fiscal year 2020, we grew revenue at a compound annual growth rate (“CAGR”) of 6.0% from $1,253.7 million to $1,495.1 million. Over the same period, our net losses increased by 21.2%, from $47.1 million to $57.1 million; however, we grew Adjusted EBITDA at a CAGR of 14.7%, from $101.1 million to $152.4 million. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures” for more information as to how we define Adjusted EBITDA and for a reconciliation from net income, the most comparable GAAP measure, to Adjusted EBITDA.

Our Value Proposition

We believe our platform helps solve several of the most pressing challenges in healthcare today. We have designed our platform to deliver lower cost, high-quality care on a national scale to a medically complex and often costly patient base in the comfort of their own homes. We believe that our platform delivers a compelling value proposition to our key stakeholders.

Patients and Families

- We deliver a patient-centered, personalized healthcare experience in the home where patients generally prefer to be.
- Our scale enables us to match patients and their families with *the right nurses* more quickly, avoiding unnecessary discharge delays from the hospital.
- We enable families to continue working rather than foregoing employment to care for loved ones.
- We provide a “one stop shop” range of clinical services to alleviate cost and administrative burden.

Nurses

- We offer nurses a breadth of caseloads from which to choose that better meet their objectives.
- Our technology-enabled tools simplify case selection, shift management and point of care medical documentation.
- We believe our brand, training, benefits and career advancement programs are highly regarded.

Provider Partners

- We help hospitals and health systems quickly discharge some of their most sensitive, medically complex patients to their homes, with highly skilled and trained nurses.
- We deliver higher fill rates and more adequately meet the prescribed number of hours.
- We provide consistently high quality of care and compliance standards.
- We build long-term, trusted relationships with our provider partners.

Payers

- We are a trusted frontline caregiver with the ability to deliver faster discharges into the home or allow patients to remain in the home as opposed to an acute care setting.
- We offer efficiency as a single-source contracting solution across a wide range of services and markets.
- We are well-positioned to engage in value-based care models to align interests and save costs for payers.

Our Platform

We believe the platform we have built is truly differentiated in our ability to serve our stakeholders and grow rapidly in a range of home care end markets. Key elements of our platform include:

Our Team

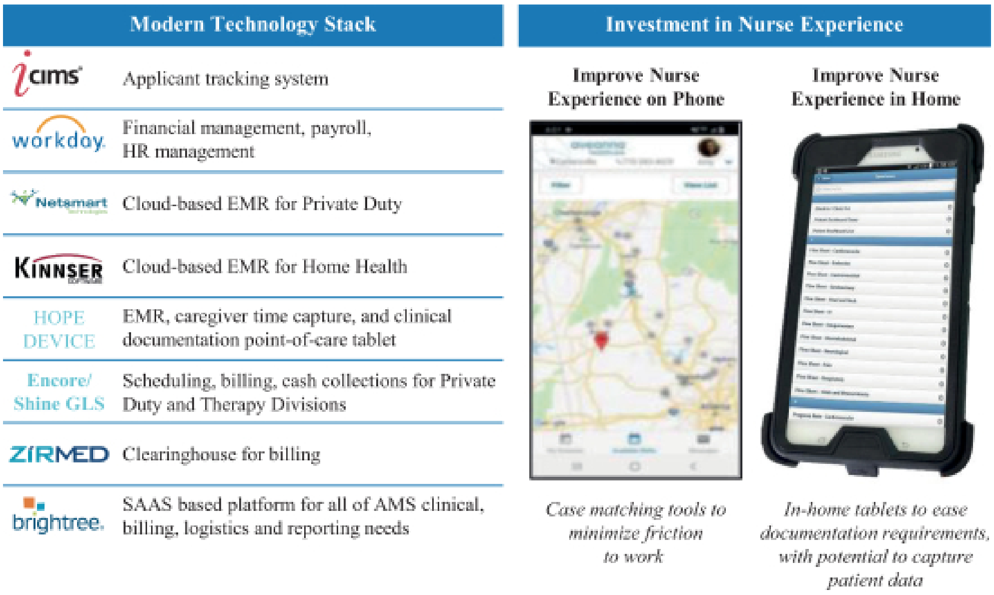
Our team is the driving force that has enabled us to build an industry leading home care platform in five years. People at all levels on our team have worked together over several decades and bring a wealth of experience in home health at industry leading companies, such as Healthfield and Gentiva. The passion our team brings for delivering exceptional, patient-centered care supports our ability to attract, recruit and retain strong, operationally minded national and regional operators who are essential to executing on our local market strategy. In turn, we are better able to recruit and train passionate frontline caregivers to provide exceptional care to our patients. We believe the team we have built is the most essential element of our platform.

Our Culture

Our culture is the glue that binds our organization together. We have purposefully built a culture that attracts like-minded people who are aligned with our mission to change the way home care is delivered, one patient at a time. It is easy to overlook “culture” on paper – however, we fundamentally believe it drives our success and we take active steps to promote it. From day one at Aveanna, we welcome new hires into our culture with training centered around our *Core Values* to deliver care with *compassion*, work with *team integrity*, strive for *inclusion*, embody *trust*, seek *innovation* and have *fun*. Compliance is the backdrop that underscores everything we do. These principles inform our fundamental operating processes, including everything from strategic planning, budgeting, go-to-market strategy and employee compensation and promotion. We believe our culture supports our ability to recruit, motivate and empower our people at all levels to deliver better patient care and drive our operating performance.

Our Systems, Processes and Technology

We have a corporate infrastructure with robust systems and processes in place designed to drive efficiency and support our future growth. We have invested significantly in our infrastructure and technology. Our frontline caregivers leverage our technology-enabled solutions, such as our tablet-based care management tools that we deploy into every patient’s home to enhance data collection and the efficiency and quality of the caregiver experience, and our automated tools for patient scheduling which seek to ensure appropriately trained nurses are scheduled for our most clinically complex patients. Our technology infrastructure includes cloud-based solutions that enable essential functions of our business to run more efficiently, including, from front to back: (i) iCIMS for digital workforce management, (ii) internally developed Aveanna Hope Devices installed in every patient home to capture care reporting, (iii) Netsmart, Kinnser, and Brightree Cloud electronic medical records (“EMR”) workflows for managing our specialized PDN, adult home health, and Medical Solutions (“MS”) clinical workflows, respectively, (iv) Encore, GLS and Brightree for revenue cycle management, and (v) Workday for core enterprise resource planning (“ERP”) workflows around financial management, payroll and HR.



Modern Technology Stack	
icims	Applicant tracking system
workday.	Financial management, payroll, HR management
Netsmart	Cloud-based EMR for Private Duty
KINNSER	Cloud-based EMR for Home Health
HOPE DEVICE	EMR, caregiver time capture, and clinical documentation point-of-care tablet
Encore/ Shine GLS	Scheduling, billing, cash collections for Private Duty and Therapy Divisions
ZIRMED	Clearinghouse for billing
brightree.	SAAS based platform for all of AMS clinical, billing, logistics and reporting needs

Investment in Nurse Experience

Improve Nurse Experience on Phone

Case matching tools to minimize friction to work

Improve Nurse Experience in Home

In-home tablets to ease documentation requirements, with potential to capture patient data

Our Acquisition Team and Integration Management Office

We have a proven team of 16 people dedicated to sourcing, evaluating and executing on all aspects of our M&A strategy. Our IMO team has extensive experience, having integrated home health acquisitions at Aveanna and in prior roles, as well as deep functional experience in operations, consulting, finance, IT and administrative roles. We complement our internal team with a core group of third-party advisors with whom we have worked for decades. The experience and discipline the collective team brings to our acquisition strategy enables us to pursue and integrate multiple acquisitions simultaneously without disruption to our business or that of a target. We believe this is a truly differentiated capability relative to our home health peers.

Part of the success of our M&A strategy is attributable to our proven playbook for bringing acquisitions and merger partners onto our platform infrastructure, identifying and quickly capturing significant synergies to the overall enterprise and minimizing the risk of disruption to our underlying business. Our IMO is a key differentiator in this respect. Our IMO team consists of functional experts exclusively dedicated to integrating acquisitions quickly and efficiently. They bring decades of deal structuring, due diligence, integration and functional experience that is essential to our success. Importantly, the IMO team begins developing a tailored integration plan for each acquisition we make early in the M&A process, in parallel with our due diligence and prior to signing. This enables the IMO to launch an integration plan expeditiously once an acquisition is signed and maintain that momentum through and after closing. The IMO team coordinates seamlessly with our executive leadership through a steering committee-led governance structure that provides strategic direction and oversight for each acquisition. Our IMO team oversees the integration of essential functional areas, including operations, IT, revenue cycle, human resources, compliance and finance, in partnership with our business teams. The team leverages a software platform called Midaxo to develop and measure progress against each integration plan. Significant emphasis is placed on clear, early and ongoing communication and rolling out the Aveanna culture to our newly acquired companies.

Our Broad Range of Capabilities

We provide a broad range of home care capabilities to our distinct pediatric and adult patient populations. Our pediatric home health services, included within the Private Duty Services (“PDS”) segment, include PDN (80% of fiscal 2020 PDS segment revenue), employer of record services (14% of fiscal 2020 PDS segment revenue) and pediatric physical therapy, speech therapy, and occupational therapy (6% of fiscal 2020 PDS segment revenues), which we deliver primarily in the home as well as in clinic settings. Through our MS segment, we provide needed supplies to patients requiring integrated pediatric enteral nutrition or respiratory care both to our home health patients and more broadly, enabling strategic cross-sell opportunities in our patient base. Our Home Health & Hospice ("HHH") segment, which focuses primarily on Medicare-eligible senior populations and also includes personal care services, enables us to prevent hospitalizations before they occur, avoid re-admissions following an acute stay and displace high cost inpatient settings for terminally ill patients who would prefer to receive care end-of-life at home.

Aveanna Employee Relief Fund

In 2016, we established a separate 501(c)(3) charitable relief fund to assist those of our employees who suffer sudden and unexpected financial hardships, such as those resulting from natural disasters. To assist their fellow employees in times of need, we provide our employees with the opportunity to voluntarily contribute to this relief fund on a one-time basis or through periodic payroll deductions, and we match a portion of those contributions dollar-for-dollar. Additionally, certain of our corporate vendors contribute to the relief fund. Since its inception, the fund has assisted hundreds of our employees in times of need and despair.

Our Diversity, Equity & Inclusion ("DEI") Vision

We are a company composed of employees of various cultures and walks of life, all of whom we value and provide an equal opportunity for growth and success; thereby increasing organizational capacity to achieve our mission of changing the way home care is delivered, one patient at a time, while preserving and cultivating our culture of corporate and social responsibility: Compassion; Team Integrity; Inclusion; Trust; Innovation; and Fun.

Our DEI Mission

Our DEI mission is to attract and sustain a diverse and inclusive workforce by recruiting, hiring, developing, retaining and promoting high-performing individuals who work collaboratively with one another to achieve our vision as defined by our core values.

Our DEI Strategic Initiative

We understand that the most effective business strategies require vision and long-term commitment. The same is true of our long-term DEI Strategic Initiative. Our DEI Strategic Initiative recognizes and seeks to maximize the benefit of our clients, patients, employees and other stakeholders who are of diverse backgrounds, cultures, socioeconomic levels, customs and more.

Our DEI Strategic Initiative focuses on:

- Developing sustainable diversity, equity and inclusion;
- Developing and retaining diverse talent;
- Promoting the use of diverse business at the local office level;
- Recruiting diverse talent; and
- Enhancing and creating pipeline opportunities.

Each of these goals is supported by strategies and action steps designed to bring the goals to life. We have been working to weave DEI into our policies and practices, education and training and leadership focus, including:

DEI Leadership Team. Our DEI Leadership Team will be composed of diverse, cross-functional leaders, and members of our executive team, including our Chief DEI Officer. This team will provide strategic oversight, guidance, sponsorship and thought-leadership in developing and deploying our DEI Strategic Initiative.

Annual DEI Leadership Summit. We will convene senior department leaders annually for critical discussions about our DEI Strategic Initiative, accomplishment of goals, enterprise feedback and assessments, and go-forward efforts.

DEI Committee. Our DEI Committee is composed of diverse members from our various business units who are passionate about helping us continue to develop a more inclusive workplace. The DEI Committee has been designed as a core group that proposes ideas and develops programming to support a sense of belonging and community in collaboration with our DEI Leadership Team.

Annual Enterprise-Wide Bias/Sensitivity Training. We are expanding our programming, education and training on diversity, inclusion, belonging, bias/unconscious bias and other areas of focus to further support an inclusive, equitable workforce in which all of our employees and stakeholders are valued and supported.

Cultural Assessment/Employee Engagement Surveys. We are expanding our existing cultural assessment (employee engagement) tools to track our progress in creating a more diverse, equitable and inclusive workplace over time and identify new opportunities in this space.

Pipeline Work. Through the work of our people services team and other collaborative partners, we are optimizing engagement, professional and business development and advancement of existing diverse talent at both the corporate and provider levels, as well as focusing on creating a pipeline into the industry through targeted recruiting of diverse talent.

Supplier Diversity Program. We are working to create and share our desired goal of engaging diverse suppliers of goods and services at the local office level.

Service Offerings

We provide a broad range of home care services. We seek to meet a full range of care needs for patients while minimizing the complexity and potential disruption to patient care associated with procuring multiple types of care from a number of independent providers. We believe this positions us as the provider of choice for patients, families, referral sources and payers.

Aveanna provides its services through three segments: Private Duty Services (PDS), Medical Solutions (MS) and Home Health & Hospice (HHH). This presentation aligns our financial reporting with the manner in which we manage our business operations with a focus on the strategic allocation of resources and separate branding strategies between the business divisions.

Private Duty Services (PDS)

Private Duty Services predominantly includes private duty nursing (PDN) services, as well as pediatric therapy and Employer of Record (EOR) services. In 2020, our PDS segment served approximately 29,000 patients through 186 branches, generating approximately $6 million of revenue per branch. We serve both children and adults, with an average patient age of less than 10 years.

Private Duty Nursing (PDN)

We believe we are the largest provider of skilled PDN services in the United States. We provide a range of services for medically complex children and young adults with a wide variety of serious illnesses and conditions, including chronic respiratory failure requiring tracheostomy and/or mechanical ventilation, cerebral palsy, cystic fibrosis, congenital anomalies, failure to thrive and anoxic brain injuries. Our caregivers, a majority of whom are registered nurses and licensed practical nurses, monitor an individual’s condition, administer medications and treatment regimens, provide enteral and other forms of tube feeding, monitor and maintain ventilators, administer pain management treatments and coordinate other forms of medical care. The length of service for a patient under our care can be three or more years until they graduate from the need for a feeding tube, ventilator or tracheostomy. This affords us the distinct ability to improve outcomes and control costs. However, many of our highest acuity patients remain on our services for ten or more years. Our typical patient utilizes 40 to 120 hours of services per week based upon their underlying acuity and degree of nursing needs. Our services are provided by our nursing staff up to 24 hours a day, seven days a week, with multiple nurses dedicated to our highest need patients.

Our services typically commence upon a patient's discharge from the newborn intensive care unit or pediatric intensive care unit. While we focus primarily on pediatric PDN services, we continue to provide PDN services to our patients as they mature into adulthood. The majority of adult PDN patients have aged out of eligibility for pediatric PDN through Medicaid and can apply via waiver programs to continue to receive PDN.

Aveanna's private duty nursing is organized into four geographic regions, each of which is led by a regional president and staffed with its own clinical, operational, human resource, finance and sales teams. Each region includes branch locations through which our home health agencies operate. Each agency is led by a director and staffed with its own clinical and administrative support staff, as well as clinical associates who deliver direct patient care. The clinical associates are employed on either a full-time or part time basis and are paid on a per hour basis.

Therapy

We provide physical, occupational and speech therapy services to assist pediatric patients in healing and achieving their highest level of functionality. Our therapy patients include those with developmental delays resulting from neurological, orthopedic, cardiovascular and musculoskeletal conditions. These services can be delivered at home or in a clinic setting. Typical conditions treated include feeding/swallowing disorders, bone/joint disorders and eye/hand coordination impairment. Similar to our enteral services, many of our PDN patients also require in-home therapy and we are able to deliver differentiated levels of service and efficiency as a "one stop shop provider."

Therapy operations are organized into four geographic areas, each of which is led by an area vice president and staffed with a clinical counterpart. The management team at the division level consists of operations, human resources, finance, clinical, recruiting, de novo and sales teams. Each area includes branch locations through which our therapy agencies operate. Each agency is led by a director and is staffed with clinical and administrative support staff as well as clinical associates who deliver direct patient care. The direct care associates are employed on either a full-time or part-time basis and are either salaried or paid on a per hour or per visit basis.

Employer of Record (EOR)

In the state of California, we administer payer authorized EOR respite care (a form of non-medical personal care) and related services primarily to pediatric patients with intellectual and developmental disabilities ("IDD") or special needs. In the EOR business, the family recruits and supervises the care provider. We oversee the administration of payroll taxes, provide cardiopulmonary resuscitation ("CPR") training and/or first aid certification and U.S. Department of Justice clearance for the care provider. The program is funded by the California Department of Developmental Services and is administered through 21 regional centers across California. Our EOR business has had highly stable reimbursement historically allowing for durable, profitable growth. While our EOR caregivers generally make wages at or slightly above the minimum wage, this has not historically been a source of risk to our margins, as our EOR reimbursement rates generally have mechanisms to adjust step-wise with local changes in minimum wage.

Medical Solutions (MS)

We provide needed supplies to patients requiring enteral nutrition services or respiratory care. Enteral nutrition, also known as tube or intravenous ("IV") feeding, is a way of delivering nutrition directly to the stomach or small intestine on an as-needed basis. Many of our PDN patients also require enteral nutrition. Our ability to serve as a single source provider to our patients, families and referral sources provides added cost savings and convenience relative to sourcing from multiple providers. In 2020, our MS segment served approximately 25,700 patients.

The MS business serves patients who have short or long-term disabilities and require a supply of infant, pediatric and adult formulas. We provide a wide selection of supplies, such as feeding pumps, g-tubes, feeding bags, syringes, IV poles, ventilators, oxygen and pulse oximeters. Our distribution model provides a streamlined, single-provider experience, enabling patients to seamlessly access one of the largest selections of enteral formulas, supplies and pumps in the industry. In addition to providing the required supplies for enteral therapy, Aveanna offers same day (24 hours a day, seven days a week and 365 days a year) patient and caregiver education both in-hospital and at-home, by an RN, registered dietitian or customer service technician. Aveanna also provides tailored, at-home pulmonary rehabilitation programs delivered by an RN for respiratory conditions and patient follow-up within 24 hours of discharge from a medical facility, which we have designed to help ensure patient well-being.

Home Health & Hospice (HHH)

We provide home health, hospice and personal care services to predominately elderly populations seeking compassionate care and assistance with activities of daily living in the home. In 2020, our HHH segment served approximately 7,200 patients through 47 branches, generating approximately $2.5 million of revenue per branch. The average age of our HHH patients is 78 years.

Our home health services help our patients recover from surgery or illness, live with chronic diseases and prevent avoidable hospital readmissions. We assist patients and their families in understanding their medical conditions, how to manage these conditions and how to maximize the quality of their lives while living with a chronic disease or other health condition. We believe our adult home health services improve the quality of life of our patients, save costs for the healthcare system and result in better clinical outcomes, including low re-hospitalization rates, when compared to institutional settings of care.

Our Medicare-certified hospice services are designed to provide comfort and support for those who are dealing with a terminal illness. We provide a full range of hospice services designed to meet the individual physical, spiritual, and psychosocial needs of terminally ill patients and their families. Individuals with a terminal illness such as heart disease, pulmonary disease, Alzheimer's or cancer may be eligible for hospice care if they have a life expectancy of six months or less. Our hospice services are primarily provided in the patient's home, and are also provided in skilled nursing facilities ("SNFs") and inpatient hospice units ("IPUs") where clinically appropriate. The key services provided through our hospice agencies include pain and symptom management accompanied by palliative medication, emotional and spiritual support, inpatient and respite care, homemaker services and dietary counseling.

We also provide personal care services which include non-medical assistance with activities of daily living and can help seniors avoid costlier downstream medical costs and hospitalizations.

Our Large and Growing End Markets

The healthcare sector is one of the largest and fastest-growing sectors of the U.S. economy. According to CMS, national healthcare spending increased from 8.9% of U.S. gross domestic product ("GDP"), or $255 billion, in 1980 to 17.8% of GDP, or $3.8 trillion, in 2019. CMS projects national healthcare spending to grow by a CAGR of 5.5% from 2019 through 2028, accounting for approximately 19.7% of U.S. GDP in 2028.

Our markets include a range of home care services focused on some of the highest-cost patient populations. Home health is increasingly recognized by industry stakeholders as part of the solution to unsustainably high national healthcare spending growth, particularly in a post-COVID-19 world. Home health is one of the fastest growing sectors within healthcare with spending projected to grow at a CAGR of 7.1% from 2019 through 2028 as it displaces higher cost, facility-based care settings. Growth in home health is being driven by:

(i) the rising number of individuals with chronic, often lifelong medical conditions;

(ii) the continued aging of the U.S. population;

(iii) patients and families increasingly opting for home health as an alternative to facility-based care settings;

(iv) payers increasingly diverting care from higher cost facility settings to the home; and

(v) advancements in medical technology that allow providers to expand the breadth of services available for delivery in the home.

We believe these trends will continue to drive sustainable growth in our markets and create opportunities for scaled providers to continue to gain share in what are highly fragmented markets.

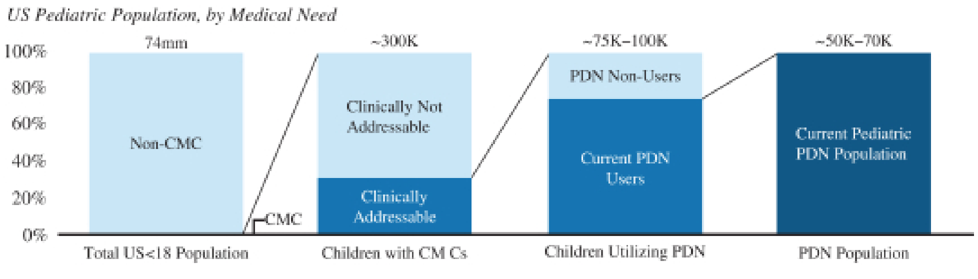
The markets we currently serve, their estimated sizes and growth outlooks based on our management's estimates are outlined below.

Home Care Market	Overview	Growth Drivers	Market Size (2020E)	Market Growth (1)
Private Duty Nursing	• Care for medically complex children and adults in the home	• Untapped demand: ~300K+ children with medical complexity, of which ~75-100K would benefit but only ~50-70K receive care • Additional upside in adults with unmet PDN need	$ 9.5bn	3%—4%
Therapy	• Pediatric patients receiving physical, occupational, speech therapy and ABA • High degree of overlap with PDN patients, typically multiple therapies prescribed	• Increasing cases of children with developmental issues • Early intervention services and government initiatives to add to funding	$ 6.0bn	2%—4%
Enteral Nutrition	• Nutrition delivery for patients who are unable to consume or digest food normally • Mix of pediatric and adult populations	• Lower infant mortality rates and aging population increase size of two target segments for enteral therapy • Expanding insurance coverage	$ 2.5bn	4%—6%
Home Health	• Home skilled nursing care for elderly recovering from injury or illness, or with chronic condition	• Elderly population growth • Incidence rate of chronic disease	$ 55.0bn	4%—7%
Hospice	• Compassionate care and support for elders with terminal illness	• Elderly population growth • Increasing desire to receive end-of-life care at home	$ 19.0bn	5%—8%
Personal Care	• Non-medical assistance with activities of daily living, primarily for elders	• Elderly population growth • Strong preference to remain independent and receive care in the home • Dual eligible beneficiaries represent just ~20% of Medicare and ~15% of Medicaid enrollment, but account for one-third of spending and are a major focus for Federal integration initiatives	$ 15.0bn	7%—9%
		Total / Weighted Average Growth:	**$ 107.0bn**	**~4%—5%**

1. *2020E-2025E CAGR.*

PDN, which is our largest business today, is a stable and steadily growing industry with growth tailwinds from rising adoption of home care in lieu of family and institution-based care, and inflationary reimbursement trends that track general inflation in nurse labor. PDN addresses the needs of children with medical complexity ("CMC"), many of whom age into adulthood and continue to require intensive care in the home. This population is characterized as having chronic, functionally limiting conditions that require specialized care, such as spina bifida, cerebral palsy, ventilator dependency or severe developmental delay. In many instances, these children have multiple disorders or medical complexities that require an acute level of care for an extended period of time, often years rather than weeks or months. Our management believes that the cost to care for children in their homes with PDN services is approximately $250 per day compared to potentially more than $4,000 per day in a pediatric intensive care unit.

Our management estimates that the total CMC population consists of approximately 300,000 children. An estimated 75,000 to 100,000 children with medical complexity have conditions that are clinically addressable by PDN yet only 50,000 to 70,000 (~70%) receive services. The remaining addressable children who do not utilize PDN are either on state waiting lists, in institutional care settings or are taken care of by family members due to access gaps. The patients who qualify for PDN are amongst the most acute populations in the country being cared for in the home and are often dependent on ventilators or other life-supporting technologies such as gastric- tubes for enteral feeding. There is a significant unmet need among CMC patients who would benefit from PDN services but who do not receive the care because of insufficient supply from qualified caregivers. This represents a substantial market opportunity to grow organically and through acquisitions for a large, comprehensive provider like Aveanna.



Source:American Academy of Pediatrics,National Academy for State Health Policy, Third Party Consulting Reports

Our management expects that the PDN market will grow at a CAGR of 3% to 4% between 2020 and 2025. Growth is expected to be driven by factors that include the following:

(v) a rising number of PDN eligible patients with low birthweights, underlying CMC conditions and technology-dependence;

(vi) increasing utilization of PDN services among non-users as states expand waiver programs and advocacy efforts to increase awareness among families as to the benefits of PDN;

(vii) increasing expansion of PDN nursing supply and prescribed hour fill rate growth as states increase reimbursement rates to expand the supply of caregivers available; and

(viii) increasing PDN reimbursement rates set by states to track underlying nursing wage inflation trends

Our management believes that the PDN market is highly fragmented and is primarily comprised of local and regional providers which make up approximately 75% of the market. We believe we are the largest provider and one of just three national providers.

Our Competitive Strengths

Public Company Management Team with a Successful Track Record of Building Home Health Platforms

Our senior management team has over 100 collective years of home health industry experience and a track record of building home health platforms, integrating acquisitions and generating profitable growth, strong cash flows and shareholder returns in public and private markets. Beginning with the founding of Healthfield in 1986 and following its merger with Gentiva in 2006, members of our senior management team oversaw the creation of the largest home care company in the United States. Under their leadership, Gentiva became a large, diversified public home health provider, growing revenue from $869 million in 2005 to approximately $2 billion annually at the time of its sale to Kindred in 2015. Additionally, members of our senior management team, including Mr. Windley and Mr. Strange, held senior leadership roles at PSA prior to its merger with Epic and eventual Formation of Aveanna.

Technology-Enabled Operating Platform and Corporate Infrastructure

The Aveanna platform was purpose-built to deliver high-quality clinical care efficiently. We have made significant investments in our technology and corporate infrastructure to build a scalable care delivery platform. Our technology platform includes multiple cloud applications for managing our business which enable and automate all of our mission critical business functions including caregiver recruiting, staffing, electronic health data capture, financial management, payroll, human resources management and billing and logistics. Our Aveanna Hope Devices and point-of-care technology that we have deployed to our frontline caregivers on tablets and mobile devices significantly improves caregiver efficiency and data collection. Our nurse case matching “marketplace” app called Aveanna Connect is also a significant asset that will allow us to more efficiently match nurses seeking hours to patients in real time, accelerating our market share gain and automating the scheduling process for both Aveanna and our caregivers. We believe our platform is a significant competitive advantage in the marketplace, driving superior operating performance and margins that enable us to reinvest in growth. We have made these investments in anticipation of the eventual move to value-based care and are well-positioned to take advantage of this opportunity.

Built to Scale Nationally across Pediatric, Adult Home Health and Hospice

Over the past five years, we believe we have built the largest pediatric home health business in the United States via acquisitions and organic growth, growing our predecessor company, PSA, from 17 states generating $324.6 million of revenue in 2016 to 30 states with $1.5 billion of revenue in fiscal year 2020. Over this period of time, we also built the corporate infrastructure and processes to expand seamlessly into adult home health and hospice. We have proven our ability to execute our model in multiple geographies with various payers across all three verticals. We have created a repeatable, data-driven playbook to expand our presence across the United States and made substantial investments to support each key component of our approach.

Acquirer of Choice with Proven Ability to Integrate Acquisitions and Realize Synergies

Our scaled, national platform in otherwise highly fragmented markets positions us as a clear acquirer of choice for smaller providers seeking to partner with a leading platform. Our management team has a deep track record of successfully acquiring, integrating and realizing synergies from over 50 acquisitions through their long careers in home care. Aveanna was formed through the transformative merger of Epic and PSA in March 2017. Since our Formation, we have successfully completed and integrated ten acquisitions, and are currently in the process of integrating our eleventh acquisition. Our IMO team has developed a proven playbook over long M&A careers to lead the quick and synergistic integration of our acquisitions. We derive synergies from a host of areas including staffing optimization, technology integration, cross-selling, reduction of overhead, rationalizing overlapping markets and other operational efficiencies that are supported by the differentiated investments we have made in our platform.

Scale Advantages Result in a Network Effect, Accelerating Growth

Our scale enables a virtuous cycle of network effects and competitive advantages to our business. First, our local market density creates a network effect where more nurses and higher quality of care translate into the ability to staff cases quickly and find the right match, which in turn, drives more referrals and higher branch profit. This creates a virtuous cycle of scale advantage where higher volumes for Aveanna enable more platform reinvestment, more capital for acquisitions and de novo expansions, and greater payer and referral preference, further driving volumes.

These platform investments in turn allow us to develop and maintain advantaged capabilities, technology and infrastructure that create more value for our customers and reinforce our advantages vs. competitors. In particular, we believe that (1) our larger nursing panel and one stop shop service offering translate into higher referent satisfaction levels, higher win rates and more case volumes, (2) our advantaged nurse recruiting, training and staffing capability translate into higher case fill rates and a higher quality of care, (3) our large and sophisticated sales team translates into higher rates of referent penetration in local hospitals, (4) our stronger set of regional management leaders translates into better execution, and (5) our investments in technology drive efficiency and quality. These scale advantages reinforce our local market share and competitive advantage at every step.

Our Growth Strategy

Increase Volumes within Our Existing Footprint

We expect to continue to gain share in our existing local markets through our “virtuous cycle” strategy, leveraging our highly regarded brand, service breadth, nurse recruiting and go-to-market capabilities to win a higher share of cases each year, expand our number of referral sources and grow our payer relationships. A core component of this growth strategy is educating referral sources about the differentiated benefits and high-quality outcomes of our services, which result in a higher fill rate and lower rate of readmissions versus competitors. We believe we can further accelerate our growth through new workforce recruiting and training initiatives that will expand our capacity to grow and through de novo branch growth initiatives to grow our geographic coverage within existing markets. In addition, we intend to gain market share through investments in strong local branch leaders and technology infrastructure to enable digital and remote workforce training and onboarding amidst the COVID-19 pandemic.

Further Expand Into Adult Home Health and Hospice Care

We intend to further enhance our position as an end-to-end platform for pediatric and adult home health and hospice services through continued organic and inorganic expansion into the adult home health market. Our management estimates that the adult home health and hospice markets represent a $74 billion market opportunity that remains highly fragmented, with the top players only generating low single digit market shares. Against this industry backdrop, we intend to grow in two ways. First, we aim to acquire regional leadership positions through a mix of scale and tuck-in acquisitions, leveraging an attractive and in-place pipeline. Second, we expect to launch a number of de novo adult home health and hospice branches around newly acquired branches as well as our existing home care footprint, leveraging our platform across 25 states and the 77 Medicare licenses we already have in existing PDN locations. We can utilize each of these licenses to open up a new Medicare home health branch or stand up Medicare home health services out of an existing PDN branch, with the ability to generate millions of dollars in annual revenues per branch license.

Expand Pediatric Home Health Presence Through Acquisitions and De Novo Expansions

We are the logical consolidator in a highly fragmented pediatric home health industry given our strong market position, leading brand, capitalization and integration capabilities. We maintain discipline in our approach to valuation and have consistently realized our deal-related growth and operational objectives. We believe there is a robust target landscape and currently have an attractive acquisition pipeline with a number of near-term targets identified. We target two types of acquisitions: tuck-in and expansion. Our tuck-in acquisitions are smaller in scale, highly synergistic and are meant to drive further density in existing markets, with integration time generally measured in weeks. Our expansion targets are larger in scale and are meant to diversify our geographic footprint while gaining immediate scale and density in new markets, with integration time of one to two months. In our existing and new markets, we will augment our growth by opening up new agencies to further drive local market density and relevance to all constituents.

Cross-Sell Enteral Services to Our PDN and Home Care Patient Base

We believe that Aveanna's unique ability to bundle PDN and enteral feeding services to our patients is both a significant differentiator for our customers as well as a future growth opportunity. In particular, we believe that the bundling of these services provides families with not only a more convenient "one stop shop" but also a more responsive, tailored service experience due to the ability of Aveanna nurses to manage patients' enteral shipments from the home. Today, we believe the majority of our PDN patients also receive enteral therapy, but the vast majority of these patients are served by other third-party enteral services providers, creating significant future cross-selling upside for our enteral business to continue to penetrate our PDN patient base. Over the past several years, our MS business has achieved considerable success driving cross-sell penetration in select states such as Texas, Colorado and Pennsylvania, where MS has successfully launched, driving revenue growth of 18.9% from fiscal year 2019 to fiscal year 2020, ahead of overall enteral market growth estimates of 4-6% based on our management's estimates. However, MS still only serves 12 out of the 22 states in which we have PDN presence, representing substantial whitespace to drive penetration. Over the last 18 months, we have launched MS operations in Georgia, North Carolina and Indiana. We believe there is substantial additional upside to drive further MS penetration and replicate the success the business has achieved in its more mature regions.

Reinvest in Our Platform to Optimize Performance

We believe ongoing investment in our platform drives greater efficiency across our business, generating a virtuous cycle that allows us to continue growing. We plan to continually invest in improving our people, technology and processes to further drive volumes, leverage our corporate infrastructure and drive higher margins over time.

Leverage Our Scale and Capabilities to Drive Value-Based Care Arrangements in Partnership with our MCO Payer Partners

We believe that value-based care is the future of home health and have worked to equip ourselves to lead the transition. We believe that Aveanna is uniquely well-positioned to benefit from a shift towards value-based care by virtue of our scale, which allows us to care for a meaningful share of our payer partners' eligible population, and the substantial investments we've made in our clinical training program, compliance protocols and technology infrastructure, which allow us to provide consistently high-quality care along with patient data and reporting directly from the home. We therefore see Aveanna as a natural "partner of choice" for payers as the industry moves towards value-based arrangements. We see this transition as a way to improve our future revenue and profitability as we share in savings we can generate for the healthcare system long term.

Our Reimbursement Sources

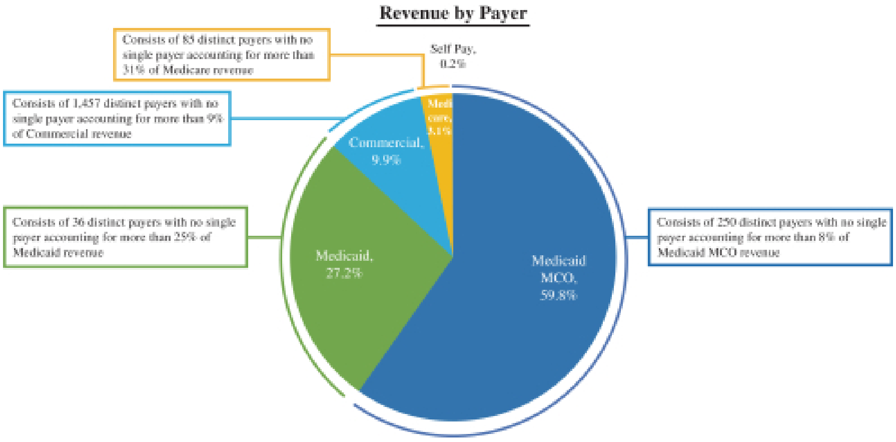
We have a highly diverse range of payers that reimburse us. Our payer diversity is due to both our geographic diversity as well as the variety of pediatric and adult services we provide, many of which are reimbursed by different payers and have different payment models. Our reimbursement sources are comprised of more than 1,500 distinct payers that include Medicaid MCOs, state-based Medicaid programs, Medicare, Medicare Advantage plans, commercial insurance plans and other governmental payers across 30 states. No single payer source accounted for more than 7% of our revenue for the year ended January 2, 2021. Each contract we have with our payers is unique and specific to that payer, creating additional diversification benefits.

The majority of the Company's PDN patients are covered by either Medicaid fee-for service ("FFS") or Medicaid MCO's. State legislatures set Medicaid FFS hourly reimbursement rates applicable to providers of PDN services. In states where traditional FFS Medicaid is the primary payer source for PDN services, there is no rate negotiation; providers simply must accept the rate offered by the state Medicaid system or choose to not do business in the state. In states that outsource some or all of the Medicaid administration to managed care, MCOs receive a per-member-per-month capitation payment from the state, and then contract for reimbursement rates with each provider of services within the state. Contracts between MCO's and PDN providers generally express reimbursement rates as a percentage of the state's FFS rate. MCO rates are negotiated between the payer and the provider, but the rates are largely based on state guidance. Typically, MCO rates are slightly higher than Medicaid, with wide variance by state. With limited exception, the Company is a "rate taker" with the broad goal of obtaining 100% of the state Medicaid FFS reimbursement rate on average. The Company views contract negotiations – including rates, billing, and collections – holistically. When determining whether to enter into a contract with an MCO or commercial payer, the Company considers whether the rate and contract terms offered are generally acceptable compared to its internal targets and historical experience with the payer. Though the reimbursement rate is important, other contract terms are also important to the Company, including timeliness of payment by the payer, the appeals process for challenging denied claims, and the claims format and submission process. These "non-rate" terms are typically equally as important to the Company as the base reimbursement rate.

Regarding the Company's Medical Solutions division, fee-for-service is the predominant reimbursement methodology constituting 95% of revenue with only 5% being received pursuant to a capitated payment arrangement. Approximately 70% of Medical Solutions' reimbursement is provided by Medicaid MCOs (47%) and traditional FFS Medicaid programs (23%). Commercial health plans are also a large reimbursement source constituting approximately 21% of the total reimbursement. Other sources include Medicare, in the form of traditional Medicare (3%) and Medicare Advantage health plans (2%), being 5% of total reimbursement, and Tricare, representing 4%. For fiscal year 2019, the ten largest Medical Solutions payers represented 52% of the revenue for Medical Solutions.

Changes to our reimbursement tend to mirror wage inflation, supporting historically stable gross margin. The vast majority of our employees are skilled clinical workers that earn well above minimum wage and are not impacted by minimum wage increases. In our EOR business in California, which represents approximately 13% of our 2020 revenue, a significant percentage of our caregivers earn at or near minimum wage. However, this has not historically been a source of risk to our margins, as our EOR reimbursement rates generally have mechanisms to adjust step-wise with local changes in minimum wage

Our payer mix for fiscal year 2020 is set forth in the following table:



Pediatric Home Health Reimbursement

The primary payers for the pediatric home health services we deliver are state-based Medicaid programs and MCOs. Although traditional Medicaid eligibility is often determined by income or assets, pediatric home health patients typically qualify for Medicaid regardless of their family's income. A federal law established in 1967, a component of which covers Early Periodic Screening, Diagnostic, and Treatment ("EPSDT"), requires that state Medicaid programs and Medicaid MCOs cover medically necessary services for children under 21. Many of the services we provide, including PDN, personal care services and physical, occupational and speech therapy, are all explicitly included under the EPSDT benefit. In addition to the federal mandate for coverage of our services, we believe our reimbursement is significantly more stable than other government reimbursed services because pediatric home health patients represent a medically fragile population supported by strong, vocal advocacy groups, and therefore funding for our services typically receives broad bi-partisan support in state legislatures. Moreover, state spending on pediatric home health is a small portion of total state Medicaid expenditures, and the home is widely recognized by payers as the lower cost alternative to inpatient care settings. As a result, funding for our services is unlikely to be targeted as a source of savings for states seeking to alleviate budget pressure.

Medicaid policy is determined at a state level across each of our 30 states, providing stability as compared to Medicare reimbursement, which is determined unilaterally at the federal level. Each state also has the ability to determine whether to administer benefits through a statewide fee-for-service program or through managed care organizations, in which states pay private insurers a flat rate per capita and have the private insurers contract with providers. MCOs provide additional payer diversity. The trend across many states has been to slowly transition children with complex medical conditions into managed care. Today, the majority of states in which we provide PDS have already transitioned to MCOs. In our PDS business, approximately 63% of our PDS Medicaid revenue was derived from MCOs and 27% from state Medicaid programs for fiscal year 2020. Changes in utilization and reimbursement from the shift to managed care have historically been minimal, with reimbursement for MCO and state Medicaid programs largely at parity. Furthermore, we believe that there is an opportunity for us to capture additional volume from the shift to managed care as MCOs prefer to partner with scale providers like Aveanna who deliver a broad range of services with consistently high quality care.

Commercial insurance payers also comprise a small portion of our reimbursement for pediatric home health services. However, commercial coverage is typically limited by monetary or visit caps, and when services are no longer covered (or are minimally covered), patients typically access services through Medicaid.

According to Marwood, the outlook for the Company's services is likely positive over the next three to five years. A report from Marwood noted that the Company's services are one of the last service areas to be considered as a source of program savings in the face of budget pressure, and are often exempt from other Medicaid program cuts. Specifically, it noted that during the Great Recession, the Company's services were not targeted for and often were exempted from Medicaid reductions. Marwood acknowledged that while the COVID-19 crisis has created budget pressure in many states, the federal government has provided relief, including a 6.2% increase in federal Medicaid matching funds through the CARES Act, and could provide further relief to help insulate Medicaid programs from pressures related to state budgets. During the COVID-19 crisis, rate and reimbursement have been a tailwind for our business. In particular, we have received positive permanent rate increases in multiple states since the start of the pandemic, translating to a weighted average run-rate reimbursement increase of 1.4%, excluding temporary rate increases. Additionally, only one state has had a rate decrease of greater than 1% in the last three years. This was due to an across the board decrease in the state, which we expect to be a temporary measure and that may be reversed as the state's budget deficit improves post COVID-19.

In our EOR business, funding is provided by the California Department of Developmental Services and is administered through 21 regional centers across California. A significant percentage of our EOR caregivers earn at or near minimum wage. However, this has not historically been a source of risk to our margins, as our EOR reimbursement rates generally have mechanisms to adjust step-wise with local changes in minimum wage.

Regional EOR centers have also received increased funding in California’s fiscal year 2020 to 2021 budget despite budget pressure in the state.

Adult Home Health & Hospice Reimbursement

Our adult home health and hospice services are primarily reimbursed by Medicare and Medicare Advantage plans.

The Medicare home nursing benefit is available to patients who need care following discharge from a hospital, as well as patients who suffer from chronic conditions that require intermittent skilled care. While the services received need not be rehabilitative or of a finite duration, patients who require full-time skilled nursing for an extended period of time generally do not qualify for Medicare home nursing benefits. As a condition of coverage under Medicare, beneficiaries must: (1) be homebound, meaning they are unable to leave their home without a considerable and taxing effort; (2) require intermittent skilled nursing, physical therapy or speech therapy services that are covered by Medicare; and (3) receive treatment under a plan of care that is established and periodically reviewed by a physician. Qualifying patients also may receive reimbursement for occupational therapy, medical social services, and home health aide services if these additional services are part of a plan of care prescribed by a physician.

We submit all home health Medicare claims through Medicare Administrative Contractors for the federal government. Medicare Administrative Contractors are private health care insurers that have been awarded a geographic jurisdiction to process Medicare Part A and Part B (A/B) medical claims or durable medical equipment claims for Medicare fee-for-service beneficiaries. In 2020, for home health agencies certified before January 1, 2019, Medicare reimbursed a Request for Anticipated Payment (“RAP”) for amounts billed for a given period on a 20% basis and then reimbursed the remaining 80% upon final payment. For home health agencies certified on or after January 1, 2019, RAP submissions are still required but not reimbursable, effectively deferring 100% of claim payment until final payment is received. In 2021, all home health agencies will be required to submit a RAP before filing each claim and Medicare will pay the RAP at 0%. After the final claim is submitted, 100% will be paid.

Final payments may reflect base payment adjustments for case-mix and geographic wage differences and 2% sequestration reduction for episodes that began after March 31, 2013. In addition, final adjustments may reflect one of four retroactive adjustments to ensure the adequacy and effectiveness of the total reimbursement: (a) an outlier payment if the patient’s care was unusually costly; (b) a low utilization adjustment if the number of visits was fewer than five; (c) a partial payment if the patient transferred to another provider or transferred from another provider before completing the episode; or (d) a payment adjustment based upon the level of therapy services required. Because such adjustments are determined upon the completion date of the episode, retroactive adjustments could impact our financial results. The base payment rate for Medicare home nursing is $1,901.12 per 30-day episode for the year ended December 31, 2021. The base payment rate does not take into consideration the 2% sequestration payment reduction mandated by the Budget Control Act of 2011.

Home health payment rates are updated annually by the home health market basket percentage as adjusted by Congress. CMS establishes the home health market basket index, which measures inflation in the prices of an appropriate mix of goods and services included in home health services.

The Medicare hospice benefit covers a broad set of palliative services for beneficiaries who have a life expectancy of six months or less, as determined by their physicians. Medicare pays hospices a daily rate for each day a beneficiary is enrolled in the hospice benefit. Each day of hospice benefit, a level of care is assigned based on one of four case types: routine home care, continuous home care, inpatient respite care and general inpatient care. For Medicare’s 2021 fiscal year, the base per diem hospice payment rate for each service are: $199.25 for the first 60 days of routine home care and $157.49 for every day thereafter; $1,432.41 for continuous home care; $461.09 for inpatient respite care; and $1,045.66 for general inpatient care. These payments are reduced by 2% for hospices that do not report specified quality data to CMS.

According to Marwood, the Medicare regulatory and reimbursement outlook is likely stable to positive for home health and hospice services over the next three to five years. Marwood expects that both home health and hospice services will receive positive inflationary rate increases over the next three years. Importantly, Marwood does not expect the policies of the Biden Administration or the outcome of a Supreme Court decision on the ACA will have a material impact on Medicare home health or hospice reimbursement. On balance, while cost-containment initiatives are a factor in our overall reimbursement forecast, we expect these initiatives to be counterbalanced by this likely upward reimbursement trend for Medicare home health and hospice providers. Further, cost-containment initiatives are historically immaterial to the overall net reimbursement to the Company.

Competition

Competitive Position

Private Duty Services (PDS)

The PDS services industry in which Aveanna operates is highly competitive and fragmented. PDS providers range from facility-based agencies, such as day health centers, live in facilities and government agencies, to independent homecare companies. Our PDS competitors may be not-for-profit organizations or for-profit organizations. There are relatively few barriers to entry in some of the home health services markets in which Aveanna operates. In addition to several multistate privately-held companies, Aveanna’s primary competitors for its home health business are hospital-based home health agencies and local home health agencies, both for profit and not-for-profit. Aveanna competes with other home health providers on the basis of availability of caregivers, quality and expertise of services and the value of services. Aveanna believes that it has a favorable competitive position, attributable mainly to the consistently high quality and targeted services it has historically provided to its patients, as well as to its screening and evaluation procedures and training programs for clinical associates who provide direct care to patients.

Additionally, Aveanna’s competitors will likely strive to improve their service offerings and drive growth in non-government reimbursed programs. Aveanna also expects its competitors to develop new strategic relationships with providers, referral sources and payers, which could result in increased competition.

Medical Solutions (MS)

The medical solutions industry in which Aveanna operates is highly competitive, fragmented and market specific. Each local market has its own competitive blue print, and there are few competitors with significant market share in all of the markets in which Aveanna operates. Aveanna competes with providers, privately and publicly held organizations, and not-for-profit organizations. There is continual competition from new entrants into Aveanna’s markets.

Aveanna’s Medicare MS business line could be impacted by the future Durable Medical Equipment, Prosthetics, Orthotics and Supplies (“DMEPOS”) competitive bid award. The DMEPOS program provides Medicare reimbursement to suppliers of medical items, including, among such other things, enteral nutrition products and oxygen, for Medicare beneficiaries. The DMEPOS Competitive Bidding Program was mandated by Congress through the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. The statute requires that Medicare replace the current fee schedule payment methodology for selected DMEPOS items with a competitive bid process. Under the program, a competition among suppliers who operate in a particular competitive bidding area (“CBA”) is conducted. Suppliers are required to submit a bid for selected products. On March 7, 2019, CMS announced plans to consolidate the CBAs included in the Round 2 Recompete and Round 1 2017 DMEPOS Competitive Bidding Program into a single round of competition named Round 2021. Round 2021 will include 130 CBAs. Round 2021 contracts became effective on January 1, 2021, and extend through December 31, 2023. The list of supplies included in Round 2021 includes, among other items, MS products such as enteral nutrition products and oxygen. Bids are submitted electronically through a web-based application process. Bids are evaluated based on the supplier’s eligibility, its financial stability and the bid price. Contracts are awarded to the Medicare suppliers who offer the best price and meet applicable quality and financial standards. Contract suppliers must agree to accept assignment on all claims for bid items and will be paid the single payment amount. All Medicare DMEPOS Competitive Bidding Program contracts expired on December 31, 2018. Beginning on January 1, 2019, there was a temporary gap in the entire DMEPOS Competitive Bidding Program that lasted until December 31, 2020. During the temporary gap, any Medicare enrolled DMEPOS supplier was allowed to furnish DMEPOS items and services to people with Medicare.

Home Health and Hospice Services (HHH)

The home health market is highly competitive and fragmented. According to the Medicare Payment Advisory Commission (“MedPac”), an independent agency that advises Congress on various Medicare issues, there were approximately 11,356 Medicare-certified home health agencies in the United States in 2019. MedPac estimated that in 2019, approximately 14% of Medicare-certified home health agencies provided a majority of their services in rural areas, and 90% of home health agencies were freestanding. MedPac also disclosed that 4,840 hospices were participating in the Medicare Program in 2019, of which 3,932 were freestanding and 456 home health based.

Generally, competition in home health service and hospice markets comes from local and regional providers. These providers include facility- and hospital-based providers, visiting nurse associations and nurse registries. Aveanna competes based on the availability of personnel, the quality of services, expertise of visiting staff, and, in certain instances, the price of our services.

Source and Availability of Personnel

To maximize the cost effectiveness and productivity of clinical associates, Aveanna utilizes customized processes and procedures that have been developed and refined over the years. We use personalized matching techniques to recruit and select applicants who fit individual patients’ needs through initial applicant profiles, personal interviews, skill evaluations and background and reference checks. Aveanna utilizes its iCIMS software which assists on the hiring and onboarding of personnel.

We recruit our clinical associates through a variety of sources, such as advertising in local and national media, job fairs, solicitations on websites, direct mail and telephone solicitations and referrals obtained directly from clients and other caregivers. Clinical associates are either paid on a per visit, per hour, and per diem basis or are employed on a full-time salaried basis. Currently, we are experiencing a shortage of licensed professionals, which has been impacting our industry generally. See “Risk Factors—Risks Related to our Business and Industry—The home health and hospice industries have historically experienced shortages in qualified employees and management, and competition for qualified personnel may increase our labor costs and reduce profitability.”

Human Capital Resources

As of January 2, 2021, we had approximately 42,000 employees. All of our employees work with us on an at-will basis and none are union members or subject to any collective bargaining agreements. Our employee engagement survey data, together with other key indicators that we review, demonstrate that we enjoy good relationships with our employees. Our human capital resources objectives center around employee engagement, fostering our culture, and leadership development. We maintain and grow our team utilizing historically proven practices and technologies that help us identify, hire, incentivize and retain our existing employees and integrate new employees into our culture. The principal purpose of our equity incentive plan is to attract, retain, motivate and reward certain employees and directors through the issuance of equity-based incentive compensation awards and cash-based performance bonuses.

Government Regulation

General

Aveanna’s business is subject to extensive federal, state and, in some instances, local regulations and standards which govern, among other things: Medicare, Medicaid, TRICARE (the Department of Defense’s managed healthcare program for military personnel and their families) and other government-funded reimbursement programs; reporting requirements, certification and licensing standards and in some cases, CON requirements for certain home health agencies and hospices.

Aveanna’s compliance with these regulations and standards may affect its participation in Medicare, Medicaid, TRICARE and other federal and state healthcare programs, as well as its ability to be reimbursed by private payers. Aveanna is also subject to a variety of federal and state regulations which prohibit fraud and abuse in the delivery of healthcare services. These regulations include, among other things: prohibitions against the offering or making of direct or indirect payments to actual or potential referral sources for obtaining or influencing patient referrals; rules generally prohibiting physicians from making referrals under Medicare and Medicaid for clinical services to a home health agency with which the physician or his or her immediate family member has certain types of financial relationships; laws against the filing of false claims; and laws against making payment or offering items of value to patients to induce their self-referral to the provider. These regulations also include licensure, certification or other qualifications for various Aveanna personnel who provide our services.

We believe that healthcare services will continue to be subject to intense regulation at the federal and state levels. We are unable to predict what additional government regulations, if any, affecting our business may be enacted in the future or how existing or future laws and regulations might be interpreted. If we, or any of our locations, fail to comply with applicable laws, it might have a material adverse effect on our business.

Licensure, Certificates of Need and Permits of Approval

Home health and hospice agency providers operate under licenses granted by the health authorities of their respective states. Some states require healthcare providers (including home health and hospice agencies) to obtain prior state approval for the purchase, construction or expansion of healthcare locations, capital expenditures exceeding a prescribed amount, or changes in services. For those states that require a CON or POA, the provider must also complete a separate application process establishing a location and must receive required approvals.

Certain states, including a number in which we operate, carefully restrict new entrants into the market based on demographic and/or demonstrative usage of additional providers. These states limit the entry of new providers or services and the expansion of existing providers or services in their markets through a CON process, which is periodically evaluated and updated as required by applicable state law.

To the extent that we would need a CON or other similar approvals to expand our operations, our expansion could be adversely affected by the inability to obtain the necessary approvals, changes in the standards applicable to those approvals and possible delays and expenses associated with obtaining those approvals.

In every state where required, our home health and hospice agencies possess a license and/or CON or POA issued by the state health authority that determines the local service area for the home health and hospice agencies. State health authorities in certain states and the District of Columbia require a CON or its equivalent in order to establish and operate a home health agency or hospice care center. We operate home health agencies and/or provide hospice services in the following CON states: Alabama, Georgia, North Carolina, Tennessee and Washington.

Medicare and Medicaid Participation: Licensing, Certification and Accreditation

All healthcare providers are subject to compliance with various federal, state and local statues and regulations in the U.S. and receive periodic inspection by state licensing agencies to review compliance with standards of administration, medical care, equipment and safety. We have dedicated internal resources and utilize external parties when necessary to monitor and ensure compliance with the various applicable federal, state and local laws, rules and regulations.

Our home health and hospice agencies and caregivers must comply with regulations promulgated by the HHS and CMS in order to participate in the Medicare program and receive Medicare payments. Sections 1861(o) and 1891 of the Social Security Act ("SSA") and 42 CFR §§ 484.1 *et seq*. establish the conditions that a home health agency must meet in order to participate in the Medicare program. Among other things, these regulations, applicable to home health agencies, known as "Conditions of Participation" ("COPs"), relate to the type of facility, its personnel and its standards of medical care, as well as its compliance with federal and state laws and regulations. Recent COPs applicable to home health agencies, which went into effect on January 13, 2018, focus on the safe delivery of quality care provided to patients and the impact of that care on patient outcomes through the protection and promotion of patients' rights, care planning, delivery and coordination of services and streamlining of regulatory requirements.

Section 1861(dd) of the SSA and 42 CFR §§ 418.52 *et seq*. establish the conditions that a hospice must meet in order to participate in the Medicare program. These COPs are the health and safety requirements that a hospice must meet. They provide a framework for patient care, administrative and organizational processes, and quality improvement, as well as compliance with federal and state laws and regulations.

CMS has adopted alternative sanction enforcement options which allow CMS to (i) impose temporary management, direct plans of correction or direct training and (ii) impose payment suspensions and civil monetary penalties in each case on providers out of compliance with the COPs. In addition, CMS engages or has engaged a number of third-party audit contractors to conduct Additional Documentation Requests and other third-party firms, including Recovery Audit Contractors, Program Safeguard Contractors, Zone Program Integrity Contractors, Uniform Program Integrity Contractors, Targeted Probe and Educate, and Medicaid Integrity Contractors, to conduct extensive reviews of claims data and state and federal government healthcare program laws and regulations applicable to healthcare providers. These audits evaluate the appropriateness of billings submitted for payment. In addition to identifying overpayments, audit contractors can refer suspected violations of law to government enforcement authorities.

If we fail to comply with applicable laws and regulations, we could be subjected to liabilities, including criminal penalties, civil penalties (including the loss of our licenses to operate one or more of our businesses) and exclusion of a service or facility, or Aveanna as a whole, from participation in the Medicare, Medicaid and other federal and state healthcare programs. If any of our services or facilities were to lose its accreditation or otherwise lose its certification under the Medicare and Medicaid programs, the service or facility, or Aveanna as a whole, may be unable to receive reimbursement from the Medicare and Medicaid programs and other payers. We believe our facilities and services are in substantial compliance with current applicable federal, state, local and independent review body regulations and standards. The requirements for licensure, certification and accreditation are subject to change and, in order to remain qualified, it may become necessary for us to make changes in our services, facilities, equipment, personnel and services in the future, which could have a material adverse impact on operations.

Accreditations

The Community Health Accreditation Program (the "CHAP") and Accreditation Commission for Health Care (the "ACHC") are nationwide commissions that establish standards relating to the physical plant, administration, quality of patient care and operation of medical staffs of healthcare organizations. Currently, CHAP and ACHC accreditation of home health and hospice agencies is voluntary. However, some managed care organizations use CHAP and ACHC accreditation as a credentialing standard for regional and state contracts. As of January 2, 2021, the CHAP has accredited 12 home health locations and ACHC has accredited 4 hospice locations. Those not yet accredited are working towards achieving this accreditation. As we acquire companies, we apply for accreditation 12 to 18 months after completing the acquisition.

Federal and State Anti-Fraud and Anti-Kickback Laws

As a provider under the Medicare and Medicaid systems, we are subject to various federal anti-fraud and abuse laws, including, without limitation, the federal healthcare programs' anti-kickback statute. Affected government healthcare programs include any healthcare plans or programs that are funded by the United States government (other than certain federal employee health insurance benefits/programs), including certain state healthcare programs that receive federal funds, such as Medicaid. We are also subject to various state anti-fraud and kickback laws which govern both government program and private payer activity.

Subject to certain exceptions, these laws prohibit any offer, payment, solicitation or receipt of any form of remuneration to induce or reward the referral of business payable under a government healthcare program or in return for the purchase, lease, order, arranging for, or recommendation of items or services covered under a government healthcare program. A related law forbids the offer or transfer of anything of value, including certain waivers of co-payment obligations and deductible amounts, to a beneficiary of Medicare or Medicaid that is likely to influence the beneficiary's selection of healthcare providers, again, subject to certain exceptions. Violations of the federal anti-kickback statute can result in imprisonment, the imposition of penalties topping $100,000, plus three times the amount of the improper remuneration and potentially, exclusion from furnishing services under any government healthcare program. In addition, the states in which we operate generally have laws that prohibit certain direct or indirect payments or fee-splitting arrangements between healthcare providers and/or other persons and entities where they are designed to obtain or induce the referral of patients from a particular person or provider.

We monitor all aspects of our business and have developed a comprehensive ethics and compliance program that is designed to monitor and address prevention of anti-fraud and kickback laws.

Stark Law

Federal law includes a provision commonly known as the "Stark Law." This law prohibits physicians from referring Medicare and Medicaid patients to entities with which they or any of their immediate family members have a financial relationship, unless an exception to the law's prohibition is met. Sanctions for violating the Stark Law include significant civil penalties including over $25,000 for each violation, over $169,000 for schemes to circumvent the Stark Law restrictions and up to $10,000 for each day an entity fails to report required information and exclusion from the federal healthcare programs. There are a number of exceptions to the self-referral prohibition, including employment contracts, leases and recruitment agreements that adhere to certain enumerated requirements.

On November 20, 2020, CMS issued a final rule modernizing and clarifying the Stark Law regulations. This final rule aims to reduce the unnecessary regulatory burdens on physicians and other healthcare providers while reinforcing the Stark Law's goal of protecting patients from unnecessary services and being steered to lower quality or more expensive services because of a physician's financial self-interest. The final rule creates new exceptions to the Stark Law for value-based arrangements by permitting physicians and other healthcare providers to design and enter into value-based arrangements. Additionally, the final rule modifies existing exceptions governing compensation provided to a physician by another healthcare provider by providing new guidance on how to determine fair market value.

Violations of the Stark Law result in payment denials and may also trigger civil monetary penalties and federal program exclusion. Several of the states in which we conduct business have also enacted statutes similar in scope and purpose to the federal fraud and abuse laws and the Stark Law. These state laws may mirror the federal Stark Law or may be different in scope. The available guidance and enforcement activity associated with such state laws varies considerably.

We monitor all aspects of our business and have developed a comprehensive ethics and compliance program that is designed to meet or exceed applicable federal guidelines and industry standards. Nonetheless, because the law in this area is complex and constantly evolving, there can be no assurance that federal regulatory authorities will not determine that any of our arrangements with physicians violate the Stark Law.

Federal and State Privacy and Security Laws

HIPAA requires us to comply with standards for the exchange of health information within our company and with third parties, such as payers, business associates and patients. These include standards for common healthcare transactions, such as: claims information, plan eligibility, payment information and the use of electronic signatures; unique identifiers for providers, employers, health plans and individuals; and security, privacy, breach notification and enforcement. Under HIPAA, a “covered entity” includes healthcare providers, healthcare clearinghouses and health plans/insurers, and a “business associate” is a person or entity, other than a member of the workforce of a covered entity, who performs functions or activities on behalf of, or provides certain services to, a covered entity that involve access by the business associate to protected health information.

HIPAA transaction regulations establish form, format and data content requirements for most electronic healthcare transactions, such as healthcare claims that are submitted electronically. The HIPAA privacy regulations establish comprehensive requirements relating to the use and disclosure of protected health information. The HIPAA security regulations establish minimum standards for the protection of protected health information that is stored or transmitted electronically. The HIPAA breach notification regulations establish the applicable requirements for notifying individuals, the HHS, and the media in the event of a data breach affecting protected health information. Violations of the privacy, security and breach notification regulations are punishable by civil and criminal penalties.

The American Recovery and Economic Reinvestment Act of 2009 (“ARRA”) increased the amount of civil monetary penalties that can be imposed for violations of HIPAA, and the amounts are updated annually for inflation. For 2020, penalties for HIPAA violations can range from $119 to $1.785 million per violation with a maximum fine of $1.785 million for identical violations during a calendar year. ARRA also authorized State Attorneys General to bring civil enforcement actions under HIPAA, and attorney generals are actively engaged in enforcement. These penalties could be in addition to other penalties assessed by a state for a breach which would be considered reportable under the state’s data breach notification laws.

The HITECH Act was enacted in conjunction with ARRA. Among other things, the HITECH Act makes business associates of covered entities directly liable for compliance with certain HIPAA requirements, strengthens the limitations on the use and disclosure of protected health information without individual authorizations, and adopts the additional HITECH Act enhancements, including enforcement of noncompliance with HIPAA due to willful neglect. The changes to HIPAA enacted as part of ARRA reflect a Congressional intent that HIPAA’s privacy and security provisions be more strictly enforced. These changes have stimulated increased enforcement activity and enhanced the potential that healthcare providers will be subject to financial penalties for violations of HIPAA. In addition, the Secretary of HHS is required to perform periodic audits to ensure covered entities (and their business associates, as that term is defined under HIPAA) comply with the applicable HIPAA requirements, increasing the likelihood that a HIPAA violation will result in an enforcement action.

In addition to the federal HIPAA regulations, most states also have laws that regulate the collection, storage, use, retention, security, disclosure, transfer and other processing of health information and other confidential, sensitive and personal data. Certain of these laws grant individual rights with respect to their information, and we may be required to expend significant resources to comply with these laws. For example, various states, such as California and Massachusetts, have implemented privacy laws and regulations, such as the California Confidentiality of Medical Information Act, that impose restrictive requirements regulating the use and disclosure of personally identifiable information, including PHI. These laws in many cases are more restrictive than, and may not be preempted by, the HIPAA rules and may be subject to varying interpretations by courts and government agencies.

Further, all 50 states and the District of Columbia have adopted data breach notification laws that impose, in varying degrees, an obligation to notify affected persons and/or state regulators in the event of a data breach or compromise, including when their personal information has or may have been accessed by an unauthorized person. Some state breach notification laws may also impose physical and electronic security requirements regarding the safeguarding of personal information, such as social security numbers and bank and credit card account numbers. Moreover, states have been frequently amending existing laws, requiring attention to changing regulatory requirements. Violation of state privacy, security, and breach notification laws can trigger significant monetary penalties. In addition, certain states' privacy, security, and data breach laws, including, for example, the CCPA, include a private right of action that may expose us to private litigation regarding our privacy practices and significant damages awards or settlements in civil litigation. Complying with these various laws, rules, regulations and standards, and with any new laws or regulations changes to existing laws, could cause us to incur substantial costs that are likely to increase over time, require us to change our business practices in a manner adverse to our business, divert resources from other initiatives and projects, and restrict the way products and services involving data are offered.

The False Claims Act

The FCA prohibits false claims or requests for payment, for which payment may be made by a federal government program, including for healthcare services. Under the FCA, the federal government may penalize any person who knowingly submits, or participates in submitting, claims for payment to the federal government which are false or fraudulent, or which contain false information. Any person who knowingly makes or uses a false record or statement to avoid paying the federal government, or knowingly conceals or avoids an obligation to pay money to the federal government, may also be subject to fines under the FCA. Under the FCA, the term "person" means an individual, company or corporation.

The federal government has used the FCA to cover Medicare, Medicaid and other governmental program fraud in areas such as violations of the federal Anti-Kickback Statute or the Stark Laws, coding errors, billing for services not provided and submitting false cost reports. The FCA has also been used to bring suit against people or entities that bill services at a higher reimbursement rate than is allowed and that bill for care that is not medically necessary. In addition to government enforcement, the FCA authorizes private citizens to bring qui tam or "whistleblower" lawsuits, greatly extending the number of actions under the FCA. The per-claim penalty range is between $11,665 and $23,331 (last updated 2020).

The Fraud Enforcement and Recovery Act of 2009 ("FERA") amended the FCA with the intent of enhancing the powers of government enforcement authorities and whistleblowers to bring FCA cases. In particular, FERA attempts to clarify that liability may be established not only for false claims submitted directly to the government, but also for claims submitted to government contractors and grantees. FERA also seeks to clarify that liability exists for attempts to avoid repayment of overpayments, including improper retention of federal funds. FERA also included amendments to FCA procedures, expanding the government's ability to use the Civil Investigative Demand process to investigate defendants, and permitting government complaints in intervention to relate back to the filing of the whistleblower's original complaint. FERA has increased both the volume and liability exposure of FCA cases brought against healthcare providers.

In the ACA, Congress enacted requirements related to identifying and returning overpayments made under Medicare and Medicaid. CMS finalized regulations regarding this so-called "60-day rule," which requires providers to report and return Medicare and Medicaid overpayments within 60 days of identifying the same. A provider who retains identified overpayments beyond 60 days may be liable under the FCA. "Identification" occurs when a person "has, or should have through the exercise of reasonable diligence," identified and quantified the amount of an overpayment. The final rule also established a six-year lookback period, meaning overpayments must be reported and returned if a person identifies the overpayment within six years of the date the overpayment was received. Providers must report and return overpayments even if they did not cause the overpayment.

In addition to the FCA, the federal government may use several criminal statutes to prosecute the submission of false or fraudulent claims for payment to the federal government. Many states have similar false claims statutes that impose liability for the types of acts prohibited by the FCA. As part of the Deficit Reduction Act of 2005 (the “DRA”), Congress provided states an incentive to adopt state false claims acts consistent with the federal FCA. Additionally, the DRA required providers who receive $5 million or more annually from Medicaid to include information on federal and state false claims acts, whistleblower protections and the providers’ own policies on detecting and preventing fraud in their written employee policies.

Governmental Review, Audits and Investigations

The HHS, CMS, DOJ and other federal and state agencies continue to impose intensive enforcement policies and conduct random and directed audits, reviews, and investigations designed to insure compliance with applicable healthcare program participation and payment laws and regulations. As a result, we are routinely the subject of such audits, reviews, and investigations.

The DOJ, CMS or other federal and state enforcement and regulatory agencies may conduct additional investigations related to the Company’s businesses in the future. These audits and investigations could potentially cause delays in collections, recoupments, retroactive adjustment to amounts previously paid from governmental payers. We cannot predict the ultimate outcome of any regulatory and other governmental audits and investigations. While such audits and investigations are the subject of administrative appeals, the appeals process, even if successful, may take several years to resolve. The Company’s costs to respond to and defend any such audits, reviews and investigations could be significant and are likely to increase in the current enforcement environment.

FDA Regulation

The U.S. Food and Drug Administration (“FDA”) regulates medical device user facilities, which include home health providers. FDA regulations require user facilities to report patient deaths and serious injuries to the FDA and/or the manufacturer of a device used by the facility if the device may have caused or contributed to the death or serious injury of any patient. FDA regulations also require user facilities to maintain files related to adverse events and to establish and implement appropriate procedures to ensure compliance with the above reporting and recordkeeping requirements. User facilities are subject to FDA inspection, and noncompliance with applicable requirements may result in warning letters or sanctions including civil monetary penalties, injunction, product seizure, criminal fines and/or imprisonment.

The Improving Medicare Post-Acute Care Transformation Act

In October 2014, the IMPACT Act was signed into law requiring the reporting of standardized patient assessment data for quality improvement, payment and discharge planning purposes across the spectrum of post-acute care providers (“PACs”), including skilled nursing facilities and home health agencies. The IMPACT Act requires PACs to begin reporting: (1) standardized patient assessment data at admission and discharge by October 1, 2018 for PACs, including skilled nursing facilities and by January 1, 2019 for home health agencies; (2) new quality measures, including functional status, skin integrity, medication reconciliation, incidence of major falls and patient preference regarding treatment and discharge at various intervals between October 1, 2016 and January 1, 2019; and (3) resource use measures, including Medicare spending per beneficiary, discharge to community and hospitalization rates of potentially preventable readmissions by January 1, 2016 for PACs, including skilled nursing facilities and by October 1, 2017 for home health agencies. Failure to report such data when required would subject a facility to a 2% reduction in market basket prices then in effect.

The IMPACT Act further requires HHS and the Medicare Payment Advisory Commission (“MedPAC”), a commission chartered by Congress to advise it on Medicare payment issues, to study alternative PAC payment models, including payment based upon individual patient characteristics and not care setting, with corresponding

Congressional reports required based on such analysis. The IMPACT Act also included provisions impacting Medicare-certified hospices, including: (1) increasing survey frequency for Medicare-certified hospices to once every 36 months; (2) imposing a medical review process for facilities with a high percentage of stays in excess of 180 days; and (3) updating the annual aggregate Medicare payment cap.

Pre-Claim Review Demonstration for Home Health Services

On June 8, 2016, CMS announced the implementation of a three-year Medicare pre-claim review ("PCR") demonstration for home health services provided to beneficiaries in the states of Illinois, Florida, Texas, Michigan and Massachusetts. The PCR is a process through which a request for provisional affirmation of coverage is submitted for review before a final claim is submitted for payment. On April 1, 2017, CMS paused the PCR Demonstration for home health services while CMS considered a number of changes. CMS revised the demonstration to incorporate more flexibility and choices for providers, as well as risk-based changes to reward providers who show compliance with Medicare home health policies.

On May 31, 2018, CMS issued a notice indicating its intention to re-launch a home health agency PCR demonstration project. The original program had drawn criticism that it created significant administrative burdens and reduced access to care. Now called the Review Choice Demonstration for Home Health Services ("RCD"), the revised demonstration will give home health agencies in the demonstration states 3 options: PCR of all claims, post-payment review of all claims, or minimal post-payment review with a 25% payment reduction for all home health services. Under the PCR and post-payment review options, provider claims are reviewed for every episode of care until the appropriate claim approval rate (90% based on a minimum of 10 pre-claim requests or claims submitted) is reached. Further, once the appropriate claim approval rate is reached, a provider can elect to opt-out of claim reviews except for a spot check of 5% of its claims to ensure continued compliance. The demonstration initially applies to home health agency providers in Florida, Illinois, North Carolina, Ohio and Texas, with the option to expand after 5 years to other states in the Medicare Administrative Contractor Jurisdiction M (Palmetto). In an October 21, 2019 release, CMS announced that it would reschedule the next phase of its RCD to allow agencies time to transition to the PDGM. CMS announced that RCD implementation would resume on March 2, 2020 in Texas, followed by demonstrations in North Carolina and Florida on May 4, 2020. However, CMS officials have indicated that these dates are subject to change. The choice selection period began on January 15, 2020 and ended on February 13, 2020 for home health agencies located in Texas. Following the close of the choice selection period, the demonstration was expected to begin in Texas on March 2, 2020, and all periods of care starting on or after this date would be subject to the requirements of the choice selected. However, on March 30, 2020, CMS announced a pause of certain claims processing requirements for the RCD in Illinois, Ohio, and Texas until the PHE for the COVID-19 pandemic has ended. In addition, CMS announced that the demonstration would not begin in North Carolina and Florida on May 4, 2020, as previously scheduled. On July 7, 2020, CMS announced that CMS would discontinue exercising enforcement discretion RCD, beginning on August 3, 2020, regardless of the status of the PHE. CMS announced that the initial choice selection period would begin in North Carolina and Florida on August 3, 2020 and end on August 17, 2020, and that the choice selection period for Ohio's second review cycle would also begin August 3, 2020 and end on August 17, 2020. On December 22, 2020, CMS delayed the initial choice selection period for Florida and North Carolina and announced that selection period would begin in Florida and North Carolina on March 31, 2021. Following these choice selection periods, home health claims in all demonstration states (Illinois, Ohio, Texas, North Carolina, and Florida) with billing periods beginning on or after March 31, 2021 are subject to review under the requirements of the choice selected.

Home Health Value-Based Purchasing

On January 1, 2016, CMS implemented the Home Health Value-Based Purchasing ("HHVBP") model. The HHVBP model was designed to give Medicare-certified home health agencies incentives or penalties, through payment bonuses, to give higher quality and more efficient care. HHVBP was rolled out to nine pilot states: Arizona, Florida, Iowa, Maryland, Massachusetts, Nebraska, North Carolina, Tennessee and Washington, six of which Aveanna currently has home health operations. Bonuses and penalties began in 2018 with the maximum of plus or minus 3% growing to plus or minus 8% by 2022. Payment adjustments are calculated based on performance in 20 measures which include current Quality of Patient Care and Patient Satisfaction star measures, as well as measures based on submission of data to a CMS web portal. The measures used may be subject to modification or change by CMS. Under the demonstration, home health agencies with higher performance receive bonuses, while those with lower scores receive lower payments relative to current levels. Home health agency performance is evaluated against separate improvement and attainment scores, with payment tied to the higher of these two scores. CMS used 2015 as the baseline year for performance, with 2016 as the first year for performance measurement. The first payment adjustment began January 1, 2018, based on 2016 performance data. Between 2018 and 2022, the payment adjustment varies (upward or downward) from 3% to 8%.

Home Health Payment Reform

On February 9, 2018, Congress passed the Bipartisan Budget Act of 2018 ("BBA of 2018"), which funded government operations, set two-year government spending limits and enacted a variety of healthcare related policies. Specific to home health, the BBA of 2018 provides for a targeted extension of the home health rural add-on payment, a reduction of the 2020 market basket update, modification of eligibility documentation requirements and reform to the HHPPS. The HHPPS reform included the following parameters: for home health units of service beginning on January 1, 2020, a 30-day payment system will apply; the transition to the 30-day payment system must be budget neutral; and CMS must conduct at least one Technical Expert Panel during 2018, prior to any notice and comment rulemaking process, related to the design of any new case-mix adjustment model.

The final home health agency regulations introduced by CMS (CMS-1689-FC) updated the Medicare HHPPS and finalized the implementation of an alternative case-mix adjustment methodology, PDGM, that became effective on January 1, 2020. The PDGM adjusted payments to home health agencies providing home health services under Medicare Fee-For-Service based on patient characteristics for 30-day periods of care and also eliminated the use of therapy visits in the determination of payments. While the changes were to be implemented in a budget neutral manner to the industry, the ultimate impact will vary by provider based on factors including patient mix and admission source. Additionally, CMS made assumptions about behavioral changes which were finalized in the 2020 Final Rule released on October 31, 2019 (CMS-1711-FC). CMS assumed that home health agencies will change their documentation and coding practices and will put the highest paying diagnosis code as the principal diagnosis code in order to have a 30-day period be placed into a higher-paying clinical group. Initially, CMS proposed an 8.1% reduction in the base payment rate for a 30-day period of care to ensure overall budget neutrality in Medicare home health spending in 2020. In the 2020 Final Rule, CMS reduced that downward adjustment to 4.36%. Notably, CMS is required by the law to analyze data for CYs 2020-2026, retrospectively, to determine the impact of the difference between assumed and actual behavior changes and to make any such payment changes as are necessary to offset or supplement the adjustments based on anticipated behavior. Additionally, in an effort to eliminate fraud risks, CMS is phasing out requests for anticipated payment ("RAPs") over 2020 with the full elimination of RAPs in 2021.

Durable Medical Equipment (DME) Medicare Administrative Contractor

Some of our products are classified as Durable Medical Equipment ("DME") under Medicare regulations. In order to ensure that Medicare beneficiaries only receive medically necessary and appropriate items and services, the Medicare program has adopted a number of documentation requirements. For example, certain provisions under CMS guidance manuals, local coverage determinations, and the Durable Medical Equipment Medicare Administrative Contractor ("DME MAC") Supplier Manuals provide that clinical information from the "patient's medical record" is required to justify the initial and ongoing medical necessity for the provision of DME. Some DME MACs, CMS staff and other government contractors have recently taken the position, among other things, that the "patient's medical record" refers not to documentation maintained by the DME supplier but instead to documentation maintained by the patient's physician, healthcare facility or other clinician, and that clinical information created by the DME supplier's personnel and confirmed by the patient's physician is not sufficient to establish medical necessity. If treating physicians do not adequately document, among other things, their diagnoses and plans of care, the risks that Aveanna will be subject to audits and payment denials are likely to increase. Moreover, auditors' interpretations of these policies are inconsistent and subject to individual interpretation, leading to significant increases in individual supplier and industry-wide perceived error rates. High error rates could lead to further audit activity and regulatory burdens and could result in Aveanna making significant refunds and other payments to Medicare and other government programs. Accordingly, Aveanna's future revenues and cash flows from government healthcare programs may be reduced. Private payers also may conduct audits and may take legal action to recover alleged overpayments. Our MS segment could be adversely affected in some of the markets in which it operates if the auditing payer alleges substantial overpayments were made to Aveanna due to coding errors or lack of documentation to support medical necessity determinations.

Federal and state budgetary and other cost-containment pressures will continue to impact the DME industry. We cannot predict whether new federal and state budgetary proposals will be adopted or the effect, if any, such proposals would have on its financial condition and results of operations.

Quality Improvement and Regulatory Services

Aveanna performs quality improvement and regulatory services. The Company has set forth a quality platform that reviews:

- Performance improvement audits;
- CHAP standards;
- ACHC standards;
- State and regulatory surveys;
- Publicly reported quality data; and
- Patient perception of care.

As part of our ongoing quality control, internal auditing, and monitoring programs, we conduct internal regulatory audits at each of our facilities. If a facility does not achieve a satisfactory rating, we require that it prepare and implement a plan of correction. We then follow-up to verify that all deficiencies identified in the initial audit and survey have been corrected.

We constantly expand and refine our continuous quality improvement programs. Specific written policies, procedures, training, and educational materials and programs, as well as auditing and monitoring activities, have been prepared and implemented to address the functional and operational aspects of our business. Our programs also address specific areas identified for improvement through regulatory interpretation and enforcement activities. We believe our consistent focus on continuous quality improvement programs provide us with a competitive advantage in the markets we serve.

Our Training and Compliance Programs

The Company has established and continually maintains a comprehensive compliance program that is designed to assist all of our employees to exceed applicable standards established by federal and state laws and regulations and industry practice. Our goal is to foster and maintain the highest standards of compliance, ethics, integrity, and professionalism in every aspect of our business dealings, and we utilize our compliance program to assist our employees toward achieving that goal.

The purpose of our compliance and ethics program is to promote and foster compliance with applicable legal and regulatory requirements, the requirements of the Medicare and Medicaid programs and other government healthcare programs, industry standards, our Code of Conduct, and our other policies and procedures that support and enhance overall compliance within our Company. Our compliance program focuses on regulations related to the federal False Claims Act, the Stark Law, the federal Anti-Kickback Law, billing and overall adherence to healthcare regulations.

The Company performs many compliance program activities, such as:

- drafting and revising the Company's policies and procedures related to compliance and ethics issues;
- reviewing, making recommended revisions, disseminating and tracking attestations to our Code of Conduct;
- measuring compliance with our policies and procedures, Code of Conduct and legal and regulatory requirements related to the Medicare and Medicaid programs and other government healthcare programs, laws and regulations;
- developing and providing compliance-related training and education to all of our employees and, as appropriate, directors, contractors and other representatives and agents, including new-hire compliance training for all new employees, annual compliance training for all employees, sales compliance training to all members of our sales team, billing compliance training to all members of our billing and revenue cycle team and other job-specific and role-based compliance training of certain employees;
- verifying that current and potential employees are not classified as an excluded individual who is prohibited from participation in any federal healthcare program, such as Medicare or Medicaid;
- implementing an annual compliance auditing and monitoring work plan and performing and following up on various risk-based auditing and monitoring activities, including both clinical and non-clinical auditing and monitoring activities at the corporate level and at the local agency/facility level;
- developing, implementing and overseeing our HIPAA privacy and security compliance program;
- monitoring, responding to and overseeing the resolution of issues and concerns raised through our anonymous compliance hotline;
- monitoring, responding to and resolving all compliance and ethics-related issues and concerns raised through any other form of communication; and
- ensuring that we take appropriate corrective and disciplinary action when noncompliant or improper conduct is identified.

All employees are required to report incidents, issues or other concerns that they believe in good faith may be in violation of our Code of Conduct, our policies and procedures, applicable legal and regulatory requirements or the requirements of the Medicare and Medicaid programs and other government healthcare programs.

We believe we have best-in-class nurse training and compliance capabilities that differentiate our recruiting and retention of nurses as well as establish long-lasting relationships with referral sources and payers. Our robust compliance program is led by a seasoned and experienced Chief Compliance Officer who seeks to hold the Company's employees to a consistent, high standard, with required compliance training and annual audits. Emblematic of our commitment to compliance, all members of our management team and Board of Directors are required to complete the same training and knowledge assessments as our employees. This is designed to ensure that the culture of compliance reaches the highest levels of management within our Company.

We maintain a compliance hotline for all employees and have stringent compliance reporting on an annual basis. Our branch and nurse managers are held personally accountable for our compliance culture, and their incentive compensation is tied to a balanced scorecard that includes clinical quality as a key performance indicator. In addition, we continue to make significant investments in training for nurses and have increased the emphasis on clinical, training and compliance since the Formation. The Company has developed a national nurse training program that is widely sought after as an educational investment by nurses. Our investments in compliance and training have resulted in a very strong track record of patient safety, with fewer than one safety-related injury per 2,000,000 hours of service provided from 2018 to date. We also have demonstrated a low hospital readmission rate, enjoy strong satisfaction scores in patient surveys and benefit from a strong reputation with referral sources.

Trademarks and Intellectual Property

Aveanna has various trademarks and service marks registered with the U.S. Patent and Trademark Office, including: ALWAYS AT HOME®, AVEANNA®, AVEANNACARE®, AVEANNA CONNECT®, AVEANNA HEALTHCARE®, AVEANNA HEALTHCARE (stylized and with Aveanna Logo Design)®, Aveanna Logo (no color claim)®, Aveanna Logo (color)®, Children Design®, LOVING CARE®, LOVING CARE AGENCY®, NURSES ARE THE HEARTBEAT OF PSA®, P.E.E.P.®, PEDIATRIA HEALTHCARE®, PEDIATRIC SPECIAL CARE (stylized and with design)®, PSA HEALTHCARE® and PSAHEALTHCARE (and design)®. EPIC MEDICAL SOLUTIONS® is registered in the State of Arizona.

CAREGIVERS ARE THE HEART OF AVEANNA (SM) is in the process of being registered with the U.S. Patent and Trademark Office. STORK WATCH GIVING LIFE A GOOD START HOME CARE SERVICES FOR MOTHER AND BABIES (and design) is an unregistered service mark. Other than these trademarks, there is no intellectual property, including patents and copyrights, that are material to our business and operations.

The current registrations of these trademarks are effective for varying periods of time and may be renewed periodically, subject to compliance with all applicable renewal requirements, including, where necessary, the continued use of the marks in connection with the registered goods or services. Our rights to some of these trademarks may be limited to select markets. A federally registered trademark provides a presumption of validity and ownership of the mark by Aveanna in connection with its goods or services and constitutes constructive notice throughout the United States of such ownership. A federal registration also provides nationwide trademark rights as of the filing date of the application. Management believes that Aveanna's name and trademarks are important to its operations and intends to continue to renew its trademark registrations.

Properties and Facilities

Aveanna's corporate headquarters is leased and is located at 400 Interstate N Parkway, Suite 1600, Atlanta, Georgia 30339. Aveanna also maintains approximately 250 leases for other offices and medical sites with various expiration terms from more than one year to 10 years. Aveanna does not currently own any real estate.

Legal Proceedings and Government Matters

We are a party to legal proceedings, claims and governmental inquiries in the ordinary course of our business. We are exposed to various risks related to legal proceedings, claims and governmental inquiries that could adversely affect our operating results. The nature of our business exposes us to various liability claims, which may exceed the level of our insurance coverage, meaning that our insurance may not fully protect us. See "Risk Factors—Risks Related to Our Business and Industry."

On July 27, 2015, with no admissions of liability, PSA, a predecessor to Aveanna, entered into a settlement agreement with the DOJ relating to certain business practices, specifically the alleged retention of credit balances by PSA owed to various state and federal payers prior to the formation of Aveanna in March 2017. Concurrently with its entry into this agreement, PSA entered into a CIA with the OIG. See "Risk Factors—Risks Related to Our Regulatory Framework." Although the covered conduct related to services prior to the formation of Aveanna, the CIA, for operational and organizational consistency, relates to all of Aveanna's PDN operations. With the formation of Aveanna on March 16, 2017, Aveanna assumed responsibility for compliance with and completion of the CIA. The CIA, which has a term of five years, formalizes various aspects of already existing ethics and compliance programs and contains other requirements designed to help ensure ongoing compliance with federal healthcare program requirements. Aveanna's compliance obligations under the CIA terminated on July 27, 2020, and Aveanna submitted its final annual report to OIG on October 15, 2020. Paragraph II.B. of the CIA provides that "Sections VII, X and XI shall expire no later than 120 days after OIG's receipt of: (1) PSA's final report; or (2) any additional materials submitted by PSA pursuant to OIG's request, whichever is later." On January 8, 2021, we submitted a supplemental report to OIG in response to several questions arising out of our annual report. With the submission of the supplemental report, and if no further inquiries are received from OIG, all material obligations under the CIA should terminate on or about May 4, 2021. OIG will formalize the termination of a CIA with a closure letter.

On February 9, 2019, certain employees filed a complaint against the Company in the San Diego Superior Court (Central Division) alleging failure to correctly pay overtime, failure to be provided with meal and rest break periods, and failure to track and monitor off the clock work. We reported the matter to insurance and engaged in settlement negotiations. This matter has been settled and the parties received final approval of the settlement agreement by the Court on February 1, 2021, which constitutes a final judgment in this matter. The nature of the relief granted under the settlement agreement was strictly monetary, in a gross settlement amount of $4.45 million. The Court will retain jurisdiction for the next 180 days to ensure that the settlement has been appropriately administered in accord with the order approving the settlement.

On March 21, 2019, the Texas Health and Human Services Commission ("TX HHSC") initiated revocation proceedings to terminate the PDN license for one of our local branch offices for an incident involving patient hospitalization and reporting requirements. On May 9, 2019, the Company timely appealed and revocation is stayed pending administrative hearing. The hearing in this matter remains stayed, as the Company and TX HHSC have reached an agreement in principle and are working to finalize the terms and conditions and necessary documentation. Under the proposed settlement, the Company will pay fines of approximately $11,000 and will retain its PDN license. The Company will also implement additional education and training.

In October 2019, the Antitrust Division of the U.S. Department of Justice served upon us a grand jury subpoena currently requiring the production of documents and information pertaining to nurse wages and hiring activities in certain of our local markets. We are cooperating with the Antitrust Division, from which we received our most recent communication in August 2020, and we believe that these inquiries are unlikely to materially impact our business, results of operations and financial condition.

In February 2020, the Company advised the Office for Civil Rights, certain potentially affected persons and applicable State Attorneys General that consumer information (including social security numbers and financial account information) may have been illegally accessed by an unauthorized third party. The Company hired leading forensic firms to support its investigation, assess its systems and implement measures to bolster its security. Based on its investigation, the Company determined that the intruder may have accessed certain employee email accounts between July 9, 2019 and August 24, 2019. The Company notified approximately 170,000 impacted individuals (including current and former patients) that it is possible certain information may have been copied and transferred as a result of the unauthorized access, although there was no confirmation of any unauthorized acquisition, disclosure, use of, or access to such information as a result of the incident. Following the incident, the Company received notice that a class action complaint had been filed against the Company in the U.S. District Court for the Northern District of Georgia. The complaint alleges, among other things, that the Company failed to take the necessary security precautions to protect patient information and prevent the data breach, and that the Company failed to provide timely and adequate notice to affected persons that their personal information had been subject to unauthorized access. Because of the early stage of this matter and the uncertainties of litigation, we cannot predict the ultimate resolution of this matter or estimate the amounts of, or ranges of, potential loss, if any, with respect to this proceeding. The Company intends to defend this lawsuit vigorously and has filed a motion to dismiss the case, which is currently pending. In addition, the Company has responded to a request for information regarding the data breach and the Company's response from the Office for Civil Rights as well as additional inquiries from State Attorneys General. The Company has provided the information requested to each of these agencies. The Company could face fines or penalties as a result of these inquiries. However, due to the early stages of these matters, we cannot predict the ultimate resolution or estimate the amounts of, or ranges of, potential loss, if any.

On August 6, 2020, the Company sued Epic/Freedom, LLC, Webster Capital Corporation, Webster Equity Partners and several related parties (the “Defendants”) in the Delaware Superior Court. The Company asserts that the Defendants made fraudulent representations and warranties in connection with the Epic acquisition. The Company is seeking damages ranging from $24 million to $50 million. The Company also requested a declaratory judgment holding that the Defendants waived any claim to $7.125 million in escrow funds. The Defendants asserted four counterclaims: (1) specific performance of an alleged right to control a tax audit; (2) advancement of litigation fees and expenses; (3) a declaratory judgment; and (4) breach of contract claim concerning the escrow funds. The Company has reached an agreement with the Defendants, which allows the Defendants to take a principal role in the applicable tax audit, although the Company will continue to communicate with the Internal Revenue Service and retain the ability to make strategic decisions with respect to this audit. We believe the claim for advancement of litigation fees and expenses is close to resolution, and the remaining claims are currently ongoing. Due to the early stages of these matters, we cannot predict the ultimate resolution or estimate the amount of recovery, if any.

MANAGEMENT

Directors and Executive Officers

The following table provides information regarding our executive officers and members of our Board of Directors as of the date of this prospectus:

Name	Age	Position
Rodney D. Windley	73	Executive Chairman
Tony Strange	58	Chief Executive Officer and Director
Jeffrey Shaner	48	Chief Operating Officer
David Afshar	49	Chief Financial Officer
Shannon Drake	46	General Counsel and Chief Legal Officer
Ed Reisz	62	Chief Administrative Officer
Beth Rubio	64	Chief Clinical Officer
Patrick Cunningham	65	Chief Compliance Officer
Victor F. Ganzi	74	Director
Christopher R. Gordon	48	Director
Devin O’Reilly	46	Director
Sheldon M. Retchin, M.D., M.S.P.H.	70	Director
Steven E. Rodgers	49	Director
Robert M. Williams, Jr.	56	Director
Richard C. Zoretic	62	Director

The following is a brief biography of each executive officer and director.

Rodney D. Windley, Executive Chairman, joined Aveanna in 2017 upon its Formation. Prior to that, Mr. Windley served as Executive Chairman of PSA from October 2015 to 2017. Previously, Mr. Windley served as executive chairman of the board of directors of Gentiva from February 2013 to December 2014 and as a director from February 2006 in connection with the acquisition of Healthfield. Mr. Windley, Healthfield’s founder, had served as its chairman and chief executive officer since its inception in 1986 until its acquisition in 2006. Mr. Windley is the chairman of Prom Queen, LLC, a private real estate holding and restaurant development company, chairman of RDW Ventures, LLC, a private equity firm, and chairman of Gulf Coast Yacht Group, LLC, a private yacht and sport fishing dealership. Mr. Windley received his Bachelor of Arts degree in accounting and finance from the University of West Florida.

Tony Strange, Chief Executive Officer and Director, joined Aveanna in 2017 upon its Formation. Prior to that, Mr. Strange served as president and chief executive officer of PSA from November 2015 to 2017. Mr. Strange served as chief executive officer and a director of Gentiva from January 2009 until February 2015. From 2001 to 2006, Mr. Strange served as president and chief operating officer of Healthfield. Mr. Strange joined Healthfield in 1990 and served in other capacities, including regional manager, vice president of development and chief operating officer, until being named president in 2001. Mr. Strange received his Bachelor of Science degree from the University of South Carolina.

Mr. Strange’s qualifications to serve on our Board of Directors include over 30 years of experience in the home health industry in various operating, financial and sales roles, and his past experiences serving as chief executive officer, chairman and board member of a publicly traded healthcare company and as chairman of an audit committee.

Jeffrey Shaner, Chief Operating Officer, joined Aveanna in 2017 upon its Formation. Prior to that, Mr. Shaner was chief operating officer of PSA since October 2015. Mr. Shaner began his healthcare business career in 2000 leading the operations at Total Care Inc. Mr. Shaner joined Healthfield following its acquisition of

Total Care Inc. and was later appointed to lead its home health division. Mr. Shaner served as president of operations of Gentiva from August 2010 until February 2015 and as operating partner for Linden Capital/Blue Wolf Capital, a private equity firm, from February 2015 to October 2015. Mr. Shaner received his Bachelor of Arts degree in business finance and economics from the University of Pittsburgh.

David Afshar, Chief Financial Officer, joined Aveanna in February 2018. Prior to that, Mr. Afshar served from 2010 to 2018 as chief financial officer of ApolloMD, a large multispecialty physician practice. Mr. Afshar has also served as an Inspections Leader with the Public Company Accounting Oversight Board, where he led inspections of "Big Four" audit firms. In addition, Mr. Afshar has served as chief accounting officer and interim CFO with Regency Hospital Company, a long-term acute care provider. Mr. Afshar received his Bachelor of Arts degree in Accounting from the University of Maryland and started his career with Ernst & Young, where he spent the majority of his time in the Health Sciences practice and served as senior manager.

Shannon Drake, General Counsel and Chief Legal Officer, joined Aveanna in 2017. Prior to that, Mr. Drake served as senior vice president and chief counsel at Kindred At Home, a nationwide home, health, hospice, and community care provider, from 2011 to 2017, and prior to that as assistant general counsel at Pruitt Healthcare, a Southeast regional operator of nursing facilities and home health and hospice locations. Mr. Drake previously served as an officer of the Kindred-Gentiva Hospice Foundation, and was a member of the board of directors of Mt. Bethel Christian Academy. Mr. Drake received his Bachelor of Arts degree in economics and political science and his Juris Doctor degree from the University of Georgia.

Ed Reisz, Chief Administrative Officer, joined Aveanna in 2017 upon its Formation. Prior to that, Mr. Reisz served as executive vice president and chief human resource officer for PSA from 2015 to 2017. Before joining PSA, Mr. Reisz served as the senior vice president and chief human resource officer for Gentiva. Mr. Reisz began his career in the financial industry and is the founder of Bridgewater Consulting, a regional consulting firm focusing on the home care industry.

Beth Rubio, Chief Clinical Officer, joined Aveanna in 2017 upon its Formation. Prior to that, Ms. Rubio served as vice president of clinical services and chief clinical officer since 2009 of PSA. Ms. Rubio joined PSA in 1993 and served as vice president and quality improvement and regulatory services prior to her promotion in 2009. Ms. Rubio has served on the advisory board for Chamberlain College of Nursing and is currently on the board for United Healthcare Children's Foundation. Ms. Rubio received her Associate of Science degree in nursing from Hillsborough Community College and her Bachelor of Science degree in nursing from the University of Tampa.

Patrick Cunningham, Chief Compliance Officer, joined Aveanna in 2017. Prior to that, Mr. Cunningham served as vice president and chief compliance officer of PSA from 2013 to 2017 and as vice president of the hospice division of Gentiva from 2004 to 2013. Before that, Mr. Cunningham led a behavioral health homecare program in Connecticut that provided therapeutic and preventive healthcare services. Mr. Cunningham is a registered psychiatric nurse and a state registered nurse. He received his Bachelor of Arts degree in health administration from the Institute of Public Administration in Dublin, Ireland and his Master of Science in Nursing from Yale University.

Victor F. Ganzi, Director, has served on our Board of Directors since 2017 upon our Formation. Prior to that, Mr. Ganzi served as the lead director on the advisory board of Gentiva from 2009 to 2015, as a director of PSA from 2016 to 2017 and as president and chief executive officer of the Hearst Corporation from 2002 to 2008. Prior to joining the Hearst Corporation, Mr. Ganzi was the managing partner at Rogers & Wells, now a part of Clifford Chance, an international law firm. Before joining Rogers & Wells, Mr. Ganzi was a certified public accountant, specializing in taxation, at a Big Four accounting firm. Mr. Ganzi currently serves on the board of Willis Towers Watson, a global advisory, broking and solutions company, and previously served as a director for companies such as Wyeth, ESPN, Hearst—Argyle Television and Gentiva Health Services, Inc. Mr. Ganzi also currently serves on the boards of the PGA Tour, Foster & Partners and the Whitney Museum of American Art. Mr. Ganzi graduated summa cum laude from Fordham University with a Bachelor of Science degree in accounting, received a Juris Doctor degree from Harvard Law School and holds an L.L.M. in taxation from New York University.

Mr. Ganzi's qualifications to serve on our Board of Directors include chairing and serving on more than 20 public, private and nonprofit boards over the course of his career and his extensive legal, accounting and business management education and experience.

Christopher R. Gordon, Director, has served on our Board of Directors since 2017. Mr. Gordon has been a managing director at Bain Capital since 2009 and is co-head of its North American Private Equity business. Since joining Bain in 1997, Mr. Gordon has served on the boards of directors for several healthcare companies in which Bain Capital has invested, including more recently Cerevel Therapeutic Holdings, Inc., Grupo NotreDame Intermédica, Surgery Partners, Inc. and U.S. Renal Care, Inc. Mr. Gordon currently also serves on the boards of directors of three not-for-profit organizations: Tenacity, Inc., the Dana Farber Cancer Institute and the Boston Medical Center Health Plan. Mr. Gordon is also a founding director of the Healthcare Private Equity Association, a not-for-profit trade group that supports the reputation, knowledge and relationships of the healthcare private equity community. Mr. Gordon received his Bachelor of Arts degree in economics from Harvard College and his Master of Business Administration degree from Harvard Business School.

Mr. Gordon's qualifications to serve on our Board of Directors include his extensive experience in the healthcare and private equity industries, his business training and education, and his experience serving on the boards of multiple healthcare companies over the course of his career.

Devin O'Reilly, Director, has served on our Board of Directors since 2017. Mr. O'Reilly has been a managing director of Bain Capital since 2013 and is co-head of healthcare investments in North America. Mr. O'Reilly previously spent five years in Bain Capital's London office, where he led the European private equity healthcare team. Prior to joining Bain Capital in 2005, Mr. O'Reilly was a consultant at Bain & Company where he consulted for private equity and healthcare industry clients. Mr. O'Reilly serves on the board of directors of several Bain Capital portfolio companies, including Grupo NotreDame Intermédica, Surgery Partners, Inc., U.S. Renal Care and Atento S.A. Mr. O'Reilly received his Bachelor of Arts degree from Princeton University and his Master of Business Administration degree from the University of Pennsylvania.

Mr. O'Reilly's qualifications to serve on our Board of Directors include his extensive experience in the healthcare and private equity industries, his business training and education, and his experience serving on multiple boards over the course of his career.

Sheldon M. Retchin, M.D., M.S.P.H, Director, has served on our Board of Directors since 2017. Dr. Retchin has been a professor of health services management and policy in the College of Public Health and professor of medicine in the College of Medicine at The Ohio State University ("OSU") since March 2015. Dr. Retchin also served as executive vice president for health sciences at OSU and chief executive officer of Wexner Medical Center from March 2015 to May 2017. Prior to joining the faculty of OSU, Dr. Retchin was senior vice president for health sciences at Virginia Commonwealth University ("VCU") and chief executive officer of the VCU Health System from July 2003 until February 2015. In 2015, Dr. Retchin was appointed as one of the 17 Commissioners to the Medicaid and CHIP Payment and Access Commission. From 2009 until 2015, Dr. Retchin served on the board of directors of Gentiva Health Services, Inc. Dr. Retchin received his Bachelor of Arts degree in Psychology, Medical Degree, and Master of Public Health degree from the University of North Carolina at Chapel Hill.

Dr. Retchin's qualifications to serve on our Board of Directors include his extensive experience as an executive in major medical centers and appointments to several national panels related to Medicaid and Medicare programs, managed care, the costs of care and the physician workforce.

Steven E. Rodgers, Director, has served on our Board of Directors since 2017. Prior to that, he was on the board of PSA from 2015 to 2017. Mr. Rodgers is a managing director of Morgan Stanley, a member of the

Investment Committee, the head of healthcare investing and a partner of Morgan Stanley Capital Partners. Mr. Rodgers joined Morgan Stanley in 2018 from J.H. Whitney Capital Partners, where he was a senior managing director focusing on private equity investments from April 2013 to March 2018. At J.H. Whitney, Mr. Rodgers was a member of the Investment Committee and led the firm's healthcare investing activities. Mr. Rodgers serves on the board of directors of Ovation Fertility, 3B Scientific, Clarity Software and U.S. HealthConnect. He previously served on the board of directors of a number of other healthcare companies, including Amisys Synertech, Herbalife, Patient Keeper and Symbion. Mr. Rodgers received his Bachelor of Arts degree in government from Dartmouth College and his Master of Business Administration degree from The Stanford University Graduate School of Business.

Mr. Rodgers' qualifications to serve on our Board of Directors include his extensive experience in the healthcare and private equity industries, his business training and education, and his experience serving on multiple boards and committees over the course of his career.

Robert M. Williams, Jr., Director, has served on our Board of Directors since 2017. Prior to that, he was on the board of PSA from 2015 to 2017. Mr. Williams is a senior managing director at J.H. Whitney Capital Partners and Investment Committee member. Prior to joining J.H. Whitney Capital Partners in 2000, Mr. Williams was a partner at Duff & Phelps, an advisory firm specializing in governance-related issues. Mr. Williams received his Bachelor of Arts degree in economics from Bucknell University and his Master of Business Administration degree from Columbia University.

Mr. Williams' qualifications to serve on our Board of Directors include his extensive experience in the private equity industry, his business training and education, and his experience serving on multiple boards and committees over the course of his career.

Richard C. Zoretic, Director, has served on our Board of Directors since 2017. Prior to that, Mr. Zoretic served as executive vice president of WellPoint and president of the company's Government Business Division from January 2013 to May 2014. Before that, Mr. Zoretic served as the chief operating officer of Amerigroup Corporation. Earlier in his career, Mr. Zoretic held a series of positions with the Group Life and Health operations of MetLife, served in a senior leadership positions at UnitedHealth Group and was a management consultant in Deloitte Consulting's healthcare practice. Mr. Zoretic serves on the boards of Molina Healthcare, HealthSun in Florida and Landmark Health in California. Mr. Zoretic received his Bachelor of Science degree in finance from Pennsylvania State University and attended graduate executive programs at Harvard Business School, the University of Virginia Darden School of Business and the Harvard School of Public Health.

Mr. Zoretic's qualifications to serve on our Board of Directors include his over 30 years of experience in managed health care and his past experiences serving as a senior executive at various companies in the healthcare industry.

Family Relationships

There are no family relationships between any of our officers or directors.

Composition of our Board of Directors

Our business and affairs are managed under the direction of our Board of Directors. Contemporaneously with this offering, our Board of Directors will be composed of nine directors. Certain aspects of the composition and functioning of our Board of Directors may be subject to the rights of our principal stockholders under agreements with the Company, as prior to the consummation of this offering, the Sponsor Affiliates expect to agree on a corporate governance structure and Board of Directors designation rights for the Company following this offering which will be described in a subsequent amendment to this registration statement. Subject to such agreements, nominees for election as directors will be recommended to our Board of Directors by our nominating and corporate governance committee in accordance with the provisions of applicable corporate law and the charter of our nominating and corporate governance committee. See "—Board Committees—Nominating and Corporate Governance Committee."

When considering whether directors have the experience, qualifications, attributes or skills, taken as a whole, to enable our Board of Directors to effectively satisfy its oversight responsibilities in light of our business and structure, the Board of Directors focuses primarily on each person's background and experience as reflected in the information discussed in the directors' respective biographies set forth above. We believe that our directors provide an appropriate mix of experience and skills relevant to the size and nature of our business.

In accordance with our Amended Charter and Amended Bylaws, each of which became effective prior to the consummation of this offering, our Board of Directors will be divided into three classes, as nearly equal in number as possible, with the directors in each class serving for a staggered three-year term and one class being elected at each annual meeting of stockholders. As a result, approximately one-third of our Board of Directors will be elected each year. We expect that, following this offering, our directors will be divided among the three classes as follows:

- The Class I directors will be Victor F. Ganzi, Devin O'Reilly and Robert M. Williams, Jr., and their terms will expire at the annual meeting of stockholders to be held in 2022;
- The Class II directors will be Christopher R. Gordon, Steven E. Rodgers and Rodney D. Windley, and their terms will expire at the annual meeting of stockholders to be held in 2023; and
- The Class III directors will be Dr. Sheldon M. Retchin, Tony Strange and Richard Zoretic, and their terms will expire at the annual meeting of stockholders to be held in 2024.

Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of our Board of Directors may have the effect of delaying or preventing changes in control of the Company. See "Risk Factors—Risks Related to this Offering and Ownership of Our Common Stock—Anti-takeover provisions in our governing documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock" and "Description of Capital Stock—Anti-Takeover Provisions."

In connection with the consummation of this offering, the Board of Directors will be increased to add two new directors, resulting in a total of 11 members. These new directorships will be vacant at the time of the consummation of this offering and will be reserved for independent director nominees that will bring additional diversity to our Board of Directors. We have engaged a consulting firm to assist the Board to identify potential directors to fill these vacancies. Pursuant to our A&R Stockholders Agreement, the Sponsor Affiliates must designate any nominee that is ultimately identified as a candidate for one of these newly-created directorships.

Director Independence

Prior to the consummation of this offering, our Board of Directors undertook a review of the independence of our directors and considered whether any director had a material relationship with us that could compromise that director's ability to exercise independent judgment in carrying out that director's responsibilities. Our Board of Directors has affirmatively determined that each of Victor F. Ganzi, Christopher R. Gordon, Devin O'Reilly, Dr. Sheldon M. Retchin, Steven E. Rodgers, Robert M. Williams, Jr. and Richard Zoretic is an "independent director," as defined under the rules of Nasdaq. In making these determinations, our Board of Directors considered the current and prior relationships that each director has with our Company and all other facts and circumstances our Board of Directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each director, and the transactions involving them described in the section titled "Certain Relationships and Related Party Transactions."

Controlled Company Exception

After the consummation of this offering, the Sponsors Affiliates will continue to beneficially own more than 50% of the combined voting power of our common stock. As a result, the Sponsor Affiliates will be entitled to nominate at least a majority of the total number of directors comprising our Board of Directors, and we will be a "controlled company" within the meaning of the corporate governance standards of Nasdaq.

Under the Nasdaq corporate governance standards, a company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance standards, including (i) the requirement that a majority of our Board of Directors consist of independent directors, (ii) the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities and (iii) the requirement that our director nominations be made, or recommended to our full Board of Directors, by our independent directors or by a nominations committee that consists entirely of independent directors and that we adopt a written charter or board resolution addressing the nominations process. Following this offering, we intend to utilize these exemptions. As a result, following this offering, we will not be obligated to maintain a majority of independent directors on our Board of Directors; therefore, you will not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance requirements. If we cease to be a "controlled company," then we will be required to comply with these provisions within the transition periods specified in the Nasdaq corporate governance rules.

Diversity

Board of Directors

We have not adopted a formal policy with respect to the identification and nomination of women and of other diverse attributes on the Board of Directors. Establishing and implementing a policy regarding diversity and female representation on the Board of Directors will be an element that we will take into consideration going forward.

The Board of Directors is committed to increasing the level of women on the Board of Directors as board turnover occurs from time to time, taking into account educational background, diversity of professional experience, knowledge of our business, integrity, professional reputation, independence, wisdom, the ability to represent the best interests of our stockholders along with the level of female representation on the Board of Directors. Accordingly, consideration of the number of women who are directors, along with consideration of whether other diverse attributes are sufficiently represented on the Board of Directors, will be an important component of the selection process for new members of the Board of Directors going forward.

Gender diversity on the Board of Directors will be achieved by continuously monitoring the level of female representation and, where appropriate, recruiting qualified female candidates to fill positions, as the need arises, through vacancies, growth or otherwise.

The Board of Directors has not adopted a target regarding the number of women on the Board of Directors as the Board of Directors has determined that a target would not be the most effective way of ensuring greater diversity. The Board of Directors will however consider the appropriateness of adopting such a target in the future.

Executive Officer Positions

In appointing individuals to executive officer positions, we weigh a number of factors, including educational background, diversity of professional experience, knowledge of our business, integrity, professional reputation, independence, wisdom, the ability to represent the best interests of our stockholders along with the level of diverse representation within our senior management team. We are committed to increasing the diversity of our executive officers going forward.

We have not adopted a target for the number of diverse candidates in executive officer positions. The Board of Directors believes the most effective way to achieve greater diversity in our senior management team is to identify high-potential candidates within the organization and work with them to ensure they develop the skills, acquire the experience and have the opportunities necessary to eventually occupy executive officer positions. This includes taking action to build a culture of inclusion throughout the organization. The Board of Directors will, however, continue to evaluate the appropriateness of adopting targets in the future.

Board Committees

Upon the consummation of this offering, the committees of our Board of Directors will comprise an audit committee, a compensation committee, a nominating and corporate governance committee and a clinical quality and compliance committee. Each committee will operate under a charter approved by our Board of Directors. Members will serve on these committees until their respective resignations or until otherwise determined by our Board of Directors. Following this offering, copies of each committee's charter will be available on our website, located at www.aveanna.com. Information contained on or accessible through our website does not form a part of this prospectus and is not incorporated by reference herein.

Audit Committee

Our audit committee will be responsible for, among other things:

- appointing, compensating, retaining, evaluating, terminating and overseeing our independent registered public accounting firm;
- discussing with our independent registered public accounting firm their independence from management;
- reviewing, with our independent registered public accounting firm, the scope and results of their audit;
- approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm;
- overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the quarterly and annual financial statements that we file with the SEC;
- overseeing our financial and accounting controls and compliance with legal and regulatory requirements;
- reviewing our policies on risk assessment and risk management;
- reviewing related person transactions; and
- establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters.

Upon the consummation of this offering, the audit committee will be composed of Victor F. Ganzi, Dr. Sheldon M. Retchin, Steven E. Rodgers and Richard Zoretic, with Mr. Ganzi serving as chair. Mr. Ganzi qualifies as an "audit committee financial expert" as such term has been defined in Item 407(d)(5) of Regulation S-K. Rule 10A-3 of the Exchange Act and the Nasdaq rules require that our audit committee have at least one independent member upon the listing of our common stock, have a majority of independent members within 90 days of the date of this prospectus and be composed entirely of independent members within one year of the date of this prospectus. Our Board of Directors has affirmatively determined that Messrs. Ganzi, Retchin, Rodgers and Zoretic each meet the definition of "independent director" for purposes of serving on the audit committee under the Nasdaq rules and the independence standards under Rule 10A-3 of the Exchange Act and the Nasdaq rules.

Following this offering, both our independent registered public accounting firm and management personnel will periodically meet privately with our audit committee.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee will be responsible for, among other things:

- identifying individuals qualified to become members of our Board of Directors, consistent with criteria approved by our Board of Directors;
- overseeing succession planning for our executive officers;
- periodically reviewing our Board of Directors' leadership structure and recommending any proposed changes to our Board of Directors;
- overseeing an annual evaluation of the effectiveness of our Board of Directors and its committees; and
- developing and recommending to our Board of Directors a set of corporate governance guidelines.

Upon the consummation of this offering, the nominating and corporate governance committee will be composed of Devin O'Reilly, Tony Strange, Robert M. Williams, Jr. and Rodney D. Windley, with Mr. Windley serving as chair. As described above, we intend to avail ourselves of the "controlled company" exemption under the Nasdaq rules, which exempts us from the requirement that we have a nominating and corporate governance committee composed entirely of independent directors. Messrs. Windley and Strange do not qualify as "independent directors" under the Nasdaq rules.

Compensation Committee

Our compensation committee will be responsible for, among other things:

- reviewing and approving the corporate goals and objectives, evaluating the performance and reviewing and approving the compensation of our executive officers;
- reviewing and approving or making recommendations to our Board of Directors regarding our incentive compensation and equity-based plans, policies and programs;
- reviewing and approving all employment agreement and severance arrangements for our executive officers;
- making recommendations to our Board of Directors regarding the compensation of our directors; and
- retaining and overseeing any compensation consultants.

Upon the consummation of this offering, the compensation committee will be composed of Christopher R. Gordon, Devin O'Reilly, Steven E. Rodgers and Robert M. Williams, Jr., with Mr. O'Reilly serving as chair. As described above, we intend to avail ourselves of the "controlled company" exemption under the Nasdaq rules, which exempts us from the requirement that we have a compensation committee composed entirely of independent directors.

Clinical Quality and Compliance Committee

Our clinical quality and compliance committee will oversee our non-financial compliance matters and will be responsible for, among other things:

- identifying, reviewing and analyzing laws and regulations applicable to us;
- recommending to the Board of Directors, and monitoring the implementation of, compliance programs, policies and procedures that comply with local, state and federal laws, regulations and guidelines;
- reviewing significant compliance risk areas identified by management;
- discussing periodically with management the adequacy and effectiveness of policies and procedures to assess, monitor, and manage non-financial compliance business risk and compliance programs;

- monitoring compliance with, authorizing waivers of, investigating alleged breaches of and enforcing our non-financial compliance programs; and
- reviewing our procedures for the receipt, retention and treatment of complaints received regarding non-financial compliance matter.

Upon the consummation of this offering, the clinical quality and compliance committee will be composed of Devin O’Reilly, Dr. Sheldon M. Retchin, Tony Strange and Robert M. Williams, Jr., with Dr. Retchin serving as chair.

Role of the Board of Directors in Risk Oversight

Our Board of Directors is responsible for overseeing our risk management process. Our Board of Directors focuses on our general risk management strategy, the most significant risks facing us, and oversees the implementation of risk mitigation strategies by management. Our Board of Directors is also apprised of particular risk management matters in connection with its general oversight and approval of corporate matters and significant transactions.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serves as a member of the Board of Directors or compensation committee (or other committee performing equivalent functions) of any entity that has one or more executive officers serving on our Board of Directors or compensation committee.

Indemnification of Directors and Officers

Our Amended Charter and Amended Bylaws provide that we will indemnify our directors and officers to the fullest extent permitted by the DGCL, subject to certain limited exceptions.

Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of the code is posted on our website, www.aveanna.com. In addition, we intend to post on our website all disclosures that are required by law or the Nasdaq listing standards concerning any amendments to, or waivers from, any provision of the code. The information contained on or accessible through our website does not form a part of this prospectus and is not incorporated by reference herein.

EXECUTIVE COMPENSATION

The following discussion and analysis of compensation arrangements should be read together with the compensation tables and related disclosures that follow. This discussion contains forward-looking statements that are based on our current plans and expectations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from the programs summarized in this discussion. The following discussion may also contain statements regarding corporate performance targets and goals. These targets and goals are disclosed in the limited context of our compensation programs and should not be understood to be statements of management's expectations or estimates of future results or other guidance. We specifically caution investors not to apply these statements to other contexts.

Compensation Discussion and Analysis

This compensation discussion and analysis provides an overview of our approach to compensating our named executive officers, our executive compensation philosophy, the overall objectives of our executive compensation program and each material element of named executive officer compensation for the fiscal year ended January 2, 2021.

Our named executive officers for the fiscal year ended January 2, 2021 were as follows:

- Rodney D. Windley, Executive Chairman
- Tony Strange, Chief Executive Officer
- Jeffrey Shaner, Chief Operating Officer
- David Afshar, Chief Financial Officer
- Shannon Drake, General Counsel and Chief Legal Officer

Prior to our initial public offering, the compensation committee of our Board of Directors was responsible for reviewing our executive compensation program and determining the compensation of our Chief Executive Officer as well as our other named executive officers. Additionally, the compensation committee was responsible for approving grants of awards under our previous stock incentive plan (the "2017 Plan") for executive employees. Upon the consummation of this offering, the compensation committee will be responsible for, among other things: (i) reviewing and approving the corporate goals and objectives, evaluating the performance and reviewing and approving the compensation of our executive officers, (ii) reviewing and approving or making recommendations to our Board of Directors regarding our incentive compensation and equity-based plans, policies and programs, (iii) reviewing and approving all employment agreement and severance arrangements for our executive officers, (iv) making recommendations to our Board of Directors regarding the compensation of our directors and (v) retaining and overseeing any compensation consultants. Although we currently do not intend to alter our compensation objectives, other than as described herein, our compensation committee intends to develop and maintain a compensation framework that is appropriate and competitive for a public company and may establish executive compensation objectives and programs that are different from those currently in place.

Our compensation programs for our named executive officers are structured to incentivize performance, with a particular focus on long-term results, growth and profitability. We have utilized traditional elements of compensation that reflect our overall success, including base salary, annual cash incentives and equity-based incentives. We believe that our compensation programs promote our success and lead to better financial results, which, in turn, result in better returns for our stockholders.

Executive Compensation Objectives and Philosophy

We believe that it is important to reward our executives for strong performance in our business and industry, which have significant operational and regulatory challenges, and to incentivize them to continue to take actions to deliver strong results for our investors by growing our geographical footprint, expanding our client relationships, broadening our client base and pursuing new market opportunities. At the same time, we believe that it is important to disincentivize unnecessary risk-taking. We design our executive compensation programs to attract talented executives to join the Company and to motivate them to position us for long-term success, achieve superior operating results and increase stockholder value. To realize these objectives, the following are the core elements of our executive compensation philosophy:

- Performance-Based: A significant portion of executive compensation should be "at-risk," performance-based pay linked to specific, measurable short-term and long-term goals that reward both organizational and individual performance;
- Stockholder Aligned: Incentives should be structured to create a strong alignment between executives and stockholders on both a short-term and long-term basis; and
- Market Competitive: Compensation levels and programs for executives, including our named executive officers, should be competitive relative to the markets in which we operate and compete for talent. It is important to leverage an understanding of what constitutes competitive pay in our markets and build strategies to attract, incentivize, reward and retain top talent.

By incorporating these core design elements, we believe our executive compensation program is in line with and supportive of our stockholders' objectives and effective in attracting, motivating and retaining the level of talent we need to successfully manage and grow our business.

Process for Determining Compensation

Each year, the compensation committee reviews the performance and compensation of our named executive officers. The compensation committee assesses the Company's performance against its annual enterprise priorities and evaluates the performance of the named executive officers relative to those priorities and their individual objectives for the year in question. The compensation committee seeks to ensure that a substantial portion of our named executive officers' annual compensation is directly linked to the performance of our business.

In determining compensation for our named executive officers, the compensation committee considers each named executive officer's position and responsibility, the Chief Executive Officer's and Executive Chairman's recommendations for the named executive officers other than themselves, compensation levels of other members of the Company's senior leadership team, and the performance of the Company and each named executive officer. The compensation committee has not historically retained a compensation consultant to assist it in designing our compensation program or setting compensation levels for our named executive officers. The compensation committee has considered survey and other market data in evaluating compensation levels for our named executive officers. Based on the considerations described above and the judgment and experience of its members, the compensation committee establishes the compensation levels for our named executive officers and the allocation of total compensation among each of our main components of compensation described below.

In connection with this offering, the compensation committee has retained an independent executive compensation consultant, Aon Hewitt, to provide the compensation committee with input and guidance on all components of our executive compensation program, including risk and stockholder alignment, assist the compensation committee in selecting a peer group and advise the compensation committee with respect to market data for base salary, annual bonus, long-term equity compensation and other competitive pay practices for similarly situated executives in our peer group.

Relationship of Compensation Practices to Risk Management

Our compensation programs and practices are designed to discourage excessive risk-taking behavior and the potential impacts thereof. For example, we believe that the following features of our executive compensation programs mitigate risk:

- Challenging, but attainable goals that are well-defined and communicated;
- Balance of short- and long-term variable compensation tied to a mix of commercial, financial and individual performance metrics; and
- Establishment of controls in the administration of our plans to ensure performance against established company performance metrics is objectively and independently determined.

Components of Executive Compensation

The following are the key components of our compensation program for our executives, including our named executive officers:

- base salary;
- annual incentive bonus; and
- long-term equity incentive compensation in the form of stock options and restricted stock units.

We believe that offering each of the components of our executive compensation program is necessary to remain competitive in attracting, retaining and motivating talented executives. Furthermore, we structure the annual incentive bonus and long-term equity incentive compensation to ensure alignment of our executives' interests with those of our stockholders. Collectively, these components are designed to motivate and reward our executives and drive our short- and long-term performance and increase stockholder value.

Our base salaries are designed to attract and retain individuals with superior talent, be market competitive and reward executives for their individual performance and our short-term performance. Our annual incentive bonus program is designed to motivate our executives to achieve the targets we set annually for selected performance metrics, to reward them for that achievement and to hold them accountable if they fail to deliver. Our long-term incentive compensation ensures that our executives have a continuing stake in our long-term success and have incentives to increase our equity value.

Base Salaries

Base salaries reflect the fixed component of the compensation for an executive officer's ongoing contribution to our operations. We provide our named executive officers with base salaries that are intended to provide them with a level of assured, regularly paid cash compensation that is competitive and reasonable. Our named executive officers' base salaries were based on their respective employment agreements with us (each, as amended, an "Employment Agreement, and collectively, the "Employment Agreements"). Our compensation committee reviews salary levels annually as part of our performance review process, as well as in the event of promotions or other changes in our named executive officers' positions or responsibilities. When establishing base salary levels, our compensation committee considers a number of qualitative factors, including the named executive officer's experience, knowledge, skills, level of responsibility and performance.

For fiscal year 2020, the base salaries of our named executive officers were as follows:

- Rodney D. Windley: $750,000.
- Tony Strange: $750,000.
- Jeffrey Shaner: $550,000.

- David Afshar: $400,000.
- Shannon Drake: $350,000.

Annual Cash Incentive Bonus

We have entered into Employment Agreements with our named executive officers. Pursuant to their Employment Agreements, our named executive officers are entitled to receive an annual cash bonus targeted at a specified percentage of their annual base salary paid to them during each year. Each named executive officer’s annual bonus is subject to performance goals and bonus criteria defined and approved by the Board of Directors in advance of each calendar year. The annual cash bonus targets for our named executive officers for 2020 were as follows:

- Rodney D. Windley: $750,000 (100%).
- Tony Strange: $750,000 (100%).
- Jeffrey Shaner: $412,500 (75%).
- David Afshar: $300,000 (75%).
- Shannon Drake: $210,000 (60%).

The annual cash incentive bonus opportunity plays an important role in our approach to total compensation. We believe that this opportunity motivates our executives to work hard and proficiently toward improving our operating performance, and it requires that we achieve defined annual financial performance goals before participants become eligible to receive an incentive payout. We believe that achieving our financial objectives is important to executing our business strategy, strengthening our services and solutions, improving client satisfaction and gaining new clients and delivering long term value to our stockholders. In addition, we believe that the cash incentive program helps to attract and retain a highly qualified workforce and to maintain a market competitive compensation program.

Long-Term Equity Incentives

In addition to base salary and annual incentive compensation, each of our named executive officers is provided long-term equity incentive compensation. The use of long-term equity incentives creates a link between executive compensation and our long-term performance, thereby creating alignment between executive and stockholder interests.

2017 Plan

In November 2017, our Board of Directors and our stockholders approved the 2017 Plan, which was subsequently amended and restated on April 19, 2021. The 2017 Plan provides the flexibility to grant a combination of stock options and deferred restricted stock units. In May 2018, our Board of Directors granted Rodney Windley and Tony Strange joint senior executive authority to issue up to 143,500 stock options to any single individual, including our executive officers, and up to 512,500 stock options, in the aggregate, during any calendar year. Messrs. Windley and Strange have authorized such issuances from time to time in order to quickly and efficiently attract and motivate employees of the Company, including executive officers.

Certain of our named executive officers, along with other key employees, were granted stock options under the 2017 Plan shortly after its approval by the Board of Directors in November 2017, or, if later, at the commencement of their employment with the Company or their promotion, and they were eligible to receive additional awards of stock options or deferred restricted stock units under the 2017 Plan at the discretion of the Board of Directors. Since the Board of Director’s approval of the 2017 Plan in November 2017, we have not made annual or regular equity grants to our named executive officers or other key employees.

Our named executive officers have received grants of awards under the 2017 Plan pursuant to one or more stock option agreements that were entered into either following the Formation or the executive's initial employment with the Company. In November 2020, Mr. Afshar and Mr. Drake received grants of 102,500 stock options each.

2021 Plan

We have adopted the 2021 Plan, which will be effective on the day of the effectiveness of the registration statement to which this prospectus relates. On and after the 2021 Plan's effectiveness, no new awards may be granted under the 2017 Plan. Shares of our common stock that are subject to awards that are forfeited and/or cancelled under the 2017 Plan on or after the 2021 Plan's effectiveness shall be available to be issued as part of the 2021 Plan. The 2021 Plan is designed to provide the Board and the compensation committee with flexibility in terms of the types of awards that can be granted and the underlying terms and conditions of such awards. The material terms of the 2021 Plan are summarized below.

Share Reserve. The maximum aggregate number of shares of common stock that may be subject to awards under the 2021 Plan will be 11,354,255 shares (the "Initial Share Pool"). The 2021 Plan contains an automatic share increase feature pursuant to which the 2021 Plan share pool will automatically increase, commencing on January 1, 2022 and ending on and including January 1, 2031 in an amount equal to the lesser of (i) two percent (2%) of the number of outstanding shares on the last day of the immediately preceding fiscal year and (ii) such smaller number of shares as determined by the Board; provided that, the maximum number of shares that may be issued upon the exercise of incentive stock options shall equal the Initial Share Pool.

Administration. The compensation committee is expected to administer the 2021 Plan unless the Board assumes authority for administration. The 2021 Plan provides that the Board or compensation committee may delegate its authority to grant awards to employees other than executive officers and certain senior executives of the company to a committee consisting of one or more members of our board of directors or one or more of our officers, other than awards made to individuals who are subject to Section 16 of the Exchange Act, or officers or directors to whom authority to grant or amend awards has been delegated hereunder, which must be approved by our full board of directors. Subject to the terms and conditions of the 2021 Plan, the administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares to be subject to awards and the terms and conditions of awards, and to make all other determinations and to take all other actions necessary or advisable for the administration of the 2021 Plan. The administrator is also authorized to adopt, amend or revoke rules relating to administration of the 2021 Plan. Our board of directors may at any time remove the compensation committee as the administrator and revest in itself the authority to administer the 2021 Plan. The full board of directors will administer the 2021 Plan with respect to awards to non-employee directors.

Eligibility. Incentive stock options (ISOs), nonqualified stock options, stock appreciation rights (SARs), restricted stock and all other stock-based and cash-based awards under the 2021 Plan may be granted to individuals who are then our officers, employees or consultants or are the officers, employees or consultants of certain of our subsidiaries. Such awards also may be granted to our directors. Only employees of our company or certain of our subsidiaries may be granted ISOs.

Awards. The 2021 Plan provides that the administrator may grant or issue ISOs, nonqualified stock options, SARs, restricted stock, restricted stock units, other stock- or cash-based awards and dividend equivalents, or any combination thereof. Each award will be set forth in a separate agreement with the person receiving the award and will indicate the type, terms and conditions of the award.

Director Limit. The 2021 Plan provides that the sum of the grant date fair value of equity-based awards and the amount of any cash-based awards or other fees granted to a non-employee director during any calendar year shall not exceed $750,000.

Change in control. In the event of a change in control, each outstanding award will be treated as the compensation committee determines in its sole discretion and on such terms and conditions as the compensation committee deems appropriate including, without limitation, assumption or substitution of awards by the acquirer, termination of awards or cash-out of awards. In the event the acquirer does not assume or substitute awards granted, prior to the consummation of such transaction, awards issued under the 2021 Plan will be subject to accelerated vesting such that 100% of such awards will become vested and exercisable or payable, as applicable. The compensation committee may also make appropriate adjustments to awards under the 2021 Plan and is authorized to provide for the acceleration, cash-out, termination, assumption, substitution or conversion of such awards in the event of a change in control or certain other unusual or nonrecurring events or transactions.

Adjustments of awards. In the event of any stock dividend or other distribution, stock split, forward stock split, reorganization, combination or exchange of shares, merger, consolidation, split-up, spin-off, recapitalization, repurchase or any other corporate event affecting the number of outstanding shares of our common stock or the share price of our common stock that would require adjustments to the 2021 Plan or any awards under the 2021 Plan in order to prevent the dilution of the potential benefits intended to be made available thereunder, the administrator will make appropriate, proportionate adjustments to: (i) the aggregate number and type of shares subject to the 2021 Plan; (ii) the number and grant or exercise price of shares covered by each outstanding award; and (iii) the terms and conditions of any outstanding awards (including, without limitation, any applicable performance criteria and performance goals with respect thereto).

Amendment and termination. The administrator may terminate, amend or modify the 2021 Plan at any time and from time to time. However, we must generally obtain stockholder approval to the extent required by applicable law, rule or regulation (including any applicable stock exchange rule). No awards will be granted pursuant to the 2021 Plan after the earlier of the tenth anniversary of (i) the effective date of the 2021 Plan and (ii) the date the 2021 Plan was approved by the Company’s stockholders.

Other Benefits

We provide a comprehensive offering of benefit plans to our employees, including access to insurance for major medical, dental, vision, life, accidental death and dismemberment, short-term disability and long-term disability, as well as flexible spending accounts, wellness programs and various other voluntary benefit programs. These benefit programs are generally available to all our eligible full and part time employees. We do not provide any “Cadillac” or “top hat” benefit plans solely for our senior executives, and our executive officers participate in the same plans with the same cost structures as our general employee population.

401(k) Plan. We maintain a defined contribution plan that is tax-qualified under Section 401(k) of the Code. Our 401(k) Plan is offered on a nondiscriminatory basis to all full-time and part-time regular, temporary and contract employees, including our executive officers with no minimum hour requirement for participation. Subject to certain limitations imposed by the Code, the 401(k) Plan permits eligible employees to defer receipt of portions of their eligible compensation by making deferral contributions, including after-tax Roth and catch-up contributions.

Participating employees may contribute up to 100% of their eligible compensation, but not more than the statutory limits. Participants are eligible to receive the value of their vested account balance upon termination of employment. Participants are always 100% vested in their voluntary contributions. Vesting of matching contributions, if any, is subject to our vesting schedule at 20% per year for each full year of service in which the 1,000 hours is reached or upon the attainment of normal retirement age of the participant.

Employer matching contributions to the 401(k) Plan are made in an amount equal to 50% of each participant’s pre-tax contribution (up to a maximum of 5% of the participant’s annual eligible compensation), subject to certain other limits. The compensation committee believes that matching contributions assist us in attracting and retaining talented employees and executives. The 401(k) Plan provides an opportunity for participants to save money for retirement on a tax-deferred basis and to achieve financial security, thereby promoting retention.

ESPP. We have approved the Employee Stock Purchase Plan, which we refer to as our ESPP, which will be effective upon the day of the effectiveness of the registration statement to which this prospectus relates. The ESPP is designed to allow our eligible employees to purchase shares of our common stock with their accumulated payroll deductions at certain stated times during stated offering periods. The ESPP is intended to qualify under Section 423 of the Code. The material terms of the ESPP, as it is currently contemplated, are summarized below.

Administration. Subject to the terms and conditions of the ESPP, the board of directors has delegated administration of the ESPP to the compensation committee. Our compensation committee can delegate administrative tasks under the ESPP to senior officers to assist in the administration of the ESPP. The compensation committee will have the discretionary authority to administer and interpret the ESPP. Interpretations and constructions of the administrator of any provision of the ESPP or of any rights thereunder will be conclusive and binding on all persons. We will bear all expenses and liabilities incurred by the compensation committee members.

Share reserve. The initial share reserve for grants under the ESPP will be equal to 3% of the Company’s outstanding common shares as of the ESPP’s effective date (subject to customary anti-dilution adjustments). In addition, the ESPP will include an “evergreen” share replenishment feature whereby the total number of shares available for issuance under the ESPP will be increased on the first day of each fiscal year by the least of (i) that number equal to 1% of the issued and outstanding shares of the Company as of the ESPP’s effective date, (ii) 1% of the Company’s outstanding common shares as of the last day of the prior fiscal year, or (iii) such lesser amount determined by Board. The shares reserved for issuance under the ESPP may be authorized but unissued shares or treasury shares.

Eligibility. All U.S. employees of the Company and its subsidiaries, who are regularly scheduled to work 20 hours or more per week, subject to certain limitations under Section 423 of the Code, are eligible to purchase shares of our common stock under our ESPP. ESPP will permit the ESPP administrator to exclude certain classes of employees from an offering period that are permitted to be excluded under Section 423. Such exclusions can be changed from offering period to offering period during the term of the ESPP. Finally, an employee who owns (or is deemed to own through attribution) 5% or more of the combined voting power or value of all our classes of stock or of one of our subsidiaries will not be allowed to participate in the ESPP.

Participation. Employees will enroll under the ESPP by completing a payroll deduction form permitting the deduction from their compensation of at least 1% of their compensation but not more than 15% (or such greater percentage as the compensation committee may establish from time to time before an offering date) of their compensation. Such payroll deductions shall be expressed a whole number percentage, and the accumulated deductions will be applied to the purchase of shares on each purchase date. However, a participant may not purchase more than a certain number of shares as set forth in the ESPP in each offering period and up to $25,000 of Company shares per calendar year under all “employee stock purchase plans” of the Company, as determined in accordance with Section 423 of the Code. A participant’s payroll deductions may be decreased, including to zero, at such time during any offering which is scheduled to end during the current calendar year that the aggregate of all payroll deductions accumulated with respect to such offering and any other offering ending within the same calendar year are equal to $21,250. The ESPP administrator has the authority to change these limitations for any subsequent offering period. Shares purchased under the ESPP shall be subject to a 6 month lock up period.

Offering. Under the ESPP, participants are offered the option to purchase shares of our common stock at a discount during a series of successive offering periods, the duration and timing of which will be determined by the compensation committee. As of the ESPP’s effective date, each offering shall be a consecutive twelve (12) month period unless otherwise determined by the compensation committee. However, in no event may an offering period be longer than 27 months in length.

The option purchase price will be equal to 85% of the lesser of (i) the fair market value of a share of common stock of the Company on the first trading date of the applicable offering period and (ii) the fair market value of a Company share on the applicable purchase date.

Unless a participant has previously canceled his or her participation in the ESPP before the purchase date, the participant will be deemed to have exercised his or her option in full as of each purchase date. Upon exercise, the participant will purchase the number of whole shares that his or her accumulated payroll deductions will buy at the option purchase price, subject to the participation limitations listed above.

A participant may withdraw from the ESPP at any time prior to the end of the offering period. Upon cancellation, the participant will receive a refund of the participant's account balance in cash without interest. Following at least one payroll deduction, a participant may also decrease (but not increase) his or her payroll deduction authorization once during any offering period. If a participant wants to increase or decrease the rate of payroll withholding, he or she may do so effective for the next offering period by submitting a new form before the offering period for which such change is to be effective.

A participant may not assign, transfer, pledge or otherwise dispose of (other than by will or the laws of descent and distribution) payroll deductions credited to a participant's account or any rights to exercise an option or to receive shares of our common stock under the ESPP, and during a participant's lifetime, options in the ESPP shall be exercisable only by such participant. Any such attempt at assignment, transfer, pledge or other disposition will not be given effect.

Adjustments upon changes in recapitalization, dissolution, liquidation, merger or asset sale. In the event of reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, offerings of rights, or any other change in the structure of the common shares of the Company, the compensation committee shall make such adjustment, if any, as it may deem appropriate in the number, kind, and the price of shares available for purchase under the ESPP, and in the number of shares which an employee is entitled to purchase including, without limitation, closing an offering early and permitting purchase on the last business day of the reduced offering period, or terminating an offering and refunding participants' account balances. If there is a proposal to dissolve or liquidate us, then the ESPP will terminate immediately prior to the consummation of such proposed dissolution or liquidation, and all account balances shall be returned to the respective participants. If we undergo a merger with or into another corporation or sell all or substantially all of our assets, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or the parent or subsidiary of the successor corporation. If the successor corporation refuses to assume the outstanding options or substitute equivalent options, then any offering period then in progress will be shortened by setting a new purchase date to take place before the date of our proposed sale or merger or by cancelling such offering and returning all account balances to the respective participants.

Amendment and termination. Our board of directors or the compensation committee may make certain amendments to the ESPP or suspend or terminate the ESPP at any time, subject to certain exceptions for which stockholder approval is required.

Tax and Accounting Implications

Our compensation committee operates its compensation programs with the good faith intention of complying with Section 409A of the Code and considers the impact of tax and accounting treatment when determining executive compensation.

Our compensation committee also considers the accounting impact when structuring and approving awards. We account for equity-based payments with respect to our long-term equity incentive award programs in accordance with ASC Topic 718, Compensation—Stock Compensation ("ASC Topic 718"), which governs the appropriate accounting treatment of equity-based payments under generally accepted accounting principles (GAAP).

Summary Compensation

The following table provides summary information concerning compensation paid or accrued by us to or, on behalf of, our named executive officers, for services rendered to us during the 2020 fiscal year.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Option awards(1) ($)	Total ($)
Rodney D. Windley *Executive Chairman*	2020	$ 750,000	1,177,500	—	$ 1,927,500
Tony Strange *Chief Executive Officer*	2020	$ 750,000	1,177,500	—	$ 1,927,500
Jeffrey Shaner *Chief Operating Officer*	2020	$ 550,000	647,625	—	$ 1,197,625
David Afshar *Chief Financial Officer*	2020	$ 400,000	471,000	657,275	$ 1,528,275
Shannon Drake *General Counsel and Chief Legal Officer*	2020	$ 350,000	329,700	657,275	$ 1,336,975

(1) Amounts in this column reflect the aggregate grant date fair value of stock options, calculated in accordance with FASB ASC Topic 718, utilizing the assumptions discussed in Note 11 to our audited consolidated financial statements for the year ended January 2, 2021. The named executive officers have no assurance that these amounts will be realized.

Grant of Plan-Based Awards

The following table sets forth information concerning awards granted to the named executive officers during the 2020 fiscal year.

		Estimated future payouts under equity incentive plan awards					
Name	Grant date	Threshold (#)	Target (#)(1)	Maximum (#)(1)	All other option awards: Number of securities underlying options (#)(2)	Exercise or base price of option awards ($/Sh)	Grant date fair value of stock and option awards(3)
David Afshar	11/24/2020	—	25,625	51,250	51,250	$ 15.00	$ 657,275
Shannon Drake	11/24/2020	—	25,625	51,250	51,250	$ 15.00	$ 657,275

(1) Performance-based options vest or fail to vest depending on the return to the Company's Sponsors as set forth in the 2017 Plan, vesting generally with respect to 50% of the number of options granted (Target), 100% of the options granted (Maximum) or based on a straight-line interpolation between the two.

(2) Stock options in this column vest ratably on an annual basis over a five-year period.

(3) Amounts in this column reflect the aggregate grant date fair value of stock options, calculated in accordance with FASB ASC Topic 718, utilizing the assumptions discussed in Note 11 to our audited consolidated financial statements for the year ended January 2, 2021. The named executive officers have no assurance that these amounts will be realized.

Employment Agreements

The following are the material provisions of the Employment Agreements for each of our named executive officers. Additional information regarding post-termination benefits provided under these Employment Agreements can be found under "—Potential Payments Upon Termination or Change in Control" below.

Rodney D. Windley

We entered into a three-year Employment Agreement with Mr. Windley on March 15, 2017, as amended on January 23, 2018, to serve as our Executive Chairman, with a provision for automatic annual extensions beginning at the expiration of the initial three-year term and continuing thereafter unless either party provides timely notice of termination. The Employment Agreement provides that we will pay Mr. Windley a base salary of $500,000 per year, with a potential increase to $750,000 per year if an EBITDA success threshold of $140 million is accomplished by the Company and its subsidiaries on a consolidated basis. The Employment

Agreement further provides that Mr. Windley is eligible for an annual incentive bonus opportunity targeted at 100% of his yearly base salary, subject to performance goals and bonus criteria to be defined and approved by the Board of Directors in advance of each calendar year.

In addition, Mr. Windley's Employment Agreement provides that he is eligible to participate in our Standard Executive Benefits Package, and is entitled to expense reimbursement for reasonable out-of-pocket expenses incurred in the course of his duties and paid time off and holidays, among other things.

Tony Strange

We entered into a three-year Employment Agreement with Mr. Strange on March 15, 2017, as amended on January 23, 2018, to serve as our Chief Executive Officer, with a provision for automatic annual extensions beginning at the expiration of the initial three-year term and continuing thereafter unless either party provides timely notice of termination. The Employment Agreement provides that we will pay Mr. Strange a base salary of $500,000 per year, with a potential increase to $750,000 per year if an EBITDA success threshold of $140 million is accomplished by the Company and its subsidiaries on a consolidated basis. The Employment Agreement further provides that Mr. Strange is eligible for an annual incentive bonus opportunity targeted at 100% of his yearly base salary, subject to performance goals and bonus criteria to be defined and approved by the Board of Directors in advance of each calendar year.

In addition, Mr. Strange's Employment Agreement provides that he is eligible to participate in our Standard Executive Benefits Package, and is entitled to expense reimbursement for reasonable out-of-pocket expenses incurred in the course of his duties and paid time off and holidays, among other things.

Jeffrey Shaner

We entered into a three-year Employment Agreement with Mr. Shaner on March 15, 2017, as amended on January 23, 2018, to serve as our Chief Operating Officer, with a provision for automatic annual extensions beginning at the expiration of the initial three-year term and continuing thereafter unless either party provides timely notice of termination. The Employment Agreement provides that we will pay Mr. Shaner a base salary of $400,000 per year, with a potential increase to $500,000 per year if an EBITDA success threshold of $140 million is accomplished by the Company and its subsidiaries on a consolidated basis. The Employment Agreement further provides that Mr. Shaner is eligible for an annual incentive bonus opportunity targeted at 75% of his yearly base salary, subject to performance goals and bonus criteria to be defined and approved by the Board of Directors in advance of each calendar year. Pursuant to a May 30, 2019 compensation committee vote, Mr. Shaner's annual base salary was increased to $550,000.

In addition, Mr. Shaner's Employment Agreement provides that he is eligible to participate in our Standard Executive Benefits Package, and is entitled to expense reimbursement for reasonable out-of-pocket expenses incurred in the course of his duties and paid time off and holidays, among other things.

David Afshar

We entered into an Employment Agreement with Mr. Afshar on June 29, 2018, as amended in March 2020, to serve as our Chief Financial Officer, with a provision to continue until either party provides timely notice of termination. The Employment Agreement provides that we will pay Mr. Afshar a base salary of $400,000 per year. The Employment Agreement further provides that Mr. Afshar is eligible for an annual incentive bonus opportunity targeted at 75% of his yearly base salary, subject to performance goals and bonus criteria to be defined and approved by the Board of Directors in advance of each calendar year.

In addition, Mr. Afshar's Employment Agreement provides that he is eligible to participate in our Standard Executive Benefits Package, and is entitled to expense reimbursement for reasonable out-of-pocket expenses incurred in the course of his duties and paid time off and holidays, among other things.

Shannon Drake

We entered into a three-year Employment Agreement with Mr. Drake on March 26, 2017, as amended on March 16, 2020, to serve as our General Counsel and Chief Legal Officer, with a provision for automatic annual extensions beginning at the expiration of the initial three-year term and continuing thereafter unless either party provides timely notice of termination. The Employment Agreement provides that we will pay Mr. Drake a base salary of $350,000 per year. The Employment Agreement further provides that Mr. Drake is eligible for an annual incentive bonus opportunity targeted at 60% of his yearly base salary, subject to performance goals and bonus criteria to be defined and approved by the Board of Directors in advance of each calendar year.

In addition, Mr. Drake's Employment Agreement provides that he is eligible to participate in our Standard Executive Benefits Package, and is entitled to expense reimbursement for reasonable out-of-pocket expenses incurred in the course of his duties and paid time off and holidays, among other things.

Outstanding Equity Awards at Fiscal Year End

The following table sets forth certain information concerning outstanding equity awards held by our named executive officers as of January 2, 2021.

	Option awards					
Name	**Grant Date**	**Number of securities underlying unexercised options (#) exercisable**	**Number of securities underlying unexercised options (#) unexercisable**	**Number of securities underlying unexercised unearned options (#)**	**Option exercise price ($)**	**Option expiration date**
Rodney D. Windley	12/1/2017(1)	724,067.0	482,711.0	—	$ 4.88	12/1/2027
	12/1/2017(2)	—	—	1,206,778.0	$ 4.88	12/1/2027
	12/1/2017(1)	447,670.0	262,200.0	—	$ 9.76(6)	12/1/2027
Tony Strange	12/1/2017(1)	724,067.0	482,711.0	—	$ 4.88	12/1/2027
	12/1/2017(2)	—	—	1,206,778.0	$ 4.88	12/1/2027
	12/1/2017(1)	447,670.0	262,200.0	—	$ 9.76(6)	12/1/2027
Jeffrey Shaner	12/1/2017(1)	724,067.0	482,711.0	—	$ 4.88	12/1/2027
	12/1/2017(2)	—	—	1,206,778.0	$ 4.88	12/1/2027
	12/1/2017(1)	447,670.0	262,200.0	—	$ 9.76(6)	12/1/2027
David Afshar	06/29/2018(3)	141,974.0	212,961.0	—	$ 4.88	06/29/2028
	06/29/2018(2)	—	—	354,935.0	$ 4.88	06/29/2028
	11/24/2020(4)	—	51,250.0	—	$ 15.00	11/24/2030
	11/24/2020(2)	—	—	51,250.0	$ 15.00	11/24/2030
Shannon Drake	12/1/2017(5)	85,185.0	56,789.0	—	$ 4.88	12/1/2027
	12/1/2017(2)	—	—	141,974.0	$ 4.88	12/1/2027
	11/24/2020(3)	—	51,250.0	—	$ 15.00	11/24/2030
	11/24/2020(2)	—	—	51,250.0	$ 15.00	11/24/2030

(1) Options vest ratably on an annual basis over a five-year period that commenced March 16, 2017.

(2) Performance-based options vest or fail to vest depending on the return to the Company's Sponsors as set forth in the 2017 Plan, vesting generally with respect to 50% of the number of options granted, 100% of the options granted or based on a straight-line interpolation between the two.

(3) Options vest ratably on an annual basis over a five-year period that commenced on February 6, 2018.

(4) Options vest ratably on an annual basis over a five-year period that commenced on November 4, 2020.

(5) Options vest ratably on an annual basis over a five-year period that commenced March 27, 2017.

(6) "Accelerator" options granted with a 2x strike price as compared to other options granted on the same date.

Potential Payments Upon Termination or Change in Control

We have Employment Agreements with each of our named executive officers. Each of the Employment Agreements has an initial three-year term of employment and automatically renews for additional one-year periods unless otherwise terminated by either of the parties to the Employment Agreement. The Employment Agreements provide that each executive is entitled to a minimum annual base salary (subject to annual review and increases for merit performance) and is entitled to participate in all incentive, savings, retirement and welfare benefit plans generally made available to our senior executive officers. Each of these executives has an opportunity to earn an annual cash bonus based upon achievement of performance goals to be established by the Board of Directors. In addition, each of the executives is entitled to fringe benefits generally made available to our senior executive officers, and will be eligible, in the sole discretion of the Board of Directors, for equity grants under the Stock Incentive Plans.

The Employment Agreements may be terminated by us at any time with or without “Cause” (as defined therein), or by the executive with or without “Good Reason” (as defined therein). The Employment Agreements also terminate automatically upon the voluntary termination, death or disability of the executive. Depending on the reason for the termination and when it occurs, the executive will be entitled to certain severance benefits, as described below.

Executive’s Death, Disability, Voluntary Termination or Termination for Cause

If an executive is terminated for Cause, voluntarily resigns without Good Reason or is terminated due to death or Disability, the executive receives only the salary and vested benefits that have accrued through the date of termination. No other severance benefits are payable. Specifically, the executive will be entitled to (i) any base salary that has accrued but is unpaid, (ii) any annual bonus that has been earned for the calendar year preceding the calendar year in which termination occurs but is unpaid, (iii) a pro-rata portion of the executive’s annual bonus for the calendar year in which the termination occurs based on actual results for such year, payable at the same time annual bonuses for such year are paid to other senior executives of the Company, (iv) any reimbursable expenses that have been incurred but are unreimbursed, (v) pay for any vacation days that have accrued under the Company’s vacation policy but are unused, as of the end of the employment period, and (vi) any plan benefits that by their terms extend beyond termination of executive’s employment (but only to the extent provided in any such benefit plan in which executive has participated as a Company employee).

Termination without Cause; Resignation for Good Reason

Under the Employment Agreements, if the executive is terminated without Cause or resigns for Good Reason, in addition to those sums the executive receives in the event of termination for death, Disability, Voluntary Termination, or Termination for Cause, the executive will also receive the following benefits:

(a) payment of severance benefits equal to one (1) times the executive’s base salary for the year in which the termination occurs;

(b) an amount equal to the annual bonus which executive received for the year prior to the year in which the termination occurred; and

(c) the continuation of health and welfare benefits for the COBRA-eligible period.

Restrictive Covenants

Each of the Employment Agreements contains confidentiality, non-disparagement, cooperation, non-compete and non-solicitation covenants that apply during the executive’s employment with the Company and for a one-year period after the executive’s termination of employment (or for a two-year period if the Company elects to extend the restricted period following the executive’s termination). If the Company elects to extend the restrictive covenants of the Employment Agreements through twenty-four (24) months following the executive's termination, the executive shall receive (a) severance benefits equal to two (2) times the executive's base salary at termination and (b) annual bonuses equal to two (2) times the annual bonuses which executive received for the year prior to the year in which the termination occurred.

Treatment of Equity Awards Upon the Executive's Termination, Death or Disability

Under the 2017 Plan, vested options generally remain exercisable for ninety days following the named executive officer's termination for any reason, except (i) all options are forfeited upon a termination for Cause or breach of a restrictive covenant, (ii) vested options remain exercisable for a period of twelve months following termination in the event of the named executive officer's death or Disability (as defined in the Stock Incentive Plan). Upon the death or Disability of a named executive officer, pursuant to the 2017 Plan, the named executive officer is entitled to the immediate vesting of an additional forty percent (40%) of their Time-Vesting Options (as defined in the 2017 Plan), provided that no more than one hundred (100%) of the Time-Vesting Options will vest as a result of this additional vesting. Any unvested options lapse on termination of employment**.**

Summary of Termination Payments and Benefits

The following table summarizes the value of the termination payments and benefits that our named executive officers would have received under their respective Employment Agreements if their employment was terminated on January 2, 2021 without Cause or if the executive resigned for Good Reason. The amounts shown in the table exclude distributions under our 401(k) retirement plan and any additional benefits that are generally available to all of our salaried employees.

Name	Salary (other than accrued amounts)	Bonus	Total
Rodney D. Windley	$ 750,000	$1,177,500	$1,927,500
Tony Strange	$ 750,000	$1,177,500	$1,927,500
Jeffrey Shaner	$ 550,000	$ 647,625	$1,197,625
David Afshar	$ 400,000	$ 471,000	$ 871,000
Shannon Drake	$ 350,000	$ 329,700	$ 679,700

Director Compensation

Consistent with the Company's independent director compensation policy effective January 1, 2021, our independent directors receive an annual retainer of $70,000 and $2,000 per in-person scheduled quarterly Board of Directors meeting or specially called meeting of the Board of Directors (whether attended in person or virtually). Our independent directors are Victor F. Ganzi, Sheldon M. Retchin and Richard C. Zoretic. The Company's independent directors also receive $750 per telephonic Board of Directors meeting. In addition, the Chairmen of the Company's audit committee, compensation committee, nominating and corporate governance committee and clinical quality committee each receive an additional annual retainer of $25,000, $15,000, $12,000 and $12,000, respectively. Independent directors who serve on or attend meetings of the audit committee, compensation committee, nominating and corporate governance committee and clinical quality committee receive $750 per meeting attended (whether in person or virtually). Independent directors are reimbursed for reasonable expenses incurred in attending Board of Directors meetings and committee meetings, as well as with any director education programs they attend relating to their service on our Board of Directors. In addition, each independent director receives an annual grant of deferred restricted stock units of the Company valued at approximately $130,000, which is generally awarded following the Company's May Board of Directors meeting. Each grant of restricted stock to an independent director fully vests as of the grant date, pursuant to the terms of the 2017 Plan.

The following table sets forth information concerning the compensation of independent directors and our other our non-employee directors for the 2020 fiscal year, which we paid in accordance with our prior independent director compensation policy. Directors who are our salaried employees receive no additional compensation for services as a director or as a member of a committee of our Board of Directors, and the compensation of such persons is described above, including in the Summary Compensation Table.

Name	Fees earned or paid in cash ($)	Stock awards ($) (1)	Total ($)
Victor F. Ganzi	23,250	276,720	$299,970
Christopher R. Gordon	—	—	—
Devin O’Reilly	—	—	—
Sheldon M. Retchin	17,750	276,720	$294,470
Steven E. Rodgers	—	—	—
Robert M. Williams, Jr.	—	—	—
Richard C. Zoretic	8,500	276,720	$285,220

(1) Amounts in this column reflect the aggregate grant date fair value of restricted stock units, calculated in accordance with FASB ASC Topic 718, utilizing the assumptions discussed in Note 11 to our audited consolidated financial statements for the year ended January 2, 2021.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Set forth below is a description of certain relationships and related person transactions between us or our subsidiaries and our directors, executive officers or holders of more than 5% of our outstanding capital stock. The summaries of certain provisions of our related party agreements are qualified in their entirety by reference to all of the provisions of such agreements.

Management Agreement

The Company, Aveanna Healthcare LLC and Aveanna Healthcare Intermediate Holdings LLC (collectively, the "Company Entities") are parties to a management agreement (the "Management Agreement") with Bain Capital and J.H. Whitney Capital Partners, pursuant to which the Company Entities retained the Sponsors to provide general executive, management and consulting services and other advisory services. Pursuant to the Management Agreement, the Company has agreed to pay the Sponsors an annual management fee, which is payable to the Sponsors on a quarterly basis, in an initial amount equal to $3.0 million in the aggregate, subject to adjustment based upon certain increases in the Company's consolidated EBITDA as a result of acquisitions. In fiscal year 2020, the annual aggregate management fee was $3.3 million.

Additionally, the Management Agreement provides that if the Company consummates a "subsequent transaction," which includes, among other things, financings, debt or equity offerings, and acquisitions, then the Company must pay the Sponsors an aggregate fee in connection with such transaction in an amount equal to 1% of the gross transaction value. Such fee is payable only in respect of a subsequent transaction with a value that equals or exceeds $25.0 million. The consummation of the offering contemplated by this prospectus would constitute a subsequent transaction, resulting in the Company's obligation to pay the Sponsors a fee equal to 1.0% of the gross proceeds of this offering, before deducting underwriters discounts or commissions or any offering expenses. Also, the Management Agreement provides that, upon completion of the Company's initial public offering, which would include consummation of the offering contemplated by this prospectus, the Company must pay to the Sponsors a lump sum equal to five times the currently applicable annual management fee, as set forth above.

The Management Agreement also contains customary exculpation and indemnification in favor of the Sponsors and their respective affiliates in connection with the services they provide to the Company Entities under the Management Agreement. The Management Agreement remains in effect until the earliest to occur of (i) joint termination by the Sponsors, (ii) the closing of an initial public offering of the Company and (iii) a change of control of the Company. Therefore, the Management Agreement will automatically terminate upon the consummation of this offering.

Stockholders Agreement

On March 16, 2017, the Company and the Sponsor Affiliates entered into a stockholders' agreement (the "Original Stockholders Agreement") with respect to their respective investments in the Company, with other investors joining the Stockholders Agreement thereafter from time to time upon their investment in the Company (collectively with the Sponsor Affiliates, the "Investors"). In connection with the consummation of this offering, we will amend and restate the Original Stockholders Agreement (as so amended and restated, the "A&R Stockholders Agreement").

Pursuant to the A&R Stockholders Agreement, each of the Sponsor Affiliates will have the right to designate: (i) four of the Company's directors if such Sponsor Affiliate retains at least 50% of its percentage ownership in the Company as of the effective date of the A&R Stockholders Agreement ("Original Ownership Percentage"), (ii) three directors if it retains at least 25% but less than 50% of its Original Ownership Percentage (iii) two directors if it retains at least 10% but less than 25% of its Original Ownership Percentage and (iv) one director if it owns at least 3% of the issued and outstanding Common Stock on a fully diluted basis but less than 10% of its Original Ownership Percentage, in each case as of the date of determination.

In addition, under the A&R Stockholders Agreement, there will be certain restrictions on the ability of the parties to the A&R Stockholders Agreement to sell shares of common stock of the Company. An Investor who is not a Sponsor Affiliate will only be able to sell an amount of shares that would result in such Investor retaining a percentage of the shares of common stock it owned at the time of the closing that is no greater than the percentage of shares that the Sponsor Affiliates have retained compared to the number of shares they owned at the time of the closing. Further, the Sponsor Affiliates will appoint a coordination committee (the "Coordination Committee") in connection with the closing of this offering. The Coordination Committee shall initially be composed of Robert M. Williams, Steven Rodgers, Christopher R. Gordon and Devin O'Reilly. During the first two years following this offering, the Sponsor Affiliates will not be able to transfer shares of the Company, other than pursuant to certain exceptions stated in the A&R Stockholders Agreement, without the approval of each member of the Coordination Committee.

Registration Rights Agreement

Concurrently with the Stockholders Agreement, we entered into a registration rights agreement (the "Original Registration Rights Agreement") with certain of the Investors. In connection with the consummation of this offering, we will amend and restate the Original Registration Rights Agreement (as so amended and restated, the "A&R Registration Rights Agreement"). Pursuant to the A&R Registration Rights Agreement, certain Sponsor Affiliates who hold more than 2% of registrable securities have the right to require us to file a registration statement with the SEC for the sale of our common stock, subject to certain exceptions. Such Sponsor Affiliates have the right to an unlimited number of such "demand" registrations, provided that any demand registration within the first two years following this offering will require the consent of the Coordination Committee. Following the one year anniversary of this offering, the Company will be obligated to use its reasonable best efforts to file a resale "shelf" registration with the SEC and to take steps to keep such resale shelf registration effective until the earlier of (i) the date on which all the registrable securities included in such "shelf" registration have been sold, (ii) the date as of which there are no longer in existence any registrable securities covered by the shelf registration and (iii) an earlier date agreed to in writing by the majority holders of the Sponsor Affiliates. The Company will also be required to facilitate "takedown" offerings from the shelf upon demand by the Sponsor Affiliates. All holders of registrable securities party to the A&R Registration Rights Agreement are entitled to certain "piggyback" registration rights in subsequent offerings. Such holders are entitled to notice of a registered offering and to have their shares included on a *pro rata* basis. The A&R Registration Rights Agreement also provides that the Company will pay certain expenses of the holders party to the A&R Registration Rights Agreement relating to the registrations and indemnify them against certain liabilities which may arise under the Securities Act and other federal or state securities laws.

Bain Strategic Advisory Arrangement

On September 30, 2020, we entered into an agreement with Bain & Company, Inc. ("Bain"), an entity affiliated with one of our Sponsors, pursuant to which Bain provided certain diligence on the home healthcare market for the Company (the "Bain Strategic Advisory Agreement"). In connection with the Bain Strategic Advisory Agreement, we paid Bain an aggregate of $0.4 million.

Jet Linx Arrangement

RDW Ventures, LLC ("RDW"), an entity owned and controlled by Mr. Windley, our Executive Chairman, and for which he serves as Chair, is party to an aircraft lease and services agreement with JET LINX Aviation, LLC ("Jet Linx"), which provides private jet management services. Pursuant to RDW's agreement with Jet Linx, Jet Linx maintains and operates an aircraft owned by RDW for on-demand charter flights by either RDW or clients of Jet Linx, for which Jet Linx provides certain compensation to RDW. From time to time, our management engages Jet Linx for the use of the aircraft owned by RDW for business related travel, which, for the year ended January 2, 2021, resulted in the payment by Jet Linx of approximately $0.1 million to RDW, which was then used to provide payment to pilots and for repairs, maintenance and other related service costs.

Revenue Cycle Software Agreements

Certain of our subsidiaries are party to software agreements with ZirMed, Inc. d/b/a Waystar ("Waystar"), in which affiliates of Bain Capital, one of our Sponsors, held a controlling interest prior to October 2019 and currently hold a minority position. These agreements allow us to utilize certain Waystar software in the management of our business, including with respect to payment processing, patient claim management and patient denial and appeal management. For the fiscal years ended January 2, 2021 and December 28, 2019, we paid Waystar approximately $0.5 million and $0.4 million, respectively, pursuant to these contracts. We believe that the terms obtained and consideration received in connection with these agreement are comparable to terms available and the amounts we would have exchanged in an arm's length transaction.

Director and Officer Indemnification and Insurance

Our Amended Charter and Amended Bylaws provide indemnification for our directors and officers to the fullest extent permitted by the DGCL, subject to certain limited exceptions. We have entered into, or prior to the consummation of this offering will have entered into, separate indemnification agreements with each of our directors and executive officers. We have also purchased directors' and officers' liability insurance for each of our directors and executive officers. See "Description of Capital Stock—Limitations on Liability and Indemnification of Officers and Directors."

Our Policy Regarding Related Party Transactions

Our Board of Directors recognizes the fact that transactions with related persons present a heightened risk of conflicts of interests (or the perception thereof). Prior to the consummation of this offering, our Board of Directors will adopt a written policy on transactions with related persons that is in conformity with the requirements for issuers having publicly held common stock that is listed on Nasdaq.

We believe that a conflict exists whenever an outside interest could actually or potentially influence the judgment or actions of an individual in the conduct of our business and that conflicts of interest may arise when an employee or director, or a member of his or her family, receives improper personal benefits as a result of his or her position.

Our policy will provide that directors and employees must avoid conflicts or the appearance of conflicts, and that employees should avoid any outside financial interests that might conflict with our interests. Such outside interests could include, among other things:

- personal or family financial interests in, or indebtedness to, enterprises that have business relations with us, such as relatives who are employed by or own an interest in consultants or suppliers;
- acquiring any interest in outside entities or properties in which we have an interest or potential interest;
- conduct of any business not on our behalf with any consultant, contractor, supplier or distributor doing business with us or any of their officers or employees, including service as a director or officer of, or employment or retention as a consultant by, such persons; and
- serving on the board of directors of an outside entity whose business competes with our business.

Under our policy, employees will be required to report any material transaction or relationship that could result in a conflict of interest to our compliance officer.

Our audit committee will be responsible for the review, approval, or ratification of any potential conflict of interest transaction involving any of our directors or executive officers, director nominees, any person known by us to be the beneficial owner of more than 5% of our outstanding capital stock, or any family member of or related party to such persons, including any transaction required to be reported under Item 404(a) of Regulation S-K promulgated by the SEC.

In reviewing any such proposed transaction, our audit committee will be tasked to consider all relevant facts and circumstances, including the commercial reasonableness of the terms, the benefit or perceived benefit, or lack thereof, to us, opportunity costs of alternate transactions, the materiality and character of the related person's direct or indirect interest and the actual or apparent conflict of interest of the related person.

PRINCIPAL STOCKHOLDERS

The following table shows information as of April 3, 2021 regarding the beneficial ownership of our common stock by:

- each person known by us to own beneficially 5% or more of our outstanding shares of common stock;
- each of our directors;
- each of our named executive officers; and
- our directors and executive officers as a group.

The number of shares and percentages of beneficial ownership prior to this offering set forth below are based on the number of shares of our common stock to be issued and outstanding immediately prior to the consummation of this offering. The number of shares and percentages of beneficial ownership after this offering set forth below are based on the number of shares of our common stock to be issued and outstanding immediately after the consummation of this offering.

Beneficial ownership for the purposes of the following table is determined in accordance with the rules and regulations of the SEC. A person is a "beneficial owner" of a security if that person has or shares "voting power," which includes the power to vote or to direct the voting of the security, or "investment power," which includes the power to dispose of or to direct the disposition of the security or has the right to acquire such powers within 60 days. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of common stock subject to options, or other rights held by such person that are currently exercisable or will become exercisable within 60 days of April 3, 2021 are considered outstanding for such computations, but these shares are not considered outstanding for purposes of computing the percentage ownership of any other person. The percentage ownership of each individual or entity before this offering is based on the number of shares of common stock issued and outstanding as of April 3, 2021, after giving effect to any stock split, reclassification, conversion or other recapitalization. The number of shares and percentages of beneficial ownership after this offering set forth below are based on the number of shares of our common stock to be issued and outstanding immediately after the consummation of this offering.

Unless otherwise noted in the footnotes to the following table, and subject to applicable community property laws, the persons and entities named in the table below have sole voting and investment power with respect to their respective beneficially owned common stock.

Except as otherwise indicated in the footnotes below, the address of each beneficial owner is c/o Aveanna Healthcare Holdings Inc., 400 Interstate North Parkway, Suite 1600, Atlanta, Georgia.

	Shares Beneficially Owned Prior to the Offering		Shares Beneficially Owned After the Offering			
			If Underwriters' Option to Purchase Additional Shares is Not Exercised		If Underwriters' Option to Purchase Additional Shares is Exercised in Full	
Name of Beneficial Owner	Shares	Percentage	Shares	Percentage	Shares	Percentage
5% Stockholders:						
Entities affiliated with Bain Capital Investors, LLC(1)	81,029,675	57.1%	81,029,675	45.0%	81,029,675	43.6%
J.H. Whitney Equity Partners VII, LLC(2)	48,655,882	34.3	48,655,882	27.0	48,655,882	26.2
Directors and Named Executive Officers:						
Rodney D. Windley(3)	3,198,701	2.2%	3,198,701	1.8%	3,198,701	1.7%
Tony Strange(4)	3,198,701	2.2	3,198,701	1.8	3,198,701	1.7
Jeffrey Shaner(5)	2,464,856	1.7	2,464,856	1.4	2,464,856	1.3
David Afshar(6)	223,211	*	223,211	*	223,211	*
Shannon Drake(7)	139,204	*	139,204	*	139,204	*
Victor F. Ganzi	209,100	*	209,100	*	209,100	*
Christopher R. Gordon(8)	—	*	—	*	—	*
Devin O'Reilly(8)	—	*	—	*	—	*
Sheldon M. Retchin, M.D., M.S.P.H.	46,748	*	46,748	*	46,748	*
Steven E. Rodgers	—	*	—	*	—	*
Robert M. Williams, Jr.(9)	5,775,467	4.1	5,775,467	3.2	5,775,467	3.1
Richard C. Zoretic	41,000	*	41,000	*	41,000	*
All directors and executive officers as a group (12 persons) (10)	15,296,988	10.4%	15,296,988	8.3%	15,296,988	8.0%

* Indicates beneficial ownership of less than 1%.

(1) Includes 69,329,425 shares registered in the name of Bain Capital Fund XI, L.P. ("Fund XI"), 10,441,267 shares held by BCIP Associates IV (US), L.P. ("BCIP IV"), 821,768 shares held by BCIP Associates IV-B (US), L.P ("BCIP IV-B"), 405,142 shares held by BCIP T Associates IV (US), L.P. ("BCIP T IV") and 32,073 shares held by BCIP T Associates IV-B (US), L.P. ("BCIP T-IV-B" and, together with Fund IX, BCIP IV, BCIP IV-B and BCP T IV, collectively, the "Bain Capital Entities"). Bain Capital Investors, LLC ("BCI") is the ultimate general partner of the Fund IX and governs the investment strategy and decision-making process with respect to investments held by BCIP IV, BCIP IV-B, BCIP T IV and BCIP T IV-B. As a result, BCI may be deemed to share voting and dispositive power with respect to the shares held by the Bain Capital Entities. Each of the Bain Capital Entities has an address c/o Bain Capital Private Equity, LP, 200 Clarendon Street, Boston, Massachusetts 02116.

(2) Includes (i) 31,474,896 shares registered in the name of J.H. Whitney VII, L.P., (ii) 15,725,196 shares registered in the name of PSA Healthcare Investment Holding LLC, and (iii) 1,455,790 shares registered in the name of PSA Iliad Holdings LLC (together, the "J.H. Whitney Entities"). The governance, investment strategy and decision-making process with respect to investments held by the J.H. Whitney Entities is directed by J.H. Whitney Equity Partners VII, LLC. As a result, J.H. Whitney Equity Partners VII, LLC may be deemed to share voting and dispositive power with respect to the shares held by the J.H. Whitney Entities. Each of the J.H. Whitney Entities has an address c/o J.H. Whitney Capital Partners, LLC, 130 Main Street, New Canaan, Connecticut 06840.

(3) Includes 1,569,567 shares issuable upon exercise of options.

(4) Includes 1,569,567 shares issuable upon exercise of options.

(5) Includes 1,569,567 shares issuable upon exercise of options.

(6) Includes 212,961 shares issuable upon exercise of options.

(7) Includes 113,579 shares issuable upon exercise of options.

(8) Does not include shares held by the Bain Capital Entities. Each of Mr. Gordon and Mr. O'Reilly is a Managing Director of BCI. As a result, by virtue of the relationships described in footnote 1 above, Messrs. Gordon and O'Reilly may be deemed to share beneficial ownership of the shares held by the Bain Capital Entities. The address for Messrs. Gordon and O'Reilly is c/o Bain Capital Private Equity, LP, 200 Clarendon Street, Boston, Massachusetts 02116.

(9) Does not include shares held by the J.H. Whitney Entities but includes 5,227,500 shares held by JHW Iliad Holdings LLC ("JHW Iliad") and 547,967 shares held by JHW Iliad Holdings II LLC ("JHW Iliad II").
Project Iliad Managing Member, LLC ("Project Iliad") is the managing member of JHW Iliad. J.H. Whitney Capital Partners, LLC ("JHW Capital Partners") is the sole member of J.H. Whitney VII Management Co., LLC ("JHW Management Co. VII"), which is the managing member of JHW Iliad II. Mr. Williams is a senior managing director at J.H. Whitney Equity Partners VII, LLC and is a Member of Project Iliad and a Senior Managing Director of JHW Capital Partners. As a result, by virtue of the relationships described in footnote 2 above, and in the foregoing sentence, Mr. Williams may be deemed to share beneficial ownership of the shares held by the J.H. Whitney Entities, JHW Iliad and JHW Iliad II. Mr. Williams disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein. The address for Mr. Williams is c/o J.H. Whitney Capital Partners, LLC, 130 Main Street, New Canaan, Connecticut 06840.

(10) Includes 5,035,241 shares issuable upon exercise of options.

DESCRIPTION OF CERTAIN INDEBTEDNESS

We summarize below the material terms of our Senior Secured Credit Agreements, as such term is defined below. We refer you to the exhibits to the registration statement of which this prospectus forms a part for complete copies of the Senior Secured Credit Agreements, as this summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of such agreements.

First Lien Facilities

We and our wholly owned subsidiary, Aveanna Healthcare LLC, as borrower (the "Borrower"), are party to the First Lien Credit Agreement with Barclays Bank PLC, as administrative agent, the collateral agent, a letter of credit issuer and the swingline lender, and the lenders and other agents party thereto from time to time (in such capacity, the "First Lien Lenders"), which provides for (i) the First Lien Term Facility in an aggregate principal amount of $991 million (comprised of (A) the Initial First Lien Term Loan, (B) $171 million of additional term loans incurred pursuant to the First Lien First Amendment Term Loan, (C) $50 million of delayed draw term loans (the "Delayed Draw Term Loan" and, together with the First Lien First Amendment Term Loan, the "First Lien First Amendment Term Loans") incurred pursuant to the First Amendment and drawn down in full on February 28, 2019 and (D) $185 million of additional term loans incurred pursuant to the First Lien Fourth Amendment Term Loan and (ii) a senior secured revolving credit facility (the "Revolving Credit Facility" and together with the First Lien Term Facility, the "First Lien Facilities" and together with the Second Lien Term Facility (as defined below), the "Senior Secured Credit Facilities") in an aggregate principal amount equal to $75 million (including revolving loans, swingline loans and letters of credit). The First Lien Facilities also permit the Borrower (as defined below) to incur an unlimited amount of incremental loans subject to certain limitations and compliance, on a pro forma basis, with a first lien net leverage ratio of less than 4.30x.

The proceeds from the First Lien First Amendment Term Loan were used to fund the Premier Acquisition and the proceeds from the Delayed Draw Term Loan were used to fund a contingent earnout payment in connection with the Premier Acquisition.

The Borrower entered into the Second Amendment to permit the Company to retain for business operations a representations and warranties insurance claim totaling $50 million related to the Formation.

The Borrower entered into the Third Amendment to increase the letter of credit commitment limit under the Revolving Credit Facility from $20 million to $30 million.

The proceeds from the First Lien Fourth Amendment Term Loan were principally used to fund the 2020 PDS Acquisitions and the acquisition of Five Points Healthcare, LLC.

Maturity; Prepayments

The Revolving Credit Facility matures on March 16, 2022 and does not require principal payments until maturity. The First Lien Term Facility matures on March 16, 2024. The principal amount of each loan in the First Lien Term Facility amortizes in quarterly installments equal to 1.0% of the original principal amount of the applicable term loan *per annum* until the final maturity date.

Subject to certain exceptions, the First Lien Term Facility is subject to mandatory prepayments in amounts equal to:

- 100% of the net cash proceeds greater than $17,500,000 in any fiscal year from any non-ordinary course sale or other disposition of property (including certain insurance and condemnation proceeds and sale leaseback proceeds) by the Borrower and any of its restricted subsidiaries subject to customary reinvestment provisions and certain other exceptions, with step downs to (i) 50% of net cash proceeds when consolidated secured net leverage ratio is less than or equal to 5.50 to 1.00 but greater than 5.00 to 1.00 and (ii) 0% when consolidated secured net leverage ratio is less than or equal to 5.00 to 1.00;

- 100% of the net cash proceeds from issuances or incurrences of debt by the Borrower or any of its restricted subsidiaries (other than certain indebtedness permitted by the Senior Secured Credit Facilities); and
- 50% of annual excess cash flow of the Borrower and its restricted subsidiaries, minus, at the Borrower's option certain optional prepayments of other indebtedness, with step downs to (i) 25% when consolidated secured net leverage ratio is less than or equal to 5.50 to 1.00 but greater than 5.00 to 1.00 and (ii) 0% when consolidated secured net leverage ratio is less than or equal to 5.00 to 1.00, and such payment shall not be made if and to the extent such amount is less than $5,000,000.

Voluntary prepayments and commitment reductions are permitted, subject to certain minimum amounts, at any time, with respect to the First Lien Facilities, without premium or penalty (other than LIBOR breakage costs, if applicable).

Security; Guarantees

Subject to certain exceptions, the obligations of the Borrower under the First Lien Facilities are guaranteed by us and each existing and subsequently acquired or organized direct or indirect material wholly-owned domestic restricted subsidiary of the Borrower (the "Credit Facility Guarantors").

Subject to certain exceptions, the First Lien Facilities and any swap agreements and cash management arrangements provided by any lender party thereto, or any of their respective affiliates, are secured by perfected first priority (i) pledges of the equity interests of the Borrower and of each wholly-owned material restricted subsidiary directly held by the Borrower or any Credit Facility Guarantor and (ii) security interests in and mortgages on substantially all of the Borrower's and each Credit Facility Guarantor's tangible and intangible personal property, including, among other things, U.S. registered intellectual property and owned real property located in the U.S. with a value greater than $10,000,000.

Interest

Under the Revolving Credit Facility, we can elect, at our option, the applicable interest rate for borrowings classified as revolving loans using a variable interest rate based on either LIBOR or an ABR, plus an applicable margin. LIBOR loans under the Revolving Credit Facility accrue interest at a rate equal to a LIBOR rate determined by reference to the Reuters LIBOR rate for the interest period relevant to such borrowing plus the applicable margin (initially 4.25%), with minimum LIBOR per annum of 1.00%. ABR loans under the Revolving Credit Facility accrue interest at the applicable margin (initially 3.25%) plus an ABR equal to the highest of (i) a prime rate, (ii) the federal funds effective rate plus one-half of 1% and (iii) the LIBOR loan rate plus 1.00%, with the minimum ABR of 2.00% per year. The interest rate for the loans under the Revolving Credit Facility is subject to decrease based on the Borrower's and its restricted subsidiaries' consolidated first lien net leverage ratio, with step-downs to, (i) the adjusted LIBOR rate plus 4.00% or the ABR plus 3.00%, as applicable, and (ii) the adjusted LIBOR rate plus 3.75% or the ABR plus 2.75%, as applicable, in each case based on achieving certain consolidated first lien net leverage ratios. Swingline loans under the Revolving Credit Facility are classified as ABR loans. As of January 2, 2021 there were no outstanding borrowings under the Revolving Credit Facility and the interest rate for borrowings was 5.25%. The maximum availability of $75.0 million under the Revolving Credit Facility is reduced by any outstanding letters of credit or swingline loans issued. Issued letters of credit as of January 2, 2021 were $19.8 million. There were no swingline loans as of January 2, 2021. The availability on the Revolving Credit Facility was $55.2 million as of January 2, 2021.

Under the First Lien Term Facility, we can elect, at our option, the applicable interest rate for borrowings using a variable interest rate based on either LIBOR or an ABR, plus an applicable margin. LIBOR loans under the Initial First Lien Term Loan accrue interest at a rate equal to a LIBOR rate determined by reference to the Reuters LIBOR rate for the interest period relevant to such borrowing plus 4.25%, with minimum LIBOR per annum of 1.00%. ABR loans under the Initial First Lien Term Loan accrue interest at the applicable margin (3.25%) plus the ABR equal to the highest of (i) a prime rate, (ii) the federal funds effective rate plus one-half of 1% and (iii) the LIBOR loan rate plus 1.00%, with the minimum ABR of 2.00% per year. As of January 2, 2021, the interest rate was 5.25% per annum with respect to the Initial First Lien Term Loan. The First Lien First Amendment Term Loans accrue interest on the same basis as the Initial First Lien Term Loan, except the applicable margin with respect to LIBOR loans is 5.50% and the applicable margin with respect to ABR loans is 4.50%. As of January 2, 2021, the interest rate was 6.50% per annum with respect to the First Lien First Amendment Term Loan and 6.50% per annum with respect to the Delayed Draw Term Loan. The First Lien Fourth Amendment Term Loan accrues interest on the same basis as the Initial First Lien Term Loan and the First Lien First Amendment Term Loans, except the applicable margin with respect to LIBOR loans is 6.25% and the applicable margin with respect to ABR loans is 5.25%. As of January 2, 2021, the interest rate was 7.25% per annum with respect to the First Lien Fourth Amendment Term Loan.

Fees

We pay certain recurring fees with respect to the First Lien Facilities, including (i) fees on the unused commitments of the First Lien Lenders under the Revolving Credit Facility, (ii) letter of credit fees on the aggregate face amounts of outstanding letters of credit plus a fronting fee to the issuing bank and (iii) administration fees.

Covenants

The First Lien Facilities contain a number of customary affirmative and negative covenants that, among other things, limit or restrict the ability of the Borrower and its restricted subsidiaries to:

- incur additional indebtedness (including guarantee obligations);
- incur liens;
- engage in certain fundamental changes, including changes in the nature of the business;
- sell assets;
- pay dividends and make other payments in respect of capital stock;
- make acquisitions, investments, loans and advances;
- pay and modify the terms of certain indebtedness;
- engage in certain transactions with affiliates; and
- enter into negative pledge clauses.

In addition, the First Lien Credit Agreement contains a springing financial covenant applicable solely to the Revolving Credit Facility that, if triggered, requires compliance with a consolidated first lien net leverage ratio of 7.60 to 1.00. The financial covenant will be tested on the last day of any fiscal quarter only if the aggregate principal amount of borrowings under the Revolving Credit Facility (including swingline loans and letters of credit, with some exceptions) exceeds 30% of the aggregate amount of the commitments available to be drawn under the Revolving Credit Facility on such day.

Events of Default

The First Lien Facilities contain customary events of default, including nonpayment of principal, interest, fees or other amounts; incorrectness of a representation or warranty in any material respect; violation of covenants; cross-default and cross-acceleration to indebtedness in excess of a certain amount; bankruptcy events; judgments in excess of a certain amount; actual or asserted invalidity of any material provision of any security document; non-perfection of a security interest; and a change of control. The occurrence of an event of default (subject to certain grace periods, as applicable) could, absent a waiver or an amendment from the First Lien Lenders, restrict the availability of the Revolving Credit Facility and permit the acceleration of all outstanding borrowings under the First Lien Facilities.

The Second Lien Term Facility

Concurrently with the entry into the First Lien Facilities, we and our wholly owned subsidiary, Aveanna Healthcare LLC, as borrower (the "Borrower"), entered into that certain the Second Lien Credit Agreement, dated as of March 16, 2017 (as amended, restated, supplemented, waived or otherwise modified from time to time, the "Second Lien Credit Agreement" and together with the First Lien Credit Agreement, the "Senior Secured Credit Agreements") with Royal Bank of Canada, as administrative agent and collateral agent, and the lenders and other agents party thereto from time to time (in such capacity, the "Second Lien Lenders"), which provides for the Second Lien Term Facility in an original aggregate principal amount of $240 million. The Second Lien Term Facility also permits the Borrower to incur an unlimited amount of incremental loans subject to certain limitations and compliance, on a pro forma basis, with a second lien net leverage ratio of less than 6.00x.

Maturity; Prepayments

The Second Lien Term Facility matures on March 16, 2025. The principal amount of the Second Lien Term Facility does not amortize.

Subject to certain exceptions, the Second Lien Term Facility is subject to mandatory prepayments in amounts equal to:

- 100% of the net cash proceeds greater than $21,875,000 from any non-ordinary course sale or other disposition of property (including certain insurance and condemnation proceeds and sale leaseback proceeds) by the Borrower and any of its restricted subsidiaries subject to customary reinvestment provisions and certain other exceptions, with step downs to (i) 50% of net cash proceeds when consolidated secured net leverage ratio is less than or equal to 5.75 to 1.00 but greater than 5.25 to 1.00 and (ii) 0% when consolidated secured net leverage ratio is less than or equal to 5.25 to 1.00;
- 100% of the net cash proceeds from issuances or incurrences of debt by the Borrower or any of its restricted subsidiaries (other than certain indebtedness permitted by the Senior Secured Credit Facilities); and
- 50% of annual excess cash flow of the Borrower and its restricted subsidiaries, minus, at the Borrower's option certain optional prepayments of other indebtedness, with step downs to (i) 25% when consolidated secured net leverage ratio is less than or equal to 5.75 to 1.00 but greater than 5.25 to 1.00 and (ii) 0% when consolidated secured net leverage ratio is less than or equal to 5.25 to 1.00, and such payment shall not be made if and to the extent such amount is less than $6,250,000.

Voluntary prepayments and commitment reductions are permitted, subject to certain minimum amounts, at any time.

Interest

Under the Second Lien Term Facility, we can elect, at our option, the applicable interest rate for borrowings using a variable interest rate based on either LIBOR or an ABR, plus an applicable margin. LIBOR loans under the Second Lien Term Facility accrue interest at a rate equal to a LIBOR rate determined by reference to the Reuters LIBOR rate for the interest period relevant to such borrowing plus 8.00%, with minimum LIBOR per annum of 1.00%. ABR loans under the Second Lien Term Facility accrue interest at the applicable margin

(7.00%) plus the ABR equal to the highest of (i) a prime rate, (ii) the federal funds effective rate plus one-half of 1% and (iii) the LIBOR loan rate plus 1.00%, with the minimum ABR of 2.00% per year. As of January 2, 2021, the effective interest rate for the borrowings under the Second Lien Term Facility was 9.00% per annum.

Security; Guarantees

Subject to certain exceptions, the obligations of the Borrower under the Second Lien Term Facility are guaranteed by the Credit Facility Guarantors.

Subject to certain exceptions, the Second Lien Term Facility and the guarantees in respect thereof are secured by a perfected second priority (i) pledge of the equity interests of the Borrower and of each wholly-owned material restricted subsidiary directly held by the Borrower or any Credit Facility Guarantor and (ii) security interests in and mortgages on substantially all of the Borrower’s and each Credit Facility Guarantor’s tangible and intangible personal property, including, among other things, U.S. registered intellectual property and owned real property located in the U.S. with a value greater than $10,000,000.

Fees

We pay certain recurring fees with respect to the Second Lien Term Facility, including (i) letter of credit fees on the aggregate face amounts of outstanding letters of credit plus a fronting fee to the issuing bank and (ii) administration fees.

Covenants

The Second Lien Term Facility contain a number of customary affirmative and negative covenants that, among other things, limit or restrict the ability of the Borrower and its restricted subsidiaries to:

- incur additional indebtedness (including guarantee obligations);
- incur liens;
- engage in certain fundamental changes, including changes in the nature of the business;
- sell assets;
- pay dividends and make other payments in respect of capital stock;
- make acquisitions, investments, loans and advances;
- pay and modify the terms of certain indebtedness;
- engage in certain transactions with affiliates; and
- enter into negative pledge clauses.

Events of Default

The Second Lien Term Facility contains customary events of default, including nonpayment of principal, interest, fees or other amounts; incorrectness of a representation or warranty in any material respect; violation of covenants; cross-default and cross-acceleration to indebtedness in excess of a certain amount; bankruptcy events; judgments in excess of a certain amount; actual or asserted invalidity of any material provision of any security document; non-perfection of a security interest; and a change of control. The occurrence of an event of default (subject to certain grace periods, as applicable) could, absent a waiver or an amendment from the Second Lien Lenders, as applicable, permit the acceleration of all outstanding borrowings under the Second Lien Term Facility.

DESCRIPTION OF CAPITAL STOCK

General

Prior to the consummation of this offering, we filed an Amended Charter and adopted our Amended Bylaws. Our Amended Charter authorizes capital stock consisting of:

- 1,000,000,000 shares of common stock, par value $0.01 per share; and
- 5,000,000 shares of preferred stock, par value $0.01 per share.

As of April 3, 2021, there were 17 holders of record of our common stock.

We are selling 38,236,000 shares of common stock in this offering (or 43,971,400 shares if the underwriters exercise their overallotment option in full). All shares of our common stock outstanding upon consummation of this offering will be fully paid and non-assessable.

The following summary describes the material provisions of our capital stock and is qualified in its entirety by the provisions of our Amended Charter, our Amended Bylaws and the DGCL. We urge you to read our Amended Charter and our Amended Bylaws, which are included as exhibits to the registration statement of which this prospectus forms a part.

Historically, we have had two classes of common stock. Prior to the consummation of this offering, we changed our share structure from two classes of common stock to one class of common stock, pursuant to a certificate of amendment to our amended and restated certificate of incorporation.

Our purpose is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the DGCL.

Certain provisions of our Amended Charter and our Amended Bylaws summarized below may be deemed to have an anti-takeover effect and may delay or prevent a tender offer or takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares of common stock.

General Description of Common Stock

Voting Rights. Each share of our common stock entitles its owner to one vote on all matters submitted to a vote of our stockholders, including the election of directors. Under our Amended Charter and Amended Bylaws, our stockholders will not have cumulative voting rights. Because of this, the holders of a majority of the shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they should so choose.

Dividend Rights. The holders of our common stock are entitled to ratably receive dividends, when, as and if declared by our Board of Directors, in its discretion, from funds legally available for the payment of dividends.

Liquidation Rights. If we liquidate, dissolve or wind up, the owners of our common stock will be entitled to share proportionately in our assets, if any, legally available for distribution to stockholders, but only after prior satisfaction of all outstanding debts and other liabilities and the payment of liquidation preferences, if any, on any outstanding preferred stock.

Other Rights and Preferences. Our common stock has no preemptive rights, no sinking fund provisions and no subscription, redemption or conversion privileges, and it is not subject to any further calls or assessments by us. All outstanding shares of our common stock are, and the shares of common stock offered in this offering will be, fully paid and non-assessable. Additionally, the vote or concurrence of our stockholders holding a majority in interest is sufficient for certain other actions that require the vote or concurrence of stockholders. The rights, powers, preferences and privileges of holders of our common stock will be subject to those of the holders of any shares of our preferred stock we may authorize and issue in the future.

General Description of Preferred Stock

Our Amended Charter authorizes our Board of Directors, without further stockholder approval, to: (i) issue preferred stock in one or more series; (ii) establish the number of shares to be included in each such series; and (iii) fix the designations, powers, preferences and rights of the shares of each series and any qualifications, limitations or restrictions on those shares. The Board of Directors may establish a class or series of preferred stock with preferences, powers and rights (including voting rights) senior to the rights of the holders of our common stock. If we issue any of our preferred stock, it may have the effect of delaying, deferring or preventing a change in control.

Exclusive Forum

Our Amended Charter provides that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum, to the fullest extent permitted by law, for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers or other employees or stockholders to us or our stockholders, creditors or other constituents, or a claim of aiding and abetting any such breach of fiduciary duty, (3) any action asserting a claim against us or any of our directors or officers or other employees or stockholders arising pursuant to, or any action to interpret, apply, enforce any right, obligation or remedy under or determine the validity of, any provision of the DGCL or our Amended Charter or Amended Bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, (4) any action asserting a claim that is governed by the internal affairs doctrine, or (5) any other action asserting an “internal corporate claim” under the DGCL shall be the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery does not have subject matter jurisdiction, another state court sitting in the State of Delaware or, if and only if neither the Court of Chancery nor any state court sitting in the State of Delaware has subject matter jurisdiction, then the federal district court for the District of Delaware). Notwithstanding the foregoing, our Amended Charter provides that the Delaware Forum Provision will not apply to any actions arising under the Securities Act or the Exchange Act. Any person or entity purchasing or otherwise acquiring any interest in our securities shall be deemed to have notice of and consented to this provision. Although we believe these provisions benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against us or our directors and officers.

Additionally, our Amended Charter provides that unless the Company consents in writing to the selection of an alternative forum, the federal district court for the District of Delaware shall, to the fullest extent permitted by law, be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Company are deemed to have notice of and consented to this provision. The Supreme Court of Delaware has held that this type of exclusive federal forum provision is enforceable. There may be uncertainty, however, as to whether courts of other jurisdictions would enforce such provision, if applicable.

Dividends

Declaration and payment of any dividend will be subject to the discretion of our Board of Directors. The time and amount of dividends will be dependent upon, among other things, our business prospects, results of operations, financial condition, cash requirements and availability, debt repayment obligations, capital expenditure needs, contractual restrictions, covenants in the agreements governing our current and future indebtedness, industry trends, the provisions of Delaware law affecting the payment of dividends and distributions to stockholders and any other factors or considerations our Board of Directors may regard as relevant. We currently intend to retain all available funds and any future earnings to fund the development and growth of our business, and therefore do not anticipate paying any cash dividends on our common stock in the foreseeable future. See “Dividend Policy” and “Risk Factors—Risks Related to this Offering and Ownership of our Common Stock—We do not intend to pay dividends on our common stock for the foreseeable future.”

Anti-Takeover Provisions

Our Amended Charter and Amended Bylaws, which became effective prior to the consummation of this offering, contains provisions that may delay, defer or discourage another party from acquiring control of us, including our classified Board of Directors and our ability to issue new series of preferred stock without stockholder approval. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our Board of Directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give our Board of Directors the power to discourage acquisitions that some stockholders may favor.

Authorized but Unissued Shares; Undesignated Preferred Stock. The authorized but unissued shares of our common stock will be available for future issuance without stockholder approval except as required by law or by any stock exchange on which our common stock may be listed. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, acquisitions and employee benefit plans. In addition, our Board of Directors may authorize, without stockholder approval, the issuance of undesignated preferred stock with voting rights or other rights or preferences designated from time to time by our Board of Directors. The existence of authorized but unissued shares of common stock or preferred stock may enable our Board of Directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise.

Board Classification. Our Amended Charter provides that our Board of Directors will be divided into three classes of directors, with the classes to be as nearly equal in number as possible, and with the directors serving three-year terms. As a result, approximately one-third of our Board of Directors will be elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our Board of Directors. Our Amended Charter and Amended Bylaws provide that, subject to any rights of holders of preferred stock to elect additional directors under specified circumstances, the number of directors will be fixed from time to time exclusively pursuant to a resolution adopted by our Board of Directors.

No Cumulative Voting. Our Amended Charter provides that stockholders are not permitted to cumulate votes in the election of directors.

Special Meetings of Stockholders. Our Amended Bylaws provides that special meetings of our stockholders may be called, prior to the Trigger Event, only by or at the direction of our Board of Directors or our Chairman at the request of holders of not less than a majority of the combined voting power of our common stock, and, from and after the Trigger Event, only by or at the direction of our Board of Directors or our Chairman.

Stockholder Action by Written Consent. Pursuant to Section 228 of the DGCL, any action required to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of our stock entitled to vote thereon were present and voted, unless our certificate of incorporation provides otherwise. Our Amended Charter precludes stockholder action by written consent from and after the Trigger Event.

Advance Notice Requirements for Stockholder Proposals and Nomination of Directors. Our Amended Bylaws will require stockholders seeking to bring business before an annual meeting of stockholders, or to nominate individuals for election as directors at an annual or special meeting of stockholders, to provide timely notice in writing. To be timely, a stockholder's notice will need to be sent to and received by our Secretary both (1) at our principal executive offices by hand delivery, overnight courier service, or by certified or registered mail, return receipt required, and (2) by electronic mail, as provided in the Amended Bylaws, no later than the close of business on the 90th day, nor earlier than the close of business on the 120th day, prior to the anniversary of the immediately preceding annual meeting of stockholders. However, in the event that the annual meeting is called for a date that is not within 30 days before or 70 days after the anniversary of the immediately preceding annual meeting of stockholders, or if no annual meeting was held in the preceding year, such notice will be timely only if received no earlier than the close of business on the 120th day prior to the annual meeting and no later than the close of business on the later of the 90th day prior to such annual meeting and the tenth day following the date on which a public announcement of the date of the annual meeting was made by us. Our Amended Bylaws also will specify requirements as to the form and content of a stockholder's notice. These provisions may preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our meetings of stockholders. These provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the potential acquirer's own slate of directors or otherwise attempting to obtain control of the Company.

Removal of Directors; Vacancies. Under the DGCL, unless otherwise provided in our Amended Charter, directors serving on a classified board may be removed by the stockholders only for cause. Our Amended Charter provides that from and after the Trigger Event, directors may only be removed for cause, and only by the affirmative vote of holders of at least 66 2/3% in voting power of all the then-outstanding shares of common stock of the Company entitled to vote thereon. In addition, our Amended Charter provides that from and after the Trigger Event, any newly created directorship on our Board of Directors that results from an increase in the number of directors and any vacancy occurring in our Board of Directors may only be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director (and not by the stockholders).

Supermajority Provisions. Our Amended and Amended Bylaws provide that our Board of Directors is expressly authorized to alter, amend, rescind or repeal, in whole or in part, our Amended Bylaws without a stockholder vote in any matter not inconsistent with Delaware law and our Amended Charter. From and after the Trigger Event, in addition to any vote of the holders of any class or series of capital stock of our Company required therein, our Amended Bylaws or applicable law, any amendment, alteration, rescission or repeal of our Amended Bylaws by our stockholders will require the affirmative vote of the holders of at least 66 2/3% in voting power of all the then-outstanding shares of stock of our Company entitled to vote thereon, voting together as a single class.

The DGCL provides generally that the affirmative vote of a majority of the outstanding shares entitled to vote thereon, voting together as a single class, is required to amend a corporation's certificate of incorporation unless the certificate of incorporation requires a greater percentage. Our Amended Charter provides that the following provisions in our Amended Charter may be amended, altered, repealed or rescinded only by the affirmative vote of the holders of at least 66 2/3% in voting power of all the then-outstanding shares of stock of our Company entitled to vote thereon, voting together as a single class:

- the provision requiring a 66 2/3% supermajority vote for stockholders to amend our Amended Bylaws;
- the provisions providing for a classified board of directors (the election and term of our directors);
- the provisions regarding removal of directors;
- the provisions regarding stockholder action by written consent;
- the provisions regarding calling special meetings of stockholders;

- the provisions regarding filling vacancies on our Board of Directors and newly created directorships;
- the provisions regarding competition and corporate opportunities;
- the provisions regarding Section 203 of the DGCL;
- the provisions eliminating monetary damages for breaches of fiduciary duty by a director and governing forum selection; and
- the amendment provision requiring that the above provisions be amended only with a 66 2/3% supermajority vote.

Limitations on Liability and Indemnification of Officers and Directors

Section 145 of the DGCL grants each Delaware corporation the power to indemnify any person who is or was a director, officer, employee or agent of a corporation, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of serving or having served in any such capacity, if he or she acted in good faith in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. A Delaware corporation may similarly indemnify any such person in actions by or in the right of the corporation if he or she acted in good faith in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation, except that no indemnification may be made in respect of any claim, issue or matter as to which the person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or the court in which the action was brought determines that, despite adjudication of liability, but in view of all of the circumstances of the case, the person is fairly and reasonably entitled to indemnity for expenses which the Delaware Court of Chancery or other court shall deem proper.

Section 102(b)(7) of the DGCL enables a corporation in its certificate of incorporation, or an amendment thereto, to eliminate or limit the personal liability of a director to the corporation or its stockholders for monetary damages for violations of the director's fiduciary duty as a director, except (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL (providing for director liability with respect to unlawful payment of dividends or unlawful stock purchases or redemptions) or (iv) for any transaction from which a director derived an improper personal benefit. Our Amended Charter provides for such limitation of liability.

Our Amended Charter and Amended Bylaws indemnify our directors and officers to the full extent permitted by the DGCL and our Amended Charter also allows our Board of Directors to indemnify other employees. This indemnification will extend to the payment of judgments in actions against officers and directors and to reimbursement of amounts paid in settlement of such claims or actions and may apply to judgments in favor of the corporation or amounts paid in settlement to the corporation. This indemnification will also extend to the payment of attorneys' fees and expenses of officers and directors in suits against them where the officer or director acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. This right of indemnification is not exclusive of any right to which the officer or director may be entitled as a matter of law and shall extend and apply to the estates of deceased officers and directors.

We maintain a directors' and officers' insurance policy. The policy insures directors and officers against unindemnified losses arising from certain wrongful acts in their capacities as directors and officers and reimburses us for those losses for which we have lawfully indemnified the directors and officers. The policy contains various exclusions that are normal and customary for policies of this type.

We believe that the limitation of liability and indemnification provisions in our Amended Charter, Amended Bylaws and insurance policies are necessary to attract and retain qualified directors and officers. However, these provisions may discourage derivative litigation against directors and officers, even though an action, if successful, might benefit us and other stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers as required or allowed by these limitations of liability and indemnification provisions.

At present, there is no pending litigation or proceeding involving any of our directors, officers, employees or agents as to which indemnification is sought from us, nor are we aware of any threatened litigation or proceeding that may result in an indemnification claim.

Corporate Opportunity Doctrine

Our Amended Charter provides that we renounce any interest or expectancy in, or in being offered an opportunity to participate in, any business opportunity that may from time to time be presented to the Sponsors or any of their officers, directors, agents, stockholders, members, partners, affiliates and subsidiaries (other than us and our subsidiaries) and that may be a business opportunity for the Sponsors, even if the opportunity is one that we might reasonably have pursued or had the ability or desire to pursue if granted the opportunity to do so. No such person will be liable to us for breach of any fiduciary or other duty, as a director or officer or otherwise, by reason of the fact that such person, acting in good faith, pursues or acquires any such business opportunity, directs any such business opportunity to another person or fails to present any such business opportunity, or information regarding any such business opportunity, to us unless, in the case of any such person who is our director or officer, any such business opportunity is expressly offered to such director or officer solely in his or her capacity as our director or officer. Neither the Sponsors nor any of their representatives have any duty to refrain from engaging directly or indirectly in the same or similar business activities or lines of business as us or any of our subsidiaries.

Business Combination with Interested Stockholders

We have opted out of Section 203 of the DGCL; however, our Amended Charter contains similar provisions providing that we may not engage in certain "business combinations" with any "interested stockholder" for a three-year period following the time that the stockholder became an interested stockholder, unless:

- prior to such time, our Board of Directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding certain shares; or
- at or subsequent to that time, the business combination is approved by our Board of Directors and by the affirmative vote of holders of at least 66 2/3% of our outstanding voting stock that is not owned by the interested stockholder.

Generally, a "business combination" includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an "interested stockholder" is a person who, together with that person's affiliates and associates, owns, or within the previous three years owned, 15% or more of our outstanding voting stock. For purposes of this section only, "voting stock" has the meaning given to it in Section 203 of the DGCL.

Under certain circumstances, this provision will make it more difficult for a person who would be an "interested stockholder" to effect various business combinations with us for a three-year period. This provision may encourage companies interested in acquiring us to negotiate in advance with our Board of Directors because the stockholder approval requirement would be avoided if our Board of Directors approves either the business combination or the transaction which results in the stockholder becoming an interested stockholder. These provisions also may have the effect of preventing changes in our Board of Directors and may make it more difficult to accomplish transactions which stockholders may otherwise deem to be in their best interests.

Our Amended Charter provides that the Sponsors and their respective affiliates, and any of their respective direct or indirect transferees and any group as to which such persons are a party, do not constitute “interested stockholders” for purposes of this provision.

Dissenters’ Rights of Appraisal and Payment

Under the DGCL, with certain exceptions, our stockholders will have appraisal rights in connection with a merger or consolidation of Aveanna Health Holdings Inc. Pursuant to Section 262 of the DGCL, stockholders who properly demand and perfect appraisal rights in connection with such merger or consolidation will have the right to receive payment of the fair value of their shares as determined by the Delaware Court of Chancery.

Stockholders’ Derivative Actions

Under the DGCL, any of our stockholders may bring an action in our name to procure a judgment in our favor, also known as a derivative action, provided that the stockholder bringing the action is a holder of our shares at the time of the transaction to which the action relates.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

Trading Symbol and Market

We have applied to list our common stock on Nasdaq under the symbol “AVAH.”

SHARES ELIGIBLE FOR FUTURE SALE

Immediately prior to this offering, there was no public market for our common stock. Future sales of substantial amounts of common stock in the public market, or the perception that such sales may occur, could adversely affect the market price of our common stock. Although we have applied to have our common stock listed on Nasdaq, we cannot assure you that there will be an active public market for our common stock.

Upon the closing of this offering, we will have outstanding an aggregate of 180,164,184 shares of common stock, assuming the issuance of 38,236,000 shares of common stock offered by us in this offering (or 185,899,584 shares of common stock, if the underwriters exercise their overallotment option to purchase additional shares in full). Of these shares, all shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except for any shares purchased by our “affiliates,” as that term is defined in Rule 144 under the Securities Act, whose sales would be subject to the Rule 144 resale restrictions described below as described below under “—Rule 144,” and any common stock subject to the lock-up agreement as described below under “—Lock-Up Agreements.”

The remaining shares of common stock will be “restricted securities,” as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below.

Registration Rights

Pursuant to the A&R Registration Rights Agreement, after the completion of this offering, certain holders of our common stock will be entitled to certain rights with respect to the registration of the offer and sale of such shares under the Securities Act. See the section titled “Description of Capital Stock—Registration Rights” for a description of these registration rights. If the offer and sale of these shares of our common stock are registered, the shares will be freely tradable without restriction under the Securities Act, subject to the Rule 144 limitations applicable to affiliates, and a large number of shares may be sold into the public market.

Lock-Up Agreements

In connection with this offering, we and each of our directors, executive officers and certain other stockholders will enter into lock-up agreements that restrict the sale of our securities for a period of up to 180 days after the date of this prospectus, subject to certain exceptions or an extension in certain circumstances.

Upon the expiration of the applicable lock-up periods, substantially all of the shares subject to such lock-up restrictions will become eligible for sale, subject to the limitations discussed above.

Rule 144

The shares of our common stock sold in this offering will generally be freely transferable without restriction or further registration under the Securities Act, except that any shares of our common stock held by an “affiliate” of ours may not be resold publicly except in compliance with the registration requirements of the Securities Act or under an exemption under Rule 144 or otherwise. Rule 144 permits our common stock that has been acquired by a person who is an affiliate of ours, or has been an affiliate of ours within the past three months, to be sold into the market in an amount that does not exceed, during any three-month period, the greater of:

- 1% of the total number of shares of our common stock outstanding; or
- the average weekly reported trading volume of our common stock on Nasdaq for the four calendar weeks prior to the sale.

Such sales are also subject to specific manner of sale provisions, a six-month holding period requirement, notice requirements and the availability of current public information about us.

Rule 144 also provides that a person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has for at least six months beneficially owned shares of our common stock that are restricted securities, will be entitled to freely sell such shares of our common stock subject only to the availability of current public information regarding us. A person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned for at least one year shares of our common stock that are restricted securities, will be entitled to freely sell such shares of our common stock under Rule 144 without regard to the current public information requirements of Rule 144.

Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who purchases shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of the registration statement of which this prospectus forms a part is entitled to sell such shares 90 days after such effective date in reliance on Rule 144. Our affiliates can resell shares in reliance on Rule 144 without having to comply with the holding period requirement, and non-affiliates of the issuer can resell shares in reliance on Rule 144 without having to comply with the current public information and holding period requirements.

The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after an issuer becomes subject to the reporting requirements of the Exchange Act.

Equity Plans

We intend to file one or more registration statements on Form S-8 under the Securities Act to register the offer and sale of all shares of common stock subject to outstanding stock options, and common stock issued or issuable under our Stock Incentive Plans and the ESPP. We expect to file the registration statement covering shares offered pursuant to our Stock Incentive Plans and the ESPP shortly after the date of this prospectus, permitting the resale of such shares by non-affiliates in the public market without restriction under the Securities Act and the sale by affiliates in the public market subject to compliance with the resale provisions of Rule 144.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS OF COMMON STOCK

The following is a general discussion of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the purchase, ownership and disposition of our common stock issued pursuant to this offering. This discussion does not provide a complete analysis of all potential U.S. federal income tax considerations relating thereto. This description is based on the Code and existing and proposed U.S. Treasury regulations promulgated thereunder, administrative pronouncements, judicial decisions, and interpretations of the foregoing, all as of the date hereof and all of which are subject to change, possibly with retroactive effect. This discussion is limited to non-U.S. holders (as defined below) who hold shares of our common stock as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment). Moreover, this discussion is for general information only and does not address all of the tax consequences that may be relevant to a non-U.S. holder in light of a non-U.S. holder's particular circumstances, nor does it discuss special tax provisions, which may apply to a non-U.S. holder if a non-U.S. holder is subject to special treatment under U.S. federal income tax laws, such as for certain financial institutions or financial services entities, insurance companies, tax-exempt entities, tax-qualified retirement plans, persons subject to special tax accounting rules under Section 451(b) of the Code, "qualified foreign pension funds" (and entities all of the interests of which are held by qualified foreign pension funds), dealers in securities or currencies, entities that are treated as partnerships or other pass-through entities for U.S. federal income tax purposes (and partners or beneficial owners therein), foreign branches, "controlled foreign corporations," "passive foreign investment companies," former U.S. citizens or long-term residents, corporations that accumulate earnings to avoid U.S. federal income tax, persons deemed to sell common stock under the constructive sale provisions of the Code, persons that hold common stock as part of a straddle, hedge, conversion transaction, or other integrated investment and persons that hold our preferred stock. In addition, this summary does not address the alternative minimum tax, any state, local or non-U.S. taxes or any other U.S. federal tax laws, such as estate and gift tax laws.

Non-U.S. holders are urged to consult their own tax advisors concerning the U.S. federal income tax consequences of purchasing, owning and disposing of our common stock, as well as the application of any other U.S. federal, state, local, non-U.S. tax laws and income tax treaties. As used in this section, a "non-U.S. holder" is a beneficial owner of our common stock (other than a partnership or any other entity treated as a pass-through entity for U.S. federal income tax purposes) that is not, 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) that is 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 (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code) have the authority to control all substantial decisions of the trust or (ii) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a domestic trust.

If you are an individual, you generally will be treated as a resident of the United States if you are a lawful permanent resident of the United States (e.g., a green card holder) and you may, in many cases, be deemed to be a resident of the United States, as opposed to a nonresident alien, by virtue of being present in the United States for at least 31 days in the relevant calendar year and for an aggregate of at least 183 days during a three-year period ending in and including the relevant calendar year, subject to certain exceptions. For these purposes, all the days present in the United States in the relevant year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year are counted. Such an individual is urged to consult his or her own tax advisor regarding the U.S. federal income tax consequences of the purchase, ownership or disposition of our common stock.

If a partnership or other entity treated as a pass-through entity for U.S. federal income tax purposes is a beneficial owner of our common stock, the tax treatment of a partner in the partnership or an owner of the other pass-through entity will depend upon the status of the partner or owner and the activities of the partnership or other pass-through entity. Any partnership, partner in such a partnership or owner of another pass-through entity holding shares of our common stock should consult its own tax advisor as to the particular U.S. federal income tax consequences applicable to it.

INVESTORS CONSIDERING THE PURCHASE OF OUR COMMON STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AND THE CONSEQUENCES OF OTHER U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX LAWS, AND ANY APPLICABLE INCOME TAX TREATIES.

Distributions on Common Stock

Distributions, if any, made on our common stock to a non-U.S. holder generally will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of our current and accumulated earnings and profits will constitute a return of capital that is first applied against and reduces, but not below zero, a non-U.S. holder’s adjusted tax basis in its shares of our common stock. Any remaining excess will be treated as gain realized on the sale or other taxable disposition of our common stock. See “—Dispositions of Common Stock.”

Subject to the discussion below regarding effectively connected income, any dividend paid to a non-U.S. holder on our common stock will generally be subject to U.S. federal withholding tax at a 30% rate of the gross amount of the dividend. The withholding tax might not apply, however, or might apply at a reduced rate, under the terms of an applicable income tax treaty. A non-U.S. holder is urged to consult its own tax advisor regarding its entitlement to benefits under a relevant income tax treaty. Generally, in order for us or our paying agent to withhold tax at a lower treaty rate, a non-U.S. holder must certify its entitlement to treaty benefits. A non-U.S. holder generally can meet this certification requirement by providing a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable form or documentation), as applicable, to us or our paying agent. If the non-U.S. holder holds our common stock through a financial institution or other agent acting on the non-U.S. holder’s behalf, the non-U.S. holder will be required to provide appropriate documentation to such agent. Even if our current and accumulated earnings and profits are less than the amount of the distribution, the applicable withholding agent may elect to treat the entire distribution as a dividend for U.S. federal withholding tax purposes. A non-U.S. holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Dividends received by a non-U.S. holder that are effectively connected with a U.S. trade or business conducted by the non-U.S. holder and, if required by an applicable income tax treaty, are attributable to a permanent establishment (or, in certain cases involving individual holders, a fixed base) maintained by the non-U.S. holder in the United States, are generally exempt from the U.S. federal withholding tax described above. To obtain this exemption, a non-U.S. holder must provide us with a valid IRS Form W-8ECI properly certifying such exemption. Such effectively connected dividends, although not subject to U.S. federal withholding tax (provided certain certification and disclosure requirements are satisfied), are taxed at the same graduated rates applicable to U.S. persons, net of certain deductions and credits. In addition to a non-U.S. holder being subject to taxation at the regular graduated rates on effectively connected dividends as described above, such effectively connected dividends, as adjusted for certain items, received by corporate non-U.S. holders may also be subject to a branch profits tax at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty.

The foregoing discussion is subject to the discussions below under "—Backup Withholding and Information Reporting" and "—Other Withholding Taxes."

Dispositions of Common Stock

Subject to the discussions below on backup withholding and other withholding tax requirements, gain realized by a non-U.S. holder on a sale, exchange or other taxable disposition of our common stock generally will not be subject to U.S. federal income or withholding tax, unless:

- the gain is effectively connected with the conduct by the non-U.S. holder of a U.S. trade or business (and, if required by an applicable income tax treaty, is attributable to a permanent establishment (or, in certain cases involving individual holders, a fixed base) maintained by the non-U.S. holder in the United States) (in which case the special rules described below apply);
- the non-U.S. holder is an individual who is present in the United States for 183 or more days in the taxable year of such disposition and certain other conditions are met (in which case the gain would be subject to U.S. federal income tax at a rate of 30%, or such reduced rate as may be specified by an applicable income tax treaty, which may be offset by certain U.S. source capital losses of the non-U.S. holder, provided the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses); or
- we are, or become, a "United States real property holding corporation" (a "USRPHC"), for U.S. federal income tax purposes at any time during the shorter of the five-year period ending on the date of disposition of our common stock and the non-U.S. holder's holding period for our common stock (as further described below).

Generally, a corporation is a USRPHC if the fair market value of its "United States real property interests" equals 50% or more of the sum of the fair market value of (a) its worldwide real property interests and (b) its other assets used or held for use in a trade or business. The tax relating to dispositions of stock in a USRPHC does not apply to a non-U.S. holder whose holdings, actual and constructive, amount to 5% or less of our common stock at all times during the shorter of the five-year period ending on the date of disposition of our common stock and the non-U.S. holder's holding period for our common stock, provided that our common stock is regularly traded on an established securities market. No assurance can be provided that our common stock will be regularly traded on an established securities market at all times for purposes of the rules described above. Although there can be no assurances in this regard, we believe we have not been and are not currently a USRPHC and do not anticipate being a USRPHC in the future. Non-U.S. holders are urged to consult their own tax advisor about the consequences that could result if we are, or become, a USRPHC.

If any gain from the sale, exchange or other taxable disposition of our common stock is effectively connected with a U.S. trade or business conducted by a non-U.S. holder (and, if required by an applicable income tax treaty, is attributable to a permanent establishment (or, in certain cases involving individuals, a fixed base) maintained by such non-U.S. holder in the United States), then the gain generally will be subject to U.S. federal income tax at the same graduated rates applicable to U.S. persons, net of certain deductions and credits. If the non-U.S. holder is a corporation, under certain circumstances, that portion of its earnings and profits that is effectively connected with its U.S. trade or business, subject to certain adjustments, generally would also be subject to a "branch profits tax" at a rate of 30% or such lower rate as may be specified by an applicable income tax treaty.

Backup Withholding and Information Reporting

Any dividends or other distributions that are paid to a non-U.S. holder must be reported annually to the IRS and to the non-U.S. holder. Copies of these information returns also may be made available to the tax authorities of the country in which the non-U.S. holder resides or is established under the provisions of various treaties or agreements for the exchange of information. Dividends paid on our common stock and the gross proceeds from a taxable disposition of our common stock may be subject to additional information reporting and may also be subject to U.S. federal backup withholding if such non-U.S. holder fails to comply with applicable U.S. information reporting and certification requirements. Provision of an IRS Form W-8 appropriate to the non-U.S. holder’s circumstances will generally satisfy the certification requirements necessary to avoid the additional information reporting and backup withholding.

Backup withholding is not an additional tax. Any amounts so withheld under the backup withholding rules may be refunded by the IRS or credited against the non-U.S. holder’s U.S. federal income tax liability, provided that the required information is timely furnished to the IRS.

Other Withholding Taxes

Provisions commonly referred to as “FATCA” impose a withholding tax (separate and apart from, but without duplication of, the withholding tax described above) at a rate of 30% on payments of U.S.-source dividends (including our dividends) paid to “foreign financial institutions” (which is broadly defined for this purpose and in general includes investment vehicles) and certain other non-U.S. entities unless various U.S. information reporting and due diligence requirements (generally relating to ownership by U.S. persons of interests in or accounts with those entities) have been satisfied, or an exemption applies. Withholding imposed by FATCA may also apply to gross proceeds from the sale or other taxable disposition of U.S. corporate stock (including our common stock); although, under proposed U.S. Treasury regulations, no withholding would apply to such gross proceeds. The preamble to the proposed U.S. Treasury regulations specifies that taxpayers (including withholding agents) are permitted to rely on the proposed U.S. Treasury regulations pending finalization. An intergovernmental agreement between the United States and an applicable non-U.S. country may modify these requirements. Accordingly, the entity through which our common stock is held will affect the determination of whether such withholding is required. If FATCA withholding is imposed, a beneficial owner that is not a foreign financial institution generally will be entitled to a refund of any amounts withheld by filing a U.S. federal income tax return containing the required information (which may entail a significant administrative burden). Non-U.S. holders are urged to consult their own tax advisors regarding the effects of FATCA on their investment in our common stock.

THE PRECEDING DISCUSSION OF U.S. FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION ONLY. IT IS NOT TAX ADVICE. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE PARTICULAR U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF OUR COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY PROPOSED CHANGE IN APPLICABLE LAWS AND INCOME TAX TREATIES.

UNDERWRITING (CONFLICTS OF INTEREST)

We are offering the shares of common stock described in this prospectus through a number of underwriters. Barclays Capital Inc., J.P. Morgan Securities LLC, BMO Capital Markets Corp. and Credit Suisse Securities (USA) LLC are acting as representatives of the underwriters. We will enter into an underwriting agreement with the representatives. Subject to the terms and conditions of the underwriting agreement, we will agree to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table:

Name	Number of Shares
Barclays Capital Inc.	
J.P. Morgan Securities LLC	
BMO Capital Markets Corp.	
Credit Suisse Securities (USA) LLC	
BofA Securities, Inc.	
Deutsche Bank Securities Inc.	
Jefferies LLC	
RBC Capital Markets, LLC	
Truist Securities, Inc.	
Raymond James & Associates, Inc.	
Stephens Inc.	
Drexel Hamilton, LLC	
Siebert Williams Shank & Co., LLC	
Total	38,236,000

The underwriters are committed to purchase all the common shares offered by us if they purchase any shares. The underwriting agreement will also provide that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the common shares directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. After the initial offering of the shares to the public, if all of the common shares are not sold at the initial public offering price, the underwriters may change the offering price and the other selling terms. Sales of any shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to 5,735,400 additional shares of common stock from us to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional shares. If any shares are purchased with this option to purchase additional shares, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is $ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Without option to purchase additional shares exercise	**With full option to purchase additional shares exercise**
Per Share	$	$
Total	$	$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately $6,800,000. We have agreed to pay for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority in an amount up to $50,000. In addition, the underwriters have agreed to reimburse certain of our expenses in connection with this offering.

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not directly or indirectly (i) offer for sale, sell, pledge or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person any time in the future of) and shares of common stock or securities convertible or exercisable or exchangeable for common stock (other than the shares of common stock issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans that currently exist or pursuant to currently outstanding options, warrants or rights not issued under one of those plans), or sell or grant options, rights or warrants with respect to any shares of common stock or securities convertible into or exchangeable for common stock (other than the grant of options pursuant to option plans that currently exist), (ii) enter into any swap or other derivative transaction that transfers all or a portion of the economic benefits or risks of ownership of any shares of common stock or any such other securities (regardless of whether any of the transactions described in (i) or (ii) are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise), (iii) file, confidentially submit or cause to be confidentially submitted or filed a registration statement, including any amendments thereto, with respect to the registration of any shares of common stock or securities convertible, exercisable or exchangeable into common stock or any other securities of the Company (other than any registration statement on Form S-8), or (iv) publicly disclose the intention to do any of the above, in each case for a period of 180 days after the date of this prospectus without the prior written consent of at least two of Barclays Capital Inc., J.P. Morgan Securities LLC, BMO Capital Markets Corp. and Credit Suisse Securities (USA) LLC, other than the shares of our common stock to be sold in this offering.

Our directors, executive officers and our significant stockholders (such persons, the "lock-up parties") have entered into lock up agreements with the underwriters prior to the commencement of this offering pursuant to which each lock-up party, with limited exceptions, for a period of 180 days after the date of this prospectus (such period, the "restricted period"), may not (and may not cause any of their direct or indirect affiliates to), without the prior written consent of at least two of Barclays Capital Inc., J.P. Morgan Securities LLC, BMO Capital Markets Corp. and Credit Suisse Securities (USA) LLC, directly or indirectly (i) offer for sale, sell, pledge, lend or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of), any shares of our common stock (including, without limitation, shares of common stock that may be deemed to be beneficially owned by such lock-up parties in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant) or securities convertible or exercisable or exchangeable for shares of common stock (collectively with the common stock, the “lock-up securities”)), (ii) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of shares of common stock, whether any such transaction described in (i) or (ii) above is to be settled by delivery of lock-up securities, in cash or otherwise, (iii) make any demand for or exercise any right or cause to be confidentially submitted or filed a registration statement, including any amendments thereto, with respect to the registration of any shares of common stock or securities convertible into or exercisable or exchangeable for common stock or any other of the Company’s securities, or (4) publicly disclose the intention to do any of the foregoing during the restricted period. Such persons or entities have further acknowledged that these undertakings preclude them from engaging in any hedging or other transactions designed to or which reasonably could be expected to lead to or result in, a sale or disposition of common stock or other of the Company’s securities, even if such common stock or other securities would be disposed of by someone other than the lock-up party, including, without limitation, any short sale or any purchase, sale or grant of any right (including without limitation any put or call option, forward, swap or any other derivative transaction or instrument) with respect to any common stock, or any other of the Company’s securities that includes, relates to, or derives any significant part of its value from common stock or any other of the Company’s securities.

The restrictions described in the paragraph above relating to our officers, directors, and significant stockholders do not apply to: (a) transactions relating to shares of common stock or other securities acquired in the open market after the completion of this offering; (b) bona fide gifts or other dispositions of shares of any class of the Company’s capital stock or securities convertible into common stock, in each case that are made exclusively between and among the lock-up party or members of their family (including to any trust, limited partnership, limited liability company or other entity for the direct benefit of the lock-up party or any members of their family) or affiliates of the lock-up party, including its subsidiaries, partners (if a partnership) or members (if a limited liability company); (c) transfers by will or intestacy; (d) transfers to any trust for the direct or indirect benefit of the lock-up party or their immediate family, or if the stockholder is a trust, to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust; (e) transfers to a partnership, limited liability company or other entity of which the lock-up party and the immediate family of the lock-up party are the legal and beneficial owner of all of the outstanding equity securities or similar interests; (f) transfers to a partnership, limited liability company or other entity of which to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under (b) through (e) above; (g) transfers if the stockholder is a corporation, partnership, limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate (as defined in Rule 405 promulgated under the Securities Act) of the stockholder, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the stockholder or affiliates of the stockholder (including where the stockholder is a partnership, to its general partner or a successor partnership or fund, or any other funds managed by such partnership), or (B) as part of a distribution to members or stockholders of the stockholder; (h) transfers to partners, members, stockholders or other equityholders of the stockholder, any direct or indirect partner, member, stockholder or other equityholder of such transferee until the lock-up securities come to be held by a natural person; (i) transfers by operation of law or pursuant to an order of a court (including a qualified domestic order, divorce settlement, divorce decree or separation agreement) or regulatory agency; (j) transfers to us from an employee upon death, disability or termination of employment, in each case, of such employee; (k) transfers to us in connection with the vesting, settlement, or exercise of restricted stock units, options, warrants or other rights to purchase shares of common stock (including, in each case, by way of “net” or “cashless” exercise), including for the payment of exercise price and tax and remittance payments due as a result of the vesting, settlement, or exercise of such restricted stock units, options, warrants or rights, provided that any such shares of common stock received upon such exercise, vesting or settlement are subject to the terms of lock-up agreement, and provided further that any such restricted stock units, options, warrants or rights are held by the lock-up party pursuant to an agreement or equity awards granted under a stock incentive plan or other equity award plan described in this prospectus; (l) transfers pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by the Board of Directors and made to all holders of our capital stock involving a change of control of the Company; provided that in the event that such tender offer, merger, consolidation or other similar transaction is not completed, the lock-up securities remain subject to the provisions of the lock-up agreement; (m) the exercise of outstanding options, settlement of restricted stock units or other equity awards or exercise of warrants pursuant to plans described in this prospectus; provided that any lock-up securities received upon such exercise, vesting or settlement are subject to the terms of the lock-up agreement; (n) the conversion of outstanding preferred stock, warrants to acquire preferred stock or convertible securities into shares of common stock or warrants to acquire shares of common stock; provided that any such shares of common stock or warrants received upon such conversion are subject to the terms of the lock-up agreement; (o) any pledge, charge, hypothecation or other granting of a security interest in lock-up securities by the Bain Funds or Whitney Funds (each, as defined below) to one or more banks, financial or other lending institutions ("Lenders") as collateral or security for or in connection with any margin loan or other loans, advances or extensions of credit entered into by the lock-up party or any of its direct or indirect subsidiaries and any transfers of such lock-up securities or such other securities to the applicable Lender(s) or other third parties upon or following foreclosure upon or enforcement of such lock-up securities or such securities in accordance with the terms of the documentation governing any margin loan or other loan, advance, or extension of credit (including, without limitation, pursuant to any agreement or arrangement existing as of the date hereof); provided that with respect to any pledge, charge, hypothecation or other granting of a security interest set forth above after the execution of this agreement, the applicable Lender(s) is informed of the existence and contents of this agreement before entering into any margin loan or other loans, advances or extensions of credit; (p) transfers by entities affiliated with Bain (collectively, the "Bain Funds") on or prior to the effective date of this registration statement by bona fide gift to any charitable organizations, either directly or indirectly (including through any related distributions or dividends to the direct or indirect equity holders of the Bain Funds or to managing directors of Bain Capital Investors, LLC, in each case as necessary to facilitate any such bona fide gifts); (q) transfers by entities affiliated with J.H. Whitney (collectively, the "Whitney Funds") on or prior to the effective date of this registration statement by bona fide gift to any charitable organizations, either directly or indirectly (including through any related distributions or dividends to the direct or indirect equity holders of the Whitney Funds or to managing directors of J.H. Whitney Capital Partners, LLC, in each case as necessary to facilitate any such bona fide gifts); or (r) the establishment of any contract, instruction or plan that satisfies all of the requirements of Rule 10b5-1 (a "Rule 10b5-1 Plan") under the Exchange Act, except that no sales of common stock or securities convertible into, or exchangeable or exercisable for, common stock, are may be made pursuant to a Rule 10b5-1 Plan prior to the expiration of the restricted period (as may be extended) and neither the lock-up party nor the Company is required to report the establishment of such Rule 10b5-1 Plan in any public report or filing with the Securities and Exchange Commission under the Exchange Act during the restricted period and neither otherwise voluntarily effects any such public filing or report regarding such Rule 10b5-1 Plan; provided that: (i) in the case of (b), (c), (d), (e), (f), (g), (h), (i) and (o), the transfer does not involve a disposition for value and each donee, devisee, transferee or distributee agrees to be bound by the terms of the lock-up agreement to the same extent as if it were a party to the lock-up agreement; (ii) in the case of (b), (c), (d), (e), (f), (g) and (k) that each donee, devisee, transferee or distributee is not be required by law (including without limitation the disclosure requirements of the Securities Act and the Exchange Act) to make, and agrees to not voluntarily make, any filing or public announcement of the transfer or disposition prior to the expiration of the restricted period; in the case of (h) and (i) that no public filing, report or announcement is voluntarily made and if any filing under Section 16(a) of the Exchange Act, or other public filing, report or announcement reporting a reduction in beneficial ownership of shares of common stock in connection with such transfer or distribution is legally required during the restricted period, such filing, report or announcement clearly indicates in the footnotes thereto the nature and conditions of such transfer; and in the case of (b) that the lock-up party notifies the representatives at least two business days prior to the proposed transfer or disposition.

At least two of Barclays Capital Inc., J.P. Morgan Securities LLC, BMO Capital Markets Corp. and Credit Suisse Securities (USA) LLC, in their sole discretion, may release the securities subject to any of the lock-up agreements with the underwriters described above, in whole or in part at any time.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

We have applied to list our common stock on Nasdaq under the symbol “AVAH.”

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be “covered” shorts, which are short positions in an amount not greater than the underwriters’ option to purchase additional shares referred to above, or may be “naked” shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act of 1933, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on Nasdaq, in the over-the-counter market or otherwise.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;
- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our common shares, or that the shares will trade in the public market at or above the initial public offering price.

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Other Relationships

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to our assets, securities and/or instruments (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

An affiliate of Barclays Capital Inc. serves as administrative agent, collateral agent, letter of credit issuer, swingline lender and lender and affiliates of Barclays Capital Inc., BMO Capital Markets Corp., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Jefferies LLC, J.P. Morgan Securities LLC, RBC Capital Markets and Truist Securities, Inc. are joint lead arrangers and bookrunners under our First Lien Credit Agreement. In addition, an affiliate of RBC Capital Markets, LLC serves as administrative agent, collateral agent and lender and affiliates of Barclays Capital Inc., BMO Capital Markets Corp. and RBC Capital Markets, LLC are joint lead arrangers and bookrunners under our Second Lien Credit Agreement. As a result, such affiliates may receive a portion of the net proceeds of this offering in connection with the repayment of our Senior Secured Credit Agreements. See “Use of Proceeds.” Because an affiliate of Barclays Capital Inc. will receive greater than 5% of the net proceeds of this offering in connection with the repayment of our Senior Secured Credit Agreements, Barclays Capital Inc. is deemed to have a “conflict of interest” under Rule 5121 of the Financial Industry Regulatory Authority, or FINRA. Accordingly, this offering is being conducted in accordance with the applicable provisions of FINRA Rule 5121, including the requirement that a “qualified independent underwriter” participate in the preparation of the prospectus and exercise the usual standards of due diligence in connection with such participation. J.P. Morgan Securities LLC has agreed to serve as the qualified independent underwriter for this offering and will not receive any additional fees for serving in that capacity. We have agreed to indemnify J.P. Morgan Securities LLC against any liabilities arising in connection with its role as a qualified independent underwriter, including liabilities under the Securities Act.

Selling Restrictions

Notice to Prospective Investors in European Economic Area

In relation to each Member State of the European Economic Area (each a "Relevant State"), no shares have been offered or will be offered pursuant to this offering to the public in that Relevant State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the underwriters; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the underwriters and the Company that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation. In the case of any shares being offered to a financial intermediary as that term is used in the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the underwriters have been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer to the public" in relation to the shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Notice to Prospective Investors in United Kingdom

No shares have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the shares which has been approved by the Financial Conduct Authority, except that the shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the U.K. Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the U.K. Prospectus Regulation), subject to obtaining the prior consent of the Representatives for any such offer; or

(c) in any other circumstances falling within Section 86 of the FSMA.

provided that no such offer of the shares shall require the Issuer or any underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the U.K. Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares and the expression "U.K. Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the U.K. Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the "Order," and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons. Any person in the UK who is not a relevant person must not act on or rely upon this document or any of its contents.

Notice to Prospective Investors in Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to Prospective Investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to Prospective Investors in the United Arab Emirates

The shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

Notice to Prospective Investors in Australia

This prospectus:

- does not constitute a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "Corporations Act");
- has not been, and will not be, lodged with the Australian Securities and Investments Commission ("ASIC"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document for the purposes of the Corporations Act; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, available under section 708 of the Corporations Act ("Exempt Investors").

The shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of shares under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the shares you undertake to us that you will not, for a period of 12 months from the date of issue of the shares, offer, transfer, assign or otherwise alienate those shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Notice to Prospective Investors in Japan

The shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any "resident" of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Notice to Prospective Investors in Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") of Hong Kong and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the "CO") or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

Notice to Prospective Investors in Singapore

Each representative has acknowledged that this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each representative has represented and agreed that it has not offered or sold any shares or caused the shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any shares or cause the shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

i. to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

ii. where no consideration is or will be given for the transfer;

iii. where the transfer is by operation of law;

iv. as specified in Section 276(7) of the SFA; or

v. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

LEGAL MATTERS

Greenberg Traurig, P.A., Kirkland & Ellis LLP and Dechert LLP have acted as counsel for us, and certain legal matters with regard to the validity of the shares of common stock offered hereby will be passed upon for us by Greenberg Traurig, P.A. Davis Polk & Wardwell LLP has acted as counsel for the underwriters in connection with certain legal matters related to this offering.

EXPERTS

The consolidated financial statements of Aveanna Healthcare Holdings Inc. and subsidiaries at January 2, 2021 and December 28, 2019 and for each of the three years in the period ended January 2, 2021, appearing in this prospectus and registration statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included herein in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed with the registration statement. For further information about us and the common stock offered hereby, we refer you to the registration statement and the exhibits filed with the registration statement. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. The SEC maintains an internet website that contains reports, proxy statements and other information about registrants, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

Upon the closing of this offering, we will be required to file periodic reports, proxy statements, and other information with the SEC pursuant to the Exchange Act. These reports, proxy statements, and other information will be available on the website of the SEC referred to above.

We also maintain a website at www.aveanna.com, through which you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is an inactive textual reference only.

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Report of Independent Registered Public Accounting Firm

To the Audit Committee and the Board of Directors of Aveanna Healthcare Holdings Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Aveanna Healthcare Holdings Inc. and subsidiaries (the Company) as of January 2, 2021 and December 28, 2019, the related consolidated statements of operations, shareholders' equity and cash flows for each of the three years in the period ended January 2, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at January 2, 2021 and December 28, 2019, and the results of its operations and its cash flows for each of the three years in the period ended January 2, 2021, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Revenue Recognition

Description of the Matter

For the year ended January 2, 2021, the Company's revenues were $1.495 billion. As discussed in Note 3 to the consolidated financial statements, the Company determines the transaction price based on established billing rates reduced by estimates for contractual adjustments and discounts provided to third-party payors and implicit price concessions. Contractual adjustments and discounts are based on contractual agreements, discount policies and historical experience. Implicit price concessions are based on historical collection experience.

Auditing management's revenue recognition and its estimates of contractual adjustments, discounts and implicit price concessions was extensive due to the significant data inputs utilized in estimating the related amounts and as it required certain judgments regarding underlying assumptions. The Company's methodology utilizes analyses of historical cash collection experience over a trailing period as well as an assessment of various factors including reimbursement programs, updated regulations, contract negotiations with payors and changes in market conditions, among other factors.

How We Addressed the Matter in Our Audit

To test the revenue recognized and its estimates of contractual adjustments, discounts and implicit price concessions, we performed audit procedures that included, among others, testing on a sample basis the completeness and accuracy of the underlying inputs used by the Company in its estimates, performing data analytics to test the completeness and accuracy of the recorded revenue, and tracing a sample of cash receipts to supporting journal entries and contracts. For example, we agreed the service period, revenue amount, and date and amount of cash receipt to third-party evidence for transactions selected. Our testing also included recalculating and testing the accuracy of management's calculation of revenue and its estimates of contractual adjustments, discounts and implicit price concessions. We assessed the accuracy of the recorded revenue and management's estimates of contractual adjustments, discounts and implicit price concessions based on the Company's analyses of cash collection experience and various risk analytics to support the reasonableness of the underlying assumptions considered by management.

Interim Valuation of Therapy Reporting Unit Goodwill

Description of the Matter

As discussed in Notes 2, 5 and 15 to the consolidated financial statements, the Company performs its annual goodwill impairment test on the first day of the fourth quarter of each fiscal year or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The impairment test compares the fair value of the reporting unit (calculated using a combination of discounted cash flows as well as a market approach that compares a reporting unit's earnings and revenue multiples to those of comparable companies) to its carrying value. As a result of the COVID-19 environment, during the second fiscal quarter of 2020, management made the decision to exit its pediatric Therapy applied behavioral analysis ("ABA") services business. In connection with these activities, management evaluated the Therapy reporting unit, included within the Private Duty Services segment, for goodwill impairment and recorded an impairment charge of $75.7 million.

Auditing management's goodwill impairment test for the Therapy reporting units was complex and judgmental due to the significant estimation required to determine the fair value of the reporting unit. In particular, the fair value estimate was sensitive to significant assumptions, such as revenue growth rates, projected earnings before interest, taxes, depreciation, and amortization ("EBITDA") margins and discount rate, among others, which are affected by expectations about economic conditions, changes to business models or changes in operating performance.

How We Addressed the Matter in Our Audit	To test the estimated fair value of the Therapy reporting unit, we performed audit procedures that included, among others, assessing valuation methodologies and testing the significant assumptions discussed above and the underlying data used by the Company in its analysis. We involved our valuation specialists in reviewing the valuation methodology, discount rate, among other assumptions, and assessing the market multiples by comparison to the selected publicly traded companies. We also tested the underlying data used by the Company in its analysis for completeness and accuracy. We assessed the reasonableness of the Company’s revenue growth rates and projected EBITDA margins, by comparing those assumptions to recent historical performance and current economic and industry trends. We recalculated the reporting unit’s fair value based on management’s significant assumptions and tested the allocation of assets and liabilities used to calculate the carrying value of the reporting unit. We also performed sensitivity analyses of the significant assumptions to evaluate the changes in fair value that would result from changes in the assumptions.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 2017.

Atlanta, GA

March 19, 2021, except as to the paragraphs, and the effects thereto, related to the acquisition, change in capital structure and stock incentive plan in Note 21, as to which the date is April 19, 2021

April 19, 2021

AVEANNA HEALTHCARE HOLDINGS INC.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF JANUARY 2, 2021 AND DECEMBER 28, 2019,
AND FOR THE FISCAL YEARS ENDED
JANUARY 2, 2021, DECEMBER 28, 2019, AND DECEMBER 29, 2018

AVEANNA HEALTHCARE HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share data)

	As of	
	January 2, 2021	December 28, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 137,345	$ 3,327
Patient accounts receivable	172,887	158,817
Receivables under insured programs	7,992	5,482
Prepaid expenses	11,080	10,162
Other current assets	11,340	8,557
Total current assets	340,644	186,345
Property and equipment, net	32,650	35,387
Operating lease right of use assets	46,217	45,079
Goodwill	1,316,385	1,226,064
Intangible assets, net	73,572	54,299
Receivables under insured programs	23,990	25,153
Deferred income taxes	2,931	913
Other long-term assets	7,627	5,194
Total assets	$ 1,844,016	$ 1,578,434
LIABILITIES, DEFERRED RESTRICTED STOCK UNITS, AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and other accrued liabilities	$ 56,668	$ 66,418
Accrued payroll and employee benefits	56,834	37,457
Accrued interest	2,398	—
Notes payable	2,872	2,027
Current portion of insurance reserves - insured programs	7,992	5,482
Current portion of insurance reserves	12,294	11,845
Current portion of long-term obligations	9,910	8,060
Current portion of operating lease liabilities	11,884	10,772
Current portion of deferred payroll taxes	24,824	—
Government stimulus liabilities	29,444	—
Other current liabilities	45,293	26,482
Total current liabilities	260,413	168,543
Revolving line of credit	—	31,500
Long-term obligations, less current portion	1,163,490	986,059
Long-term insurance reserves - insured programs	23,990	25,153
Long-term insurance reserves	30,336	26,252
Operating lease liabilities, less current portion	40,246	41,222
Deferred payroll taxes	24,824	—
Deferred income taxes	2,591	1,745
Other long-term liabilities	30,957	27,016
Total liabilities	1,576,847	1,307,490
Commitments and contingencies (Note 13)		
Deferred restricted stock units	2,135	752
Shareholders' equity:		
Preferred shares, no par value, 5,000,000 shares authorized; none issued or outstanding	—	—
Common shares, $0.01 par value, 1,000,000,000 shares authorized; 141,928,184 and 136,803,189 issued and outstanding, respectively	1,419	1,368
Additional paid-in capital	721,247	669,406
Accumulated deficit	(457,632)	(400,582)
Total shareholders' equity	265,034	270,192
Total liabilities, deferred restricted stock units, and shareholders' equity	$ 1,844,016	$ 1,578,434

AVEANNA HEALTHCARE HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except share and per share data)

	For the Years Ended		
	January 2, 2021	December 28, 2019	December 29, 2018
Revenue	$ 1,495,105	$ 1,384,065	$ 1,253,673
Cost of revenue, excluding depreciation and amortization	1,040,590	964,814	859,351
Branch and regional administrative expenses	240,946	227,762	217,357
Corporate expenses	113,828	113,235	104,486
Goodwill impairment	75,727	—	—
Depreciation and amortization	17,027	14,317	11,938
Acquisition-related costs	9,564	22,661	15,577
Other operating expenses	910	2,322	5,931
Operating (loss) income	(3,487)	38,954	39,033
Interest income	345	207	594
Interest expense	(82,983)	(92,296)	(75,542)
Loss on debt extinguishment	(73)	(4,858)	—
Other income (expense)	34,464	(17,037)	(13,744)
Loss before income taxes	(51,734)	(75,030)	(49,659)
Income tax (expense) benefit	(5,316)	(1,486)	2,513
Net loss	$ (57,050)	$ (76,516)	$ (47,146)
Loss per share:			
Net loss per share, basic and diluted	$ (0.40)	$ (0.56)	$ (0.36)
Weighted average shares outstanding, basic and diluted	140,971,924	136,905,689	131,306,906

AVEANNA HEALTHCARE HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Amounts in thousands, except share data)

	Common Shares		Additional Paid-in Capital	Accumulated Deficit	Total Shareholders' Equity
	Shares	Amount			
Balance, December 30, 2017	125,646,849	$ 1,256	$611,672	$(276,687)	$ 336,241
Issuance of common shares	11,156,340	112	54,309	—	54,421
Non-cash compensation	—	—	1,477	—	1,477
Net loss	—	—	—	(47,146)	(47,146)
Balance, December 29, 2018	136,803,189	1,368	667,458	(323,833)	344,993
Effect of adoption of ASC 842	—	—	—	(233)	(233)
Non-cash compensation	—	—	1,948	—	1,948
Net loss	—	—	—	(76,516)	(76,516)
Balance, December 28, 2019	136,803,189	1,368	669,406	(400,582)	270,192
Issuance of common shares	5,124,995	51	49,949	—	50,000
Non-cash compensation	—	—	1,892	—	1,892
Net loss	—	—	—	(57,050)	(57,050)
Balance, January 2, 2021	141,928,184	$ 1,419	$721,247	$(457,632)	$ 265,034

AVEANNA HEALTHCARE HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	For the Years Ended		
	January 2, 2021	December 28, 2019	December 29, 2018
Cash Flows From Operating Activities:			
Net loss	$ (57,050)	$ (76,516)	$ (47,146)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	17,027	14,317	11,938
Amortization of deferred debt issuance costs	7,534	6,724	5,379
Amortization and impairment of operating lease right of use assets	13,197	12,696	—
Non-cash compensation	3,275	1,948	2,118
Loss on escrow accounts	—	—	270
Goodwill impairment	75,727	—	—
Loss on disposal of licenses, property and equipment	1,843	1,936	1,681
Fair value adjustment on interest rate derivatives	4,881	12,151	11,832
Fair value adjustment on contingent consideration	—	—	4,400
Loss on disposal of business	—	1,031	—
Loss on extinguishment of debt	73	4,858	—
Deferred income taxes	(6,425)	(919)	(3,632)
Changes in operating assets and liabilities, net of impact of acquisitions:			
Patient accounts receivable	8,563	3,337	(7,955)
Prepaid expenses	3,261	2,088	2,418
Other current and long-term assets	(4,280)	4,278	5,055
Accounts payable and other accrued liabilities	(6,811)	19,292	21,507
Accrued payroll and employee benefits	11,291	488	(1,270)
Accrued interest	2,398	(7,556)	7,394
Insurance reserves	4,499	8,026	5,799
Contingent consideration	—	(4,400)	—
Operating lease liabilities	(13,548)	(13,164)	—
Deferred payroll taxes	46,805	—	—
Other current and long-term liabilities	4,358	671	1,808
Net cash provided by (used in) operating activities	116,618	(8,714)	21,596
Cash Flows From Investing Activities:			
Acquisitions of businesses, net of cash acquired	(178,307)	(957)	(209,968)
Disposal of business	—	(230)	—
Purchases of property and equipment	(15,237)	(16,637)	(19,579)
Net cash used in investing activities	(193,544)	(17,824)	(229,547)
Cash Flows From Financing Activities:			
Proceeds from issuance of common shares	50,000	—	54,421
Proceeds from revolving line of credit	14,000	50,000	15,000
Repayments on revolving line of credit	(45,500)	(18,500)	(15,000)
Proceeds from issuance of term loans, net of debt issuance costs	180,651	50,000	156,493
Principal payments on term loans and notes payable	(11,697)	(12,565)	(6,761)
Proceeds from government stimulus funds	29,444	—	—
Principal payments of financing lease obligations	(764)	—	—
Proceeds from issuance of bond obligations	—	560,000	—
Redemption of bond obligation	—	(560,000)	—
Payment of debt issuance costs	(3,083)	(1,471)	—
Payment of deferred offering costs	(2,107)	—	—
Payment of acquisition-related contingent consideration	—	(45,600)	—
Net cash provided by financing activities	210,944	21,864	204,153
Net increase (decrease) in cash and cash equivalents	134,018	(4,674)	(3,798)
Cash and cash equivalents at beginning of year	3,327	8,001	11,799
Cash and cash equivalents at end of year	$ 137,345	$ 3,327	$ 8,001
Supplemental Disclosures of Cash Flow Information:			
Cash paid for interest	$ 73,051	$ 92,809	$ 62,769
Cash paid for income taxes	$ 2,171	$ 1,550	$ 3,147
Supplemental Disclosures of Non-Cash Activity:			
Acquisition of property and equipment on accrual	$ 1,438	$ 7,301	$ 924
Acquisition of property and equipment under financing lease obligations	$ —	$ 2,806	$ —
Deferred offering costs included in accounts payable and other accrued liabilities	$ 819	$ —	$ —

1. DESCRIPTION OF BUSINESS

Aveanna Healthcare Holdings Inc. was formed on November 30, 2016 as the parent company of Aveanna Healthcare LLC. The Company is headquartered in Atlanta, Georgia and has ongoing operations in 30 states with concentrations in Texas, Pennsylvania, and California, providing a broad range of pediatric and adult healthcare services including nursing, rehabilitation services, occupational nursing in schools, therapy services, day treatment centers for medically fragile and chronically ill children and adults, as well as delivery of enteral nutrition and other products to patients. The Company also provides case management services in order to assist the family and patient by coordinating the provision of services between the insurer or other payer, the physician, the hospital, and other healthcare providers. In addition, the Company provides respite healthcare services, which are temporary care provider services provided in relief of the patient's normal caregiver. The Company's services are designed to provide a high quality, lower cost alternative to prolonged hospitalization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

These consolidated financial statements include the accounts of Aveanna Healthcare Holdings Inc. and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in its accompanying consolidated financial statements, and business combinations accounted for as purchases have been included in its consolidated financial statements from their respective dates of acquisition.

Basis of Presentation

The Company maintains a 52-week fiscal year. The accompanying consolidated balance sheets reflects the accounts of the Company as of January 2, 2021 and December 28, 2019. For the fiscal years ended January 2, 2021, December 28, 2019 and December 29, 2018, the accompanying consolidated statements of operations, shareholders' equity and cash flows reflect the accounts of the Company from December 29, 2019 through January 2, 2021, December 30, 2018 through December 28, 2019 and December 31, 2017 through December 29, 2018, respectively. The fiscal year ended January 2, 2021 includes 53 weeks and the fiscal years ended December 28, 2019 and December 29, 2018 include 52 weeks.

Use of Estimates

The Company's accounting and reporting policies conform with U.S. Generally Accepted Accounting Principles ("U.S. GAAP"). In preparing the consolidated financial statements, the Company is required to make estimates and assumptions that impact the amounts reported in these consolidated financial statements and accompanying notes. Actual results could materially differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Company had no restricted cash balance at January 2, 2021 and December 28, 2019, respectively.

Patient Accounts Receivable

The Company receives payments for services rendered from federal and state agencies (under the Medicare and Medicaid programs), managed care health plans, commercial insurance companies, and patients.

Revenue and receivables from government agencies are significant to our operations, but management does not believe there are significant credit risks associated with these government agencies. Management does not believe there are any other significant concentrations of revenue from any particular payer that would subject the Company to any significant credit risks in the collection of accounts receivable. Changes in general economic conditions, patient accounting service center operations, payer mix, or federal or state governmental health care coverage could affect collection of accounts receivable, cash flows and results of operations.

Long-Lived Assets

The carrying value of long-lived assets, including amortizable, identifiable intangible assets, and asset groups are evaluated whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Conditions that may indicate impairment include, but are not limited to, a significant decrease in the market price of an asset, a significant adverse change in the extent or manner in which an asset is being used or a significant deterioration in its physical condition, and operating or cash flow performance that demonstrates continuing losses associated with an asset or asset group. A potential impairment has occurred if the projected future undiscounted cash flows expected to result from the use and eventual disposition of the asset or asset group are less than the carrying value of the asset or asset group. The estimate of cash flows includes management’s assumptions of cash inflows and outflows directly resulting from the use of the asset in operation. If the carrying value exceeds the sum of the undiscounted cash flows, an impairment charge is recorded equal to the excess of the asset or asset group’s carrying value over its fair value.

Fair value is measured based on a projected discounted cash flow model using a discount rate the Company believes is commensurate with the risk inherent in its business. Any impairment charge would be recognized within operating expenses as other operating expense in the fiscal year incurred. Except for licenses, for the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018, no long-lived assets were deemed to be impaired. See Note 5 – Goodwill and Intangible Assets, Net for impairment recorded related to licenses.

Property and Equipment, Net

Property and equipment are stated at cost less accumulated depreciation and amortization and are depreciated on a straight-line basis over the estimated useful lives of the assets. Additions and improvements are capitalized. Maintenance and repair expenses are charged to expense as incurred. When assets are sold or retired, the corresponding cost and accumulated depreciation are removed from the related accounts and any gain or loss is recognized in other expense on the consolidated statements of operations.

The Company generally provides for depreciation over the following estimated useful lives:

	Years
Furniture and fixtures	3 - 10
Computer hardware and software	3 - 5
Home care equipment	1 - 5
Leasehold improvements and financing lease obligations	Lesser of lease life or expected useful life

The following table summarizes the balances related to property and equipment, net as of January 2, 2021 and December 28, 2019 (amounts in thousands):

	January 2, 2021	December 28, 2019
Furniture and fixtures	$ 10,769	$ 9,309
Computer hardware and software	24,483	16,466
Home care equipment	9,809	7,348
Leasehold improvements	16,417	15,029
Construction in progress	669	5,079
Financing lease obligations	1,796	2,778
	63,943	56,009
Less accumulated depreciation	(31,293)	(20,622)
Total	$ 32,650	$ 35,387

Depreciation expense for the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018 was $13.0 million, $10.1 million and $7.4 million, respectively.

Goodwill

Goodwill represents the amount of the purchase price in excess of the fair values assigned to the underlying identifiable net assets of acquired businesses. Goodwill is not amortized but is subject to an annual impairment test at the reporting unit level. The Company performs its annual goodwill impairment test on the first day of the fourth quarter of each fiscal year. Tests are performed more frequently if events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount. These events or circumstances include but are not limited to, a significant adverse change in the business or regulatory environment or legal factors.

During the second fiscal quarter of 2020, the Company concluded that an interim goodwill impairment test was necessary with respect to its Therapy reporting unit. Factors that led to this decision included a significant decline in the pediatric Therapy ABA services business as a result of the COVID-19 environment, the Company’s subsequent decision to exit its pediatric Therapy ABA services business, and consideration given to the amount by which the Therapy reporting unit’s fair value exceeded the carrying value from the fiscal year 2019 annual goodwill impairment test.

As a result of the interim goodwill impairment test, the Company determined its goodwill associated with the Therapy reporting unit was partially impaired and recorded a goodwill impairment of $75.7 million. The Company did not perform interim goodwill impairment tests on any other reporting units at that time as the COVID-19 environment did not have the same impact to the remainder of the reporting units.

For both its interim and annual goodwill impairment tests, the Company engages a third-party valuation firm to assist in calculating a reporting unit’s fair value, which is derived using a combination of both income and market approaches. The income approach utilizes projected operating results and cash flows and includes significant assumptions such as revenue growth rates, projected EBITDA margins, and discount rates. The market approach compares its reporting units’ earnings and revenue multiples to those of comparable companies. Estimates of fair value may differ from actual results due to, among other things, economic conditions, changes to business models or changes in operating performance. These factors increase the risk of differences between projected and actual performance that could impact future estimates of fair value of all reporting units. Significant differences between these estimates and actual future performance could result in additional impairment in future fiscal years.

The Company has determined it has eight reporting units for each of the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018, respectively, which require goodwill impairment testing. During the Company's annual goodwill impairment test for the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018, the Company did not identify any reporting units in which its carrying value exceeded its estimated fair value. The Company determined that there were no events that occurred or circumstances that changed in the fourth quarter of 2020 that would more likely than not reduce the fair value of its reporting units below its carrying value.

Intangible Assets, Net

Intangible assets consist of licenses (including certificates of need), acquired trade names, non-compete agreements, and internal-use software. The Company amortizes non-compete agreements and acquired trade names that it does not intend to use indefinitely on a straight-line basis over its estimated useful lives, which is one to four years for non-compete agreements and one to two years for acquired trade names. In addition, the Company amortizes internal-use software over the lesser of the remaining license term or useful life of the software, which is three to ten years. Impairment tests are performed annually or more frequently if events occur or circumstances change that would more likely than not reduce the fair value of the intangible below its carrying amount. These events or circumstances include but are not limited to, a significant adverse change in the business or exiting an overlapping market.

During the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018, the Company recorded a loss on disposal of licenses of $1.5 million, $1.1 million, and $1.5 million, respectively. These losses are included in other operating expenses in the accompanying statements of operations. The Company utilizes the cost approach to determine the estimated fair value of licenses. The cost approach calculates fair value by calculating the cost to acquire a license in each state the Company operates. The Company calculates the replacement cost based on average incurred costs to acquire a license in each location.

Business Combinations

In determining whether an acquisition should be accounted for as a business combination or an asset acquisition, the Company first determines whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. If this is the case, the single identifiable asset or the group of similar assets is not deemed to be a business and is instead deemed to be an asset. If this is not the case, the Company then further evaluates whether the single identifiable asset or group of similar identifiable assets and activities includes, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. If so, the Company concludes that the single identifiable asset or group of similar identifiable assets and activities is a business.

The Company accounts for its business combinations using the acquisition method of accounting in accordance with ASC 805, Business Combinations. The assets acquired and liabilities assumed are generally measured at fair value on the acquisition date using the appropriate valuation method. Goodwill represents the excess of the purchase price over the net fair value of identifiable assets acquired and liabilities assumed. The operations of an acquisition are included in the consolidated financial statements from the respective date of the acquisition. See Note 4 - Acquisitions for additional information on the Company's acquisitions.

Debt Issuance Costs

The Company defers costs directly associated with acquiring third-party financing. Debt issuance costs related to the term loans are recorded as a direct deduction from the carrying amount of the debt. The balance for debt issuance costs related to the term loans as of January 2, 2021 and December 28, 2019 was approximately $31.3 million and $34.1 million, respectively. Debt issuance costs related to the revolving credit facility are recorded within other long-term assets. The balance for debt issuance costs related to the revolving credit facility as of January 2, 2021 and December 28, 2019 was approximately $0.5 million and $0.8 million, respectively. Debt issuance costs are amortized using the effective interest rate method over the terms of the related long-term obligation, revolving credit agreement, and delayed draw term loan. The Company recognized approximately $7.5 million, $6.7 million and $5.4 million of interest expense related to the amortization of these costs during the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018, respectively.

Insurance Programs

The Company self-insures its exposure to professional malpractice and workers' compensation risk up to selected retention levels. Reserves are established for estimates of the loss that will ultimately be incurred on claims that have been reported but not paid and claims that have been incurred but not reported. These reserves are established based on consultation with an independent actuary. The actuarial valuations consider a number of factors, including historical claim payment patterns, changes in case reserves and the assumed rate of increase in healthcare costs. Recent trends in industry experience and the Company's historical experience are the most significant factors in the determination of these reserves. Management believes the use of actuarial methods to account for these reserves provides a consistent and effective way to measure these subjective accruals. However, actual claims incurred may differ from estimates due to changes in the timing of claims reporting, claims payment and settlement practices or claims reserve practices, as well as differences between assumed and actual future cost increases. Accrued unpaid claims and expenses that are expected to be paid within the next twelve months are classified as current liabilities. All other accrued unpaid claims and expenses are classified as long-term liabilities.

Receivables under insured programs represent the portion of the Company's reserves for professional liability and workers' compensation losses estimated to be reimbursable under commercial insurance policies. The entities providing loss coverage to the Company are creditworthy commercial insurance companies and the Company believes that such receivables are probable of being collected and that these companies will be able to fully satisfy their obligations under the insurance contracts. Receivables under insured programs that are expected to be paid within the next twelve months are classified as current assets. All other receivables under insured programs are classified as long-term assets.

Income Taxes

The Company uses the asset and liability approach for measuring deferred tax assets and liabilities based on temporary differences existing at each balance sheet date using currently enacted tax rates. The deferred tax calculation requires the Company to make certain estimates about future operations. Deferred tax assets are reduced by a valuation allowance when the Company believes it is more likely than not that some portion or all the deferred tax assets will not be realized. The effect of a change in tax rate is recognized as income or expense in the fiscal year that includes the enactment date.

Management regularly assesses the ability to realize deferred tax assets recorded in the Company's entities based upon the weight of available evidence, including such factors as the recent earnings history and expected future taxable income. In the event future taxable income is below management's estimates or is generated in tax jurisdictions different than projected, the Company could be required to increase the valuation allowance for deferred tax assets. This would result in an increase in its effective tax rate.

The Company records liabilities for uncertain income tax positions based on a two-step process. The first step is recognition, where an individual tax position is evaluated as to whether it has a likelihood of greater than 50% of being sustained upon examination based on the technical merits of the position, including resolution of any related appeals or litigation processes. For tax positions that are currently estimated to have less than a 50% likelihood of being sustained, no tax benefit is recorded. The amount of the benefit that may be recognized is the largest amount that has a greater than 50% likelihood of being realized on ultimate settlement. The actual benefits ultimately realized may differ from the estimates. In future fiscal years, changes in facts, circumstances, and new information may require the Company to change the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recorded in income tax expense and liability in the fiscal year in which such changes occur. Any interest or penalties incurred related to unrecognized tax benefits are recorded as a component of the provision for income tax expense.

Net Loss per Share

Basic net loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding for the period. Diluted net loss per share is calculated by dividing net loss by the diluted weighted average number of common shares outstanding for the period. For purpose of this calculation, outstanding stock options and unvested deferred restricted stock units are considered potential dilutive common shares.

Share-Based Compensation

The fair value of service-based employee awards is recognized as compensation expense on a straight-line basis over the requisite service fiscal year of the award. The fair value of performance-based awards is recognized as compensation expense ratably over the service fiscal year of each performance tranche when it is probable that the performance target will be achieved. The fair value of accelerator-based awards is recognized as compensation expense ratably over the derived service fiscal year of each accelerator tranche. The fair value of the service stock-based awards is determined using the Black-Scholes option pricing model. The fair value of the performance and accelerator stock-based awards are determined using the Monte Carlo option pricing model.

Determining the fair value of options at the grant date requires judgment, including estimating the expected term and the associated volatility. The estimated fair value of the Company’s stock is determined by management, using input from third-party valuations of common stock. The Company has elected to account for forfeitures as they occur rather than apply an estimated forfeiture rate to share-based compensation expense.

Fair Values of Financial Instruments

Certain assets and liabilities are recorded at fair value in accordance with U.S. GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Company uses a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1 - Quoted market prices in active markets for identical assets and liabilities.

- Level 2 - Observable inputs other than quoted market prices in Level 1, such as quoted market prices for markets that are not active or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities, including certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

See Note 8 – Fair Value Measurements for additional details of the Company’s fair value measurements.

Derivative Financial Instruments

The Company may from time to time utilize derivative financial instruments to reduce interest rate risk. The Company does not hold or issue derivative financial instruments for trading purposes.

Branch and Regional Administrative Expenses

Branch and regional administrative expenses are administrative costs incurred in the branches and regional offices to administratively support the provision of clinical care to patients. These costs include the compensation of branch and regional leaders, recruiting, scheduling, and rent, among other things.

Corporate Expenses

Corporate expenses include costs to support the branches and regions including corporate headquarters, corporate payroll, billing and collections, corporate facilities, corporate people services, corporate information technology, and corporate related professional services necessary to support field operations.

Marketing Costs

The Company expenses marketing costs as incurred. Marketing expense for the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018 was $2.7 million, $5.7 million and $3.6 million, respectively.

Comprehensive Loss

Comprehensive loss includes net loss as well as other changes in shareholders’ equity that result from transactions and economic events other than those with shareholders. There was no difference between net loss and comprehensive loss presented in the accompanying consolidated financial statements for the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of patient accounts receivable. Should government agencies suspend or significantly reduce contributions to government insurance programs, the Company’s ability to collect its receivables would be adversely affected. The Company’s exposure to credit risk with respect to its remaining receivables is limited due to the large number of state Medicaid and Medicaid Managed Care Organization payers.

The Company is also subject to credit risk due to the variable interest rates on its term loan obligations. As a result, the Company has entered into an interest cap and two interest rate swap agreements to limit its exposure to risk on its variable rate debt. See Note 9 – Derivative Financial Instruments for further details on the interest rate derivative instruments.

The Company maintains its cash in bank deposit accounts with major financial institutions, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Segments

The Company's operating segments have been identified based upon how management has organized the business by services provided to customers and how the chief operating decision maker ("CODM") manages the business and allocates resources, consistent with the criteria in ASC 280, *Segment Reporting*. The Company has three operating segments and three reportable segments, Private Duty Services ("PDS"), Medical Solutions ("MS") and Home Health & Hospice ("HHH").

All of the Company's identifiable assets are located in the United States, which is where the Company is domiciled. The Company does not generate revenue outside the United States. See Note 17 – Segment Information for additional information on the Company's segments.

Recently Adopted Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Updated ("ASU") 2016-02, *Leases (Topic 842),* which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e., lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. In addition, a lessee is required to record (i) a right of use asset and a lease liability on its balance sheet at the lease commencement date for all leases with accounting lease terms of more than 12 months regardless of whether it is an operating or financing lease and (ii) lease expense in its consolidated statement of operations for operating leases and amortization and interest expense in its consolidated statement of operations for financing leases. Leases with a term of 12 months or less may be accounted for similar to prior guidance for operating leases today. In July 2018, the FASB issued ASU No. 2018-11, *Leases (Topic 842),* which added an optional transition method that allows companies to adopt the standard as of the beginning of the year of adoption as opposed to the earliest comparative period presented. This ASU was effective for annual fiscal years beginning after December 15, 2018, and interim periods therein, with early adoption permitted. The standard requires a modified retrospective transition method, with the option to elect a package of practical expedients. The Company adopted ASC 842 effective December 30, 2018 using the modified retrospective transition method. Under this method, financial statements for periods after the adoption date are presented in accordance with ASC 842 and prior-period financial statements continue to be presented in accordance with ASC 840, the accounting standard originally in effect for such periods.

Upon its adoption of ASC 842, the Company recognized operating lease right of use assets of $42.3 million and operating lease liabilities of $48.0 million for all leases with lease terms of more than 12 months. At that time, the remaining deferred rent was removed from the consolidated balance sheet as part of the initial recording of the operating lease right of use assets. There was a $0.2 million increase to accumulated deficit as a result of the Company's adoption of the new lease guidance.

Management exercised judgment in the adoption of the new leasing standard, including the determination of whether a financial arrangement includes a lease and in determining the appropriate discount rates to be applied to leases. When available, the Company used the implicit discount rate in the lease contract to discount lease payments to present value. If an implicit discount rate was not available in the lease contract, the Company used its incremental borrowing rate. The Company elected to apply the package of practical expedients permitted under the transition guidance to its entire lease portfolio as of December 30, 2018. As a result, the Company was not required to reassess (i) whether any expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases and (iii) whether the initial direct costs for any existing leases met the new definition of initial direct costs at the initial application date. In addition, the Company has elected the practical expedients that allow it to omit leases with initial terms of 12 months or less from the consolidated balance sheets. Such leases are expensed on a straight-line basis over the life of the lease. The Company has elected not to separate lease and non-lease components from future leases.

The Company's future commitments under lease obligations and additional disclosures are summarized in Note 12 – Leases.

In March 2016, the FASB issued ASU 2016-05, *Derivatives and Hedging (Topic 815): Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships (a consensus of the FASB Emerging Issues Task Force)*, which clarifies that a change in the counterparty to a derivative instrument that has been designated as a hedging instrument does not, in and of itself, require designation of that hedging relationship. As the Company does not apply hedge accounting to its derivative financial instruments, this ASU did not have an impact to the consolidated financial statements. In March 2016, the FASB also issued ASU 2016-06, *Derivatives and Hedging (Topic 815): Contingent Put and Call Options in Debt Instruments (a consensus of the FASB Emerging Issues Task Force)*, which clarifies that an assessment of whether an embedded contingent call (put) option is clearly and closely related to the debt host requires only an analysis of a four-step decision sequence. As none of the Company's derivative financial instruments include such options, the ASU did not have an impact to the consolidated financial statements. The Company adopted both standards effective December 30, 2018.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, which provides specific guidance on eight cash flow classification issues not specifically addressed by U.S. GAAP. This ASU is effective for annual fiscal years beginning after December 15, 2017, and interim periods therein, with early adoption permitted. The standard requires a retrospective transition method unless impracticable. In such a case, a prospective transition method is appropriate. The Company adopted this standard retrospectively effective on December 31, 2017, and the adoption of this standard did not materially affect the Company's consolidated financial statements.

In August 2017, the FASB issued ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*, which expands and refines hedge accounting for both financial and non-financial risk components, aligns the recognition and presentation of the effects of hedging instruments and hedge items in the financial statements, and includes certain targeted improvements to ease the application of current guidance related to the assessment of hedge effectiveness. This ASU was effective for annual fiscal years beginning after December 15, 2018, and interim periods therein. The Company adopted this standard effective December 30, 2018, and the adoption of this standard did not materially affect the Company's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract* in order to provide additional guidance on the accounting for costs of implementation activities performed in a cloud computing arrangement that is a service contract. This is an amendment to ASU 2015-05, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Fees Paid in a Cloud Computing Arrangement*. ASU 2018-15 aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. This ASU is effective for annual fiscal years beginning after December 15, 2019, and interim periods therein. The Company early adopted this standard effective December 31, 2017 on a prospective basis. The Company capitalized $1.3 million, $5.6 million, and $1.9 million of software implementation costs during the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018, respectively, and recorded amortization expense of $1.4 million and $0.7 million during the fiscal years ended January 2, 2021 and December 28, 2019, respectively. There was no amortization expense during the fiscal year ended December 29, 2018.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 changes the impairment model for most financial assets and certain other instruments. Under the new standard, entities holding financial assets and net investment in leases that are not accounted for at fair value through net income are to be presented at the net amount expected to be collected. An allowance for credit losses will be a valuation account that will be deducted from the amortized cost basis of the financial asset to present the net carrying value at the amount expected to be collected on the financial asset. This ASU is effective for annual periods beginning after December 15, 2019, and interim periods therein, with early adoption permitted. The Company adopted this standard effective December 29, 2019, and the adoption of this standard did not materially affect the Company's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Changes to the Disclosure Requirements for Fair Value Measurement*, to amend the disclosure requirements related to fair value measurement. These amendments include, but are not limited to, additional disclosures related to the rollforward for Level 3 fair value measurements. This ASU is effective for annual fiscal years beginning after December 15, 2019, and interim periods therein. The Company adopted this standard effective December 29, 2019, and the adoption of this standard did not materially affect the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which simplifies the accounting for income taxes by removing certain exceptions to the general principles in Topic 740 and improves consistent application by clarifying and amending existing guidance. This ASU is effective for annual fiscal years beginning after December 15, 2020, and interim periods within. Early adoption is permitted. The Company is currently evaluating the impact of adopting this standard.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The amendments in this Update apply only to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. This ASU is effective as of March 12, 2020 through December 31, 2022. An entity may adopt this ASU as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020. The Company is currently evaluating the impact of adopting this standard.

In January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848):* Scope, to clarify that certain optional expedients and exceptions in Topic 848 for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition. This ASU is effective immediately and should be adopted in conjunction with ASU 2020-04. The Company is currently evaluating the impact of adopting this standard.

3. REVENUE

In May 2014, the FASB and the International Accounting Standards Board issued ASU 2014-09, "*Revenue from Contracts with Customers (Topic 606)*" ("ASU 2014-09"). ASU 2014-09 requires companies to exercise more judgment and recognize revenue using a five-step process. The Company adopted ASU 2014-09 using the modified retrospective method for all contracts effective December 31, 2017 and is using a portfolio approach to group contracts with similar characteristics and analyze historical cash collection trends. Modified retrospective adoption requires entities to apply the standard retrospectively to the most current period presented in the financial statements, requiring the cumulative effect of the retrospective application as an adjustment to the opening balance of retained earnings at the date of initial application. Prior periods have not been adjusted. No cumulative-effect adjustment in retained earnings was recorded as the adoption of ASU 2014-09 had no impact on the Company's reported historical revenue.

The adoption of ASU 2014-09 had no impact on the Company's consolidated financial statements.

The Company evaluated the nature, amount, timing and uncertainty of revenue and cash flows using the five-step process provided within ASU 2014-09.

Revenue is primarily derived from pediatric healthcare services to patients, including private duty nursing, therapy services, and adult home health and hospice services ("patient revenue") and from the delivery of enteral nutrition and other products to patients ("product revenue"). The services provided by the Company have no fixed duration and can be terminated by the patient or the facility at any time, and therefore, each treatment is its own stand-alone contract. Incremental costs of obtaining a contract are expensed as incurred due to the short-term nature of the contracts.

Services ordered by a healthcare provider in an episode of care are not separately identifiable and therefore have been combined into a single performance obligation for each contract. The Company recognizes revenue as its performance obligations are completed. For patient revenue, the performance obligation is satisfied over time as the customer simultaneously receives and consumes the benefits of the healthcare services provided. For product revenue, the performance obligation is satisfied at the point in time upon delivery to the patient. The Company recognizes revenue equally over the number of treatments provided in a single episode of care. Typically, patients and third-party payers are billed within several days of the service being performed, and payments are due based on contract terms.

The Company disaggregates revenue from contracts with customers by geographic location and by payer within each of the Company's lines of business.

The Company's lines of business can generally be classified into the following categories: private duty nursing, employer of record, therapy, medical solutions and home health and hospice.

Private Duty Nursing ("PDN"). The PDN business includes a broad range of pediatric and adult healthcare services including nursing, rehabilitation services, and occupational nursing in schools.

Employer of Record Support Services ("*EOR*"). The EOR business provides respite healthcare services, which are temporary care provider services provided in relief of the patient's normal caregiver.

Therapy. The therapy business provides therapy, autistic and other behavioral services.

Medical Solutions ("MS"). The MS business includes the delivery of enteral nutrition and other products to patients.

Home Health & Hospice (“HHH”). The HHH business provides home health, hospice and personal care services to predominately elderly patients.

Other Revenue. The Company provides financial management services in order to assist the family and patient by coordinating the reimbursement of authorized medical expenses between certain state-contracted non-profit programs and the family and patient. Other revenue represents the monthly fee earned by the Company for providing these services.

The table below presents total revenue attributed to each line of business (in thousands):

	Fiscal Year Ended January 2, 2021	Fiscal Year Ended December 28, 2019	Fiscal Year Ended December 29, 2018
Private duty nursing	$ 1,064,332	$ 1,049,887	$ 992,889
EOR	188,773	112,016	46,584
Therapy	75,555	90,267	96,091
Medical Solutions	134,180	112,877	98,659
HHH	31,180	17,071	17,858
Patient and product revenue	1,494,020	1,382,118	1,252,081
Other revenue	1,085	1,947	1,592
Total revenue	$ 1,495,105	$ 1,384,065	$ 1,253,673

The PDN, EOR and therapy businesses as well as the other revenue in the table above comprise the Company’s PDS reportable segment. The MS and HHH businesses in the table above are standalone reportable segments.

For the PDN, therapy, MS, and HHH businesses, the Company receives payments from the following sources for services rendered: (i) state governments under their respective Medicaid programs (“Medicaid”); (ii) Managed Care providers of state government Medicaid programs (“Medicaid MCO”); (iii) commercial insurers, (iv) other government programs including Medicare and Tricare (“Medicare”); and (v) individual patients. For the EOR business, the Company receives payments from Medicaid MCO providers only. As the period between the time of service and time of payment is typically one year or less, the Company elected the practical expedient under ASC 606-10-32-18 and did not adjust for the effects of a significant financing component.

The Company determines the transaction price based on established billing rates reduced by contractual adjustments and discounts provided to third-party payers and implicit price concessions. Contractual adjustments and discounts are based on contractual agreements, discount policies and historical experience. For the PDN, therapy, EOR, MS, and HHH businesses, implicit price concessions are based on historical collection experience. At January 2, 2021 and December 28, 2019, estimated explicit and implicit price concessions of $55.4 million and $44.3 million, respectively, had been recorded as reductions to our accounts receivable balances to enable us to record our revenues and accounts receivable at the estimated amounts we expected to collect. For the PDN, therapy, MS, and HHH businesses, most contracts contain variable consideration. However, it is unlikely a significant reversal of revenue will occur when the uncertainty is resolved, and therefore, the Company has included the variable consideration in the estimated transaction price. There is no significant variable consideration in EOR contracts. Subsequent changes resulting from a patient’s ability to pay are recorded as bad debt expense, which is included as a component of operating expenses in the consolidated statements of operations. The Company did not record any bad debt expense for the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018.

The Company derives a significant portion of its revenue from Medicaid, Medicaid MCO, and other government payers that receive discounts from established billing rates. The regulations and various managed care contracts under which these discounts must be estimated are complex and subject to interpretation. Management estimates the transaction price on a payer-specific basis given its interpretation of the applicable regulations or contract terms. Updated regulations and contract negotiations occur frequently, necessitating regular review and assessment of the estimation process by management; however, there were no material revenue adjustments recognized from performance obligations satisfied or partially satisfied in previous periods for the years ended January 2, 2021, December 28, 2019, and December 29, 2018.

The following table presents patient and product revenue by payer type and as a percentage of patient and product revenue for the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018 (in thousands):

	Fiscal Year Ended January 2, 2021		Fiscal Year Ended December 28, 2019		Fiscal Year Ended December 29, 2018	
	Revenue	Ratio	Revenue	Ratio	Revenue	Ratio
Medicaid MCO	$ 892,677	59.8%	$ 785,043	56.8%	$ 653,586	52.2%
Medicaid	405,626	27.1%	406,343	29.4%	393,154	31.4%
Commercial	147,310	9.9%	152,033	11.0%	165,275	13.2%
Medicare	46,166	3.1%	34,553	2.5%	35,058	2.8%
Self-pay	2,241	0.1%	4,146	0.3%	5,008	0.4%
Patient and product revenue	$1,494,020	100.0%	$1,382,118	100.0%	$1,252,081	100.0%

4. ACQUISITIONS

Acquisitions During the Year Ended January 2, 2021

On August 2, 2020, the Company acquired 100% of the issued and outstanding common stock of Total Care, Inc. (“Total Care”). Total Care provides private duty nursing and individual client care for all ages, with a particular focus on pediatric patients. Preliminary total consideration for the transaction was $11.7 million, of which $10.4 million was paid in cash at closing. Per the purchase agreement, a total of $1.3 million of total consideration is to be held by the Company to settle indemnity claims and working capital adjustments. The holdback payments, net of any indemnity claims and working capital adjustments, will be paid to the sellers over a three to eighteen-month period after closing.

On September 19, 2020, the Company acquired 100% of the issued and outstanding common stock of D&D Services, Inc. d/b/a Preferred Pediatric Home Health Care (“Preferred”). Preferred is a comprehensive provider of home care services for pediatric and adult patients. Preliminary total consideration for the transaction was $40.6 million, of which $39.8 million was paid in cash at closing. Per the purchase agreement, a total of $0.8 million of total consideration is to be held by the Company to settle working capital adjustments. The holdback payment, net of working capital adjustments, will be paid to the sellers three months after closing.

On September 26, 2020, the Company acquired 100% of the issued and outstanding membership interests of Evergreen Home Healthcare, LLC (“Evergreen”). Evergreen offers private duty nursing and unskilled services and home care services to children and adults. Preliminary total consideration for the transaction was $14.4 million, of which $11.3 million was paid in cash at closing. Per the purchase agreement, a total of $1.2 million of total consideration is to be held by the Company to settle indemnity claims and working capital adjustments. The holdback payments, net of any indemnity claims and working capital adjustments, will be paid to the sellers over a two to eighteen-month period after closing. Total consideration also included $1.9 million of contingent consideration recognized at the acquisition date. Per the purchase agreement, the Company would pay the sellers of Evergreen up to an additional $1.9 million based on the outcome of whether the Paycheck Protection Program loan is forgiven. The fair value at the acquisition date for the contingent consideration was determined by assessing the probabilities of the most likely outcomes regarding loan forgiveness.

On October 23, 2020, the Company acquired 100% of the issued and outstanding membership interests of Five Points Healthcare, LLC ("Five Points"). Five Points provides home health and hospice service to Medicare-certified patients. Preliminary total consideration for the transaction was $64.4 million, all of which was paid in cash at closing.

On December 19, 2020, the Company acquired 100% of the issued and outstanding capital stock of Recover Health, Inc. ("Recover"). Recover offers private duty nursing services and home health services to children and adults. Preliminary total consideration for the transaction was $61.0 million, all of which was paid in cash at closing.

On December 31, 2020, the Company acquired certain assets of Guardian Healthcare Home & Community Services, LLC ("Guardian"). Guardian specializes in home health services for patients of all ages. Preliminary total consideration for the transaction was $1.1 million, of which $0.9 million was paid in cash at closing. Per the purchase agreement, a total of $0.2 million of total consideration is considered contingent. The total consideration was recorded directly to Goodwill.

For all acquisitions, the Company recorded tangible and intangible assets acquired and liabilities assumed in the transaction under the acquisition method of accounting. The consideration was allocated to the assets acquired and liabilities assumed based on their fair values as of each transaction's respective closing date and are subject to change within the measurement period, which does not exceed twelve months after the closing date. The Company allocated any excess purchase price over the fair value of the net tangible and intangible assets acquired and liabilities assumed to goodwill.

The Company used the income approach to determine the estimated fair value of the trade names. This approach determined fair value by estimating the after-tax cash flows attributable to an identifiable intangible asset over its useful life and then discounting these after-tax cash flows back to a present value. The Company based its revenue assumptions on estimates of relevant market sizes, expected market growth rates and healthcare trends, such as payer rates and patient volumes. The Company based the discount rate used to arrive at a present value as of the date of acquisition on the time value of money.

The Company utilized the with or without approach to determine the estimated fair value of non-compete agreements. This approach determines fair value by estimating the impact to the business of the related individual if the non-compete agreement did not exist. The Company determined that the fair values of non-compete agreements acquired were immaterial.

The Company utilized the cost approach to determine the estimated fair value of licenses. The cost approach calculates fair value by calculating the cost to acquire a license in each state the Company operates. The Company calculated the replacement cost based on average incurred costs to acquire a license in each location.

The estimated allocations of assets acquired and liabilities assumed are based on information available to the Company as of January 2, 2021. The Company is completing its procedures related to the purchase price allocations and if information regarding these values is received that would result in a material adjustment to the values recorded, management will recognize the adjustment in the period this determination is made.

The preliminary purchase price allocations as of the acquisition dates, reflecting measurement period adjustments made during the respective period, are as follows (amounts in thousands):

Entity	Total Care	Preferred	Evergreen	Five Points	Recover	Guardian
Acquisition Date	8/2/20	9/19/20	9/26/20	10/23/20	12/19/20	12/31/20
Cash consideration	$ 11,742	$ 40,622	$ 12,523	$ 64,399	$ 60,973	$ 900
Contingent consideration	—	—	1,906	—	—	150
Total	$ 11,742	$ 40,622	$ 14,429	$ 64,399	$ 60,973	$ 1,050
Cash and cash equivalents	$ 262	$ —	$ 31	$ 590	$ 8,717	$ —
Patient accounts receivable	868	3,891	565	6,653	10,656	—
Receivables under insured programs	17	1,760	179	783	1,616	—
Prepaid expenses	—	338	24	219	289	—
Other current assets	—	172	—	27	122	—
Property and equipment, net	6	1,178	120	197	629	—
Operating lease right of use assets	329	480	342	1,547	2,396	—
Intangible assets, net - licenses	152	3,119	1,225	7,497	8,308	—
Intangible assets, net - trade names	109	392	135	733	884	—
Deferred income taxes	7	—	—	—	—	—
Other long-term assets	—	—	—	63	115	—
Accounts payable and other accrued liabilities	(16)	(1,186)	(44)	(1,249)	(3,633)	—
Accrued payroll and employee benefits	(561)	(1,394)	(602)	(1,824)	(3,650)	—
Notes payable	—	—	—	(89)	—	—
Current portion of operating lease liabilities	(60)	(150)	(127)	(400)	(673)	—
Other current liabilities	—	(4,054)	—	(157)	(4,505)	—
Insurance reserves - insured programs	(17)	(1,760)	(179)	(783)	(1,616)	—
Operating lease liabilities, less current portion	(269)	(330)	(212)	(1,147)	(1,598)	—
Deferred payroll taxes	—	—	—	(920)	(1,978)	—
Deferred income taxes	—	(2,020)	—	(380)	(2,865)	—
Other long-term liabilities	—	(93)	—	—	—	—
Total identifiable net assets	827	343	1,457	11,360	13,214	—
Goodwill	10,915	40,279	12,972	53,039	47,759	1,050
Total	$ 11,742	$ 40,622	$ 14,429	$ 64,399	$ 60,973	$ 1,050

The preliminary goodwill recognized is attributable to the excess of the purchase price of the acquisition over the fair value of identifiable net assets acquired, including other identified intangible assets. Preliminary goodwill of $10.9 million, $13.0 million, $25.6 million, $4.1 million, and $1.1 million related to the Total Care, Evergreen, Five Points, Recover and Guardian acquisitions, respectively, is deductible for tax purposes and amortization commences on the transaction date. None of the preliminary goodwill related to the Preferred acquisition is deductible for tax purposes. Goodwill is primarily attributable to expected synergies resulting from the transactions.

During the fiscal year ended January 2, 2021, the Company incurred approximately $9.6 million in transaction costs related to the above transactions. These costs are included in acquisition-related costs in the accompanying consolidated statements of operations.

Pro forma financial information related to the above acquisitions has not been provided as it is not material to the Company's consolidated results of operations. The results of operations of the above acquisitions are included in the Company's consolidated results of operations from the date of acquisition and were not significant for the fiscal year ended January 2, 2021.

Acquisitions During the Fiscal Year Ended December 28, 2019

On August 18, 2019, the Company acquired 100% of the membership interests in Home Health Care of Northern Nevada, LLC ("HHNV") for cash consideration of $1.0 million. HHNV specializes in care-taking services such as nursing services, certified home health aide, and medical social work.

The purchase price allocation as of the acquisition date, reflecting measurement period adjustments made during the respective period, is as follows (amounts in thousands):

Entity	HHNV
Acquisition Date	8/18/19
Cash consideration	$ 957
Contingent consideration	—
Total	$ 957
Patient accounts receivable	$ 56
Intangible assets, net - licenses	390
Intangible assets, net - trade names	8
Accrued payroll and employee benefits	(46)
Total identifiable net assets	408
Goodwill	549
Total	$ 957

The goodwill recognized is attributable to the excess of the purchase price of the acquisition over the fair value of identifiable net assets acquired, including other identified intangible assets. Goodwill of $0.5 million related to the HHNV acquisition is deductible for tax purposes and amortization commences on the transaction date. Goodwill is primarily attributable to expected synergies resulting from the transactions.

During the fiscal year ended December 28, 2019, the Company incurred approximately $0.2 in transaction costs related to the above transaction. These costs are included in acquisition-related costs in the accompanying consolidated statements of operations. In addition to costs related to the acquisition described above, acquisition-related costs for the fiscal years ended December 28, 2019 includes costs of $22.5 million related to a terminated acquisition.

HHNV has been included in the Company's consolidated financial statements since the respective acquisition date. Pro forma information for the HHNV acquisition has not been included as this acquisition is not material.

Acquisitions During the Fiscal Year Ended December 29, 2018

On July 1, 2018, the Company acquired 100% of the membership interests in Premier Healthcare Services, LLC ("Premier"). Premier provides in-home and center-based care to medically fragile children and adults.

Services include pediatric skilled nursing, therapy services, and unskilled respite care with primary operations in California. Total consideration for the transaction was $258.1 million of which $212.5 million was paid in cash at closing. Total consideration included $45.6 million of contingent consideration recognized at the acquisition date. Per the purchase agreement, the Company would pay the sellers of Premier up to an additional $50.0 million based on the outcome of legislation proposed by the state of California that would increase the hourly clinical rate received. The fair value at the acquisition date for the contingent consideration was determined by assessing the probabilities of the most likely outcomes of the legislation.

To fund the Premier acquisition, the Company received equity contributions totaling $54.4 million and entered into an amendment to an existing credit facility totaling $159.8 million, net of deferred financing fees of $11.2 million. The proceeds were used to pay the cash consideration paid at closing, costs and expenses incurred by the sellers in connection with the transaction of $23.7 million, and repayment of $26.2 million of Premier indebtedness. To fund the contingent consideration, the Company entered a delayed draw term loan amendment. The delayed draw term loan allows the Company to obtain up to an additional $50.0 million. The Company recorded $3.3 million of deferred financing fees related to the delayed draw term loan, which are recorded within other long-term assets in the accompanying consolidated balance sheets. See Note 7 - Long-Term Obligations for further details regarding the Company’s long-term obligations and the delayed draw term loan associated with the transaction.

The purchase price allocation as of the acquisition date, reflecting measurement period adjustments made during the respective period, is as follows (amounts in thousands):

Entity	Premier
Acquisition Date	7/1/18
Cash consideration	$212,473
Contingent consideration	45,600
Total	$258,073
Cash and cash equivalents	$ 2,505
Patient accounts receivable	24,753
Receivables under insured programs	5,235
Prepaid expenses	400
Other current assets	3,222
Property and equipment, net	996
Intangible assets, net - licenses	12,449
Intangible assets, net - trade names	3,800
Deferred income taxes	1,073
Other long-term assets	2,876
Accounts payable and other accrued liabilities	(1,485)
Accrued payroll and employee benefits	(9,065)
Other current liabilities	(2,114)
Insurance reserves - insured programs	(5,498)
Other long-term liabilities	(322)
Total identifiable net assets	38,825
Goodwill	219,248
Total	$258,073

The goodwill recognized is attributable to the excess of the purchase price of the acquisition over the fair value of identifiable net assets acquired, including other identified intangible assets. Goodwill of

$222.8 million, related to the Premier acquisition is deductible for tax purposes and amortization commences on the transaction date. Goodwill is primarily attributable to expected synergies resulting from the transactions.

During the fiscal year ended December 29, 2018, the Company incurred approximately $6.9 million in transaction costs related to the above transactions. These costs are included in acquisition-related costs in the accompanying consolidated statements of operations. In addition to costs related to the acquisition described above, acquisition-related costs for the fiscal year ended December 29, 2018 includes costs of $8.7 million related to a terminated acquisition.

Premier has been included in the Company's consolidated financial statements since the respective acquisition date. The following pro forma financial information presents the Company's operating results as if the Premier acquisition had occurred on December 31, 2017 (amounts in thousands):

	Fiscal Year Ended December 29, 2018 (unaudited)
Pro forma revenue	$ 1,344,000
Pro forma net loss	$ (72,117)

The pro forma financial information above adjusts for the effects of material business combination items, including depreciation and amortization of acquired assets and interest expense and the corresponding income tax effects of each. These pro forma results have been prepared for comparative purposes only and do not purport to be indicative of the operating results of the Company that would have been achieved had the Premier acquisition actually taken place on December 31, 2017. In addition, these results are not intended to be a projection of future results and do not reflect events that may occur after the acquisition, including, but not limited to, revenue enhancements, cost savings or operating synergies that the combined company may achieve as a result of the acquisition.

5. GOODWILL AND INTANGIBLE ASSETS, NET

The following table summarizes changes in goodwill by segment during the fiscal years ended January 2, 2021 and December 28, 2019 (amounts in thousands):

	PDS	MS	HHH	Total
Goodwill:				
Balance at December 29, 2018, net (1)	$1,091,556	$133,864	$ —	$ 1,225,420
Additions	549	—	—	549
Measurement adjustments	95	—	—	95
Balance at December 28, 2019, net (1)	1,092,200	133,864	—	1,226,064
Additions	63,197	8,604	94,213	166,014
Measurement adjustments	34	—	—	34
Transfers	(17,386)	—	17,386	—
Impairment	(75,727)	—	—	(75,727)
Balance at January 2, 2021, net (2)	$1,062,318	$142,468	$111,599	$ 1,316,385

(1) Goodwill balance is net of $153.4 million accumulated impairment losses for PDS and $88.0 million losses for MS

(2) Goodwill balance is net of $229.1 million accumulated impairment losses for PDS and $88.0 million losses for MS

During 2020, upon inception of the HHH segment, goodwill of $17.4 million was transferred from the PDS segment to the HHH segment. This goodwill is associated with the Company's adult home health business, which had historically been included in the PDS segment.

See Note 4 – Acquisitions for further details on additions to goodwill and intangible assets, net.

See Note 2 – Summary of Significant Accounting Policies, *Goodwill* for details on goodwill impairment.

The following tables summarize the changes in intangible assets during the fiscal years ended January 2, 2021 and December 28, 2019 (amounts in thousands):

	January 2, 2021			
	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment	Total
Definite-lived intangible assets:				
Trade names	$ 14,858	$ (12,780)	$ —	$ 2,078
Non-compete agreements	7,265	(6,970)	—	295
Internal-use software	7,177	(1,162)		6,015
Total definite-lived intangible assets	29,300	(20,912)	—	8,388
Indefinite-lived intangible assets:				
Licenses	69,277	—	(4,093)	65,184
Total indefinite-lived intangible assets	69,277	—	(4,093)	65,184
Total intangible assets	$ 98,577	$ (20,912)	$ (4,093)	$73,572

	December 28, 2019			
	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment	Total
Definite-lived intangible assets:				
Trade names	$ 12,605	$ (11,650)	$ —	$ 955
Non-compete agreements	7,265	(5,495)	—	1,770
Internal-use software	5,901	(662)		5,239
Total definite-lived intangible assets	25,771	(17,807)	—	7,964
Indefinite-lived intangible assets:				
Licenses	48,976	—	(2,641)	46,335
Total indefinite-lived intangible assets	48,976	—	(2,641)	46,335
Total intangible assets	$ 74,747	$ (17,807)	$ (2,641)	$54,299

Amortization expense related to the Company's intangible assets was $3.1 million, $4.2 million and $4.6 million for the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018, respectively. All license impairment charges incurred in fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018 are related to the Company's PDS reportable segment.

The estimated aggregate amortization expense related to intangible assets for each of the next five years subsequent to January 2, 2021 and thereafter is as follows (amounts in thousands):

Year Ending:	Definite-Lived
January 1, 2022	$ 3,402
December 31, 2022	1,375
December 30, 2023	784
December 28, 2024	567
January 3, 2026	378
Thereafter	1,882
Total	$ 8,388

6. DETAILS OF CERTAIN BALANCE SHEET ACCOUNTS

Additional information regarding certain balance sheet accounts is presented below as of January 2, 2021 and December 28, 2019 (amounts in thousands):

	January 2, 2021	December 28, 2019
Other current liabilities:		
Refunds payable	$27,335	$ 14,886
Tax refund due to seller	8,180	8,180
Other	9,778	3,416
	$45,293	$ 26,482

7. LONG-TERM OBLIGATIONS

Long-term obligations and note payable consisted of the following as of January 2, 2021 and December 28, 2019 (amounts in thousands):

	Stated Maturity Date	Contractual Interest Rate (1)	Interest Rate as of January 2, 2021	January 2, 2021	December 28, 2019
Term loan - First Lien Term Loan	03/2024	L + 4.25%	5.25%	$ 563,061	$ 568,913
Term loan - First Lien Term Loan Amendment	03/2024	L + 5.5%	6.50%	217,133	219,342
Term loan - First Lien Term Loan Fourth Amendment	03/2024	L + 6.25%	7.25%	184,538	—
Subordinated term loan - Second Lien Term Loan	03/2025	L + 8.0%	9.00%	240,000	240,000
Revolver	03/2022	L + 4.25%	5.25%	—	31,500
Note payable - finance agreement	09/2021	2.07%	2.07%	2,872	2,027
Total principal amount of term loans and note payable				1,207,604	1,061,782
Less: unamortized deferred financing costs				(31,332)	(34,136)
Total amount of term loans and note payable, net of unamortized deferred financing costs				1,176,272	1,027,646
Less: current portion of term loans and note payable				(12,782)	(10,087)
Total amount of long-term term loans and note payable, net of unamortized deferred financing costs				$1,163,490	$1,017,559

(1) L = Greater of 1.00% or one-month LIBOR

Scheduled future maturities of term loans and notes payable for each of the next five years subsequent to January 2, 2021 are as follows (amounts in thousands):

Year Ending:	
January 1, 2022	$ 12,782
December 31, 2022	9,910
December 30, 2023	9,910
December 28, 2024	935,002
January 3, 2026	240,000
Total	$ 1,207,604

Credit Agreements

On March 16, 2017, Aveanna Healthcare, LLC (the “Borrower”) entered into first and second lien credit agreements with several lending institutions. Under the first lien credit agreement, the lenders made available a $585.0 million term loan (“First Lien Term Loan”) and a $75.0 million revolving credit facility

(“Revolver”). Under the second lien credit agreement, the lender made available a $240.0 million term loan (“Second Lien Term Loan”).

Under the First Lien Term Loan, the Company can elect, at its option, the applicable interest rate for borrowings using a variable interest rate based on either LIBOR or a prime or federal funds rate (“Annual Base Rate” or “ABR”), plus an applicable margin. LIBOR loans under the First Lien Term Loan accrue interest at a rate equal to LIBOR plus 4.25%, with minimum LIBOR per annum of 1.00%. Annual Base Rate loans under the First Lien Term Loan accrue interest at the Applicable Margin (3.25%) plus the Annual Base Rate equal to the highest of (i) the Prime Rate or (ii) the Federal Funds Effective Rate plus one-half of 1% with the minimum ABR of 2.00% per year. The Company’s borrowings are priced at LIBOR rate plus an applicable margin. As of January 2, 2021 and December 28, 2019, the interest rate was 5.25% and 5.95%, respectively.

The First Lien Term Loan requires quarterly principal payments of 0.25% (1.00% annually) of the original principal amount. During the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018, the Company made principal payments of $5.9 million, $7.3 million, and $4.4 million, respectively. The remaining principal balance is due in full on March 16, 2024. The credit agreement is secured by substantially all the assets of the Company.

On July 1, 2018, the Company entered into a Joinder Agreement and Amendment (the “Amendment”) to its First Lien Term Loan. Under the Amendment, the lenders made available an additional $171.0 million term loan and up to $50.0 million in the form of a delayed draw term loan. In March 2019, the Company drew $50.0 million under the delayed draw term loan to pay the outstanding contingent consideration due as part of the Premier acquisition (see Note 4 – Acquisitions for further discussion).

Under the Amendment, the Company can elect, at its option, the applicable interest rate for borrowings using a variable interest rate based on either LIBOR or a prime or federal funds rate (“Annual Base Rate” or “ABR”), plus an applicable margin. LIBOR loans under the First Lien Term Loan accrue interest at a rate equal to LIBOR plus 5.50%, with minimum LIBOR per annum of 1.00%. Annual Base Rate loans under the First Lien Term Loan accrue interest at the Applicable Margin (4.50%) plus the Annual Base Rate equal to the highest of (i) the Prime Rate or (ii) the Federal Funds Effective Rate plus one-half of 1% with the minimum ABR of 2.00% per year. The Company’s borrowings are priced at LIBOR rate plus an applicable margin. As of January 2, 2021 and December 28, 2019, the interest rate was 6.50% and 7.20%, respectively.

The Amendment requires quarterly principal payments of 0.25% (1.00% annually) of the original principal amount beginning the first full fiscal quarter following the closing of the delayed draw term loan. During the fiscal years ended January 2, 2021 and December 28, 2019, the Company made principal payments totaling $2.2 million and $1.7 million, respectively. There were no principal payments made during the fiscal year ended December 29, 2018. The remaining principal balance is due in full on March 16, 2024. The credit agreement is secured by substantially all of the assets of the Company.

On September 21, 2020, the Company entered into an amendment (“Fourth Amendment”) to its First Lien Term Loan to increase its term loans by $185.0 million. Under the Fourth Amendment, the Company can elect, at its option, the applicable interest rate for borrowings using a variable interest rate based on either LIBOR or an ABR, plus an applicable margin. LIBOR loans under the Fourth Amendment accrue interest at a rate equal to LIBOR plus 6.25%, with minimum LIBOR per annum of 1.00%. ABR loans under the Fourth Amendment accrue interest at the Applicable Margin (5.25%), with minimum ABR of 2.00% per year. The Company’s borrowings are priced at the LIBOR rate plus an applicable margin. As of January 2, 2021, the interest rate was 7.25%.

The Fourth Amendment requires quarterly principal payments of 0.25% (1.00% annually) of the original principal amount beginning the first full fiscal quarter following the closing of the delayed draw term loan. During the fiscal year ended January 2, 2021, the Company made principal payments totaling $0.5 million.

Interest expense under the First Lien Term Loan was $56.3 million, $59.7 million, and $47.0 million for the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018.

In conjunction with entering into a settlement agreement related to the Acquisition (as defined in Note 13), the Company amended its first lien credit agreement on March 19, and April 1, 2020. These amendments allowed the Company to retain the settlement payments for business operations and increase the letter of credit commitment limit to $30.0 million. See Note 13 – Commitments and Contingencies for more information.

Under the Second Lien Term Loan, the Company can elect, at its option, the applicable interest rate for borrowings using a variable interest rate based on either LIBOR or an ABR, plus an applicable margin. LIBOR loans under the Second Lien Term Loan accrue interest at a rate equal to LIBOR plus 8.00%, with minimum LIBOR per annum of 1.00%. ABR loans under the Second Lien Term Loan accrue interest at the Applicable Margin (7.00%) plus the ABR equal to the highest of (i) the Prime Rate or (ii) the Federal Funds Effective Rate plus 0.5% with the minimum ABR of 2.00% per year.

The Company’s borrowings are priced at the LIBOR rate plus an applicable margin. As of January 2, 2021 and December 28, 2019, the interest rate was 9.00% and 9.70%, respectively. The Second Lien Term Loan does not require principal payments until maturity. The principal balance was $240.0 million as of January 2, 2021 and December 28, 2019, respectively. Interest expense for the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018 was $24.0 million, $26.2 million and $25.3 million, respectively.

Under the Revolver, the Company may request borrowings through March 16, 2022. The Revolver has a maximum availability of $75.0 million, which is reduced by any outstanding letters of credit or swingline loans issued. The Company can elect, at its option, the applicable interest rate for borrowings classified as revolving loans under the Revolver using a variable interest rate based on either LIBOR or an ABR, plus an applicable margin. The applicable interest rate for borrowings classified as swingline loans under the Revolver is the ABR, plus an applicable margin. LIBOR loans under the Revolver accrue interest at a rate equal to LIBOR plus 4.25%, with minimum LIBOR per annum of 1.00%. Annual Base Rate loans under the Revolver accrue interest at the Applicable Margin (3.25%) plus the ABR equal to the highest of (i) the Prime Rate or (ii) the Federal Funds Effective Rate plus one-half of 1% with the minimum ABR of 2.00% per year. The Company’s borrowings are priced at the LIBOR rate plus an applicable margin. As of January 2, 2021 and December 28, 2019, the interest rate was 5.25% and 5.95% for LIBOR loans and 8.00% and 8.00% for ABR loans, respectively. Interest on each LIBOR loan is payable on the last day of each interest period and no more than quarterly. Interest on each ABR loan is payable in arrears on the last business day of March, June, September, and December. For both LIBOR and ABR loans, interest is payable periodically upon repayment, conversion, or maturity.

The Revolver does not require principal payments until maturity. The principal balance is due in full on March 16, 2022. The Revolver also carries an unused commitment fee of 0.5% per year. Interest expense for the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018 was approximately $1.2 million, $2.1 million and $0.7 million, respectively.

During 2020, the Company established LIBOR of 1.00% on its term loan and revolver agreements. This established LIBOR rate remained in effect at January 2, 2021.

Issued letters of credit as of January 2, 2021 and December 28, 2019 were $19.8 million and $19.7 million, respectively. There were no swingline loans as of January 2, 2021 and December 28, 2019. The availability on the Revolver was $55.2 million and $23.8 million as of January 2, 2021 and December 28, 2019, respectively. Interest expense for the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018 was approximately $0.9 million, $0.9 million and $0.8 million, respectively.

The agreements for the First and Second Lien Term Loans, Amendment, Fourth Amendment and the Revolver contain certain financial reporting and other covenants including the maintenance of a consolidated first lien net leverage ratio, as well as restrictions on the Company's ability to incur additional indebtedness, enter into transactions with affiliates, and pay dividends. The Company was in compliance with all financial covenants and restrictions at January 2, 2021 and December 28, 2019.

Notes Payable

During 2020, the Company entered into a $3.4 million finance agreement for its General and Professional Liability insurance policies at an annual rate of 2.07%, payable monthly, with a maturity date of September 30, 2021. During 2019, the Company entered into a $2.5 million finance agreement for its General and Professional Liability insurance policies at an annual rate of 3.40%, payable monthly, with a maturity date of September 30, 2020.

Bond Issuance and Redemption

On November 27, 2019, the Company issued $560 million aggregate principal amount of Senior Notes due December 15, 2026 (the "2026 Notes") in connection with a potential acquisition. The interest rate on the 2026 Notes was 9.75% per annum, commencing on December 9, 2019. The Company terminated the potential acquisition on December 20, 2019 and redeemed the bonds in accordance with the Escrow and Security Agreement. Interest expense associated with the 2026 Notes was $2.3 million.

The Company capitalized $4.9 million in costs associated with the issuance of the bonds. As a result of the termination of the transaction, these costs were written off and are included in loss on debt extinguishment on the accompanying consolidated statements of operations.

8. FAIR VALUE MEASUREMENTS

The carrying amounts of cash and cash equivalents, patient accounts receivable, net, accounts payable and accrued expenses, and other current liabilities approximate their fair values due to the short-term maturities of the instruments.

The Company's other assets and liabilities measured at fair value are as follows (amounts in thousands):

	January 2, 2021			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Interest rate swap agreement	$ —	$28,624	$ —	$28,624
	$ —	$28,624	$ —	$28,624

	December 28, 2019			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Interest rate swap agreement	$ —	$23,743	$ —	$23,743
	$ —	$23,743	$ —	$23,743

During the fiscal years ended January 2, 2021 and December 28, 2019, there were no transfers between Level 1, Level 2, and Level 3.

The fair values of the interest rate swap agreements are based on the estimated net proceeds or costs to settle the transactions as of the balance sheet dates. The valuations are based on commercially reasonable industry and market practices for valuing similar financial instruments. See Note 9 – Derivative Financial Instruments for further details on the Company's interest rate swap arrangements.

For the annual goodwill impairment test, the Company performs a Step 1 analysis that uses a combination of expected present value of future cash flows (income approach) and comparable public companies (market approach) to determine the fair value of the reporting unit. These approaches use primarily unobservable inputs, including revenue growth rates, projected EBITDA margins, and discount rates, which are considered Level 3 fair value measurements. The fair value analysis takes into account recent and expected operating performance.

See Note 11 – Shareholders Equity and Share-Based Compensation for further details on the Company's deferred restricted stock units.

9. DERIVATIVE FINANCIAL INSTRUMENTS

The Company's earnings and cash flows are subject to fluctuations due to changes in interest rates, and the Company seeks to mitigate a portion of this risk by entering into derivative contracts. The derivatives the Company uses are interest rate caps and interest rate swaps. The Company recognizes derivatives as either assets or liabilities at fair value on the accompanying consolidated balance sheets. Changes in the fair value of derivatives not designated as hedging instruments are recorded in earnings throughout the term of the respective derivative.

In connection with the term loans, the Company entered into an interest rate cap agreement to limit its exposure to interest rate risk on its variable rate debt. At January 2, 2021 and December 28, 2019, the aggregate notional amount of the interest rate cap was $475.0 million. The value of the interest rate cap at January 2, 2021 and December 28, 2019 was not material. The agreement expires on June 30, 2021. The Company is not applying hedge accounting for these agreements and records all mark-to-market adjustments directly to other expense on the accompanying consolidated statements of operations. The effects of the interest rate cap are being recognized through cash flows from operating activities on the accompanying consolidated statements of cash flows.

In October 2018, the Company entered into two interest rate swap agreements to limit its exposure to interest rate risk on its variable rate debt. At January 2, 2021 and December 28, 2019, the aggregate notional amount of the interest rate swaps was $520.0 million. The fair value of the interest rate swaps at January 2, 2021 and December 28, 2019 was $28.6 million and $23.7 million, respectively, and is included in other long-term liabilities on the accompanying consolidated balance sheets. The agreements expire on October 31, 2023. The Company is not applying hedge accounting for these agreements and records all mark-to-market adjustments and quarterly cash payments directly to other expense on the accompanying consolidated statements of operations. The effects of the interest rate cap are being recognized through cash flows from operating activities on the accompanying consolidated statements of cash flows.

The following gains (losses) from these derivatives not designated as hedging instruments were recognized in the Company's consolidated statements of operations for the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018 (amounts in thousands):

	Statement of Operations Classification	Fiscal Year Ended		
		January 2, 2021	December 28, 2019	December 29, 2018
Interest rate cap agreement	Other expense	$ —	$ (127)	$ (113)
Interest rate swap agreement	Other expense	$ (4,881)	$ (12,024)	$ (11,719)

The Company does not utilize financial instruments for trading or other speculative purposes.

10. INCOME TAXES

On December 22, 2017, the Tax Cuts and Jobs Act (the "2017 Tax Act") was signed into law. The 2017 Tax Act included a number of changes in existing tax law impacting the Company including, among other things, a permanent reduction in the corporate income tax rate from 35% to 21%, a limitation on deductible interest, and the ability to immediately expense certain capital acquisitions.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted. The CARES Act lifts certain deduction limitations originally imposed by the 2017 Tax Act. The CARES Act eliminates the 80% of taxable income limitations by allowing corporate entities to fully utilize NOL carryforwards to offset taxable income in 2018, 2019 or 2020. Taxpayers may generally deduct interest up to the sum of 50% of adjusted taxable income plus business interest income (30% limitation under the 2017 Tax Act) for tax years 2019 and 2020. The CARES Act also allows for the deferral of the payment of the employer's share of social security taxes to December 31, 2021 and December 31, 2022. Under ASC 740, the effects of changes in tax rates and laws are recognized in the fiscal year in which the new legislation is enacted. We have accounted for the impact of the CARES Act in our income tax provision.

Income taxes consisted of the following for the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018 (amounts in thousands):

	January 2, 2021	December 28, 2019	December 29, 2018
Current income tax expense (benefit):			
Federal	$ 5,461	$ 644	$ 177
State and local	6,280	1,761	942
Total current	$11,741	$ 2,405	$ 1,119
Deferred income tax expense (benefit):			
Federal	$ (3,336)	$ (241)	$ (4,662)
State and local	(3,089)	(678)	1,030
Total deferred	$ (6,425)	$ (919)	$ (3,632)
Total income tax expense (benefit)	$ 5,316	$ 1,486	$ (2,513)

A reconciliation of the difference between the federal statutory tax rate and the Company's effective tax rate for income taxes for the fiscal year ended January 2, 2021, December 28, 2019, and December 29, 2018 is as follows:

	January 2, 2021	December 28, 2019	December 29, 2018
U.S. Federal statutory income tax rate:	(21.0)%	(21.0)%	(21.0)%
State income taxes, net of federal tax benefit	3.6	1.0	3.6
Goodwill impairment	26.9	—	—
Non-taxable escrow settlement	(20.3)	—	—
Other nondeductible expenses	4.6	1.6	0.5
Uncertain tax positions	5.1	0.9	—
Tax rate re-measurement	—	—	3.3
Deferred balance adjustments	—	2.0	—
Valuation allowance	13.4	17.6	8.5
Other	(2.0)	(0.1)	—
Income tax expense (benefit)	10.3%	2.0%	(5.1)%

Deferred income taxes reflect the net effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax.

Significant components of deferred tax assets and liabilities were as follows as of January 2, 2021 and December 28, 2019 (amounts in thousands):

	January 2, 2021	December 28, 2019
Deferred tax assets:		
Contractual adjustments and discounts	$ 14,253	$ 11,231
NOL, federal and state	7,710	7,344
Federal tax credits	—	930
Payroll related accruals	28,149	10,322
Grant relief fund	7,901	—
Intangible assets	23,618	22,954
Interest expense limitation	22,074	28,249
Transaction costs	3,001	2,343
Property and equipment	—	241
Accrued expenses	2,738	2,292
Interest rate swap	7,419	5,433
Lease liabilities	13,908	13,385
Stock compensation	2,011	1,026
Other	1,066	252
Gross deferred tax assets	133,848	106,002
Less: valuation allowance	(94,041)	(79,287)
Net deferred tax assets	39,807	26,715
Deferred tax (liabilities):		
Property and equipment	(2,226)	—
Goodwill	(22,657)	(14,544)
Lease right of use assets	(11,880)	(11,162)
Other	(2,704)	(1,841)
Gross deferred tax (liabilities)	(39,467)	(27,547)
Net deferred tax assets (liabilities)	$ 340	$ (832)

As of January 2, 2021, the Company has federal and state net operating loss ("NOL") carryforwards of $1.1 million and $161.1 million, respectively, which will expire at various dates from 2021 through 2038. In 2020, the Company utilized approximately $32.7 million of existing federal NOLs. A valuation allowance was established for remaining federal and state losses that the Company believes are not more likely than not to be realized in the near future. Under the CARES Act, corporate taxpayers may carryback NOLs originating during 2018 through 2020 for up to five years, which was not previously allowed under the 2017 Tax Act. The Company is currently evaluating its NOL carryback opportunity.

The CARES Act changed interest deductibility limiting the deduction for net interest expense that exceeds 50% of the taxpayer's adjusted taxable income ("ATI") for tax years 2020 and 2019. The 2017 Tax Act permits an indefinite carryforward of any disallowed business interest. As of January 2, 2021, the Company has $93.2 million of indefinite-lived interest expense carryovers. The deferred tax asset associated with these indefinite-lived interest expense carryovers of $22.1 million is fully offset by a valuation allowance as the Company believes the benefit of this attributed carryover is not more likely than not to be realized in the future.

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Annually, the Company assesses the future realization of the tax benefit of its existing deferred tax assets and determines whether a valuation allowance is needed. Based on the Company’s assessment, it is more likely than not that a portion of the deferred tax assets will not be realized in the future. As a result, the Company recorded a valuation allowance of $94.0 million against its deferred tax assets at January 2, 2021. The valuation allowance increased by $14.7 million from the $79.3 million valuation allowance recorded as of December 28, 2019. The increase is primarily related to new deferred tax assets associated with current year operations, as well as a valuation allowance recorded through purchase accounting. The Company will maintain the valuation allowance until an appropriate level of profitability is sustained or the Company is able to develop prudent and feasible tax planning strategies that enable management to conclude that deferred tax assets are realizable. The following table summarizes changes in the valuation allowance as of January 2, 2021 and December 28, 2019 (amounts in thousands):

	January 2, 2021	December 28, 2019
Beginning of year balance	$79,287	$ 66,429
Valuation allowance recorded through purchase accounting	1,276	—
Change in valuation allowance due to leases	343	(343)
Increase in valuation allowance	13,135	13,201
End of year balance	$94,041	$ 79,287

The Company is subject to U.S. federal income tax and income tax in multiple state jurisdictions. With limited exceptions, years prior to the 2015 fiscal year are no longer open to U.S. federal, state, or local examinations by taxing authorities. The Company is also under examination by the Internal Revenue Service (the “IRS”) for certain historical tax periods in fiscal years 2016 and 2017. To date, the IRS is continuing its examination process and no formal assessments have been issued. The Company is not under any current income tax examinations by any state or local taxing authorities.

Uncertain Tax Positions

At January 2, 2021, December 28, 2019, and December 29, 2018, the total unrecognized tax benefits were $6.2 million, $3.9 million, and $0.3 million, respectively, and accrued interest and penalties were $0.7 million, $0.1 million, and $0.1 million, respectively. The Company recognizes interest accrued related to unrecognized tax benefits in income tax expense. If the Company were to prevail on all unrecognized tax benefits recorded, $6.9 million of tax benefit would impact the overall effective tax rate. The Company does not expect any portion of the unrecognized tax benefits to become recognized within the next 12 months. The Company does not have any unrecognized tax benefits or changes in unrecognized tax benefits related to settlements or statute expirations. The following table summarizes changes in uncertain tax positions as of January 2, 2021, December 28, 2019, and December 29, 2018 (amounts in thousands):

	January 2, 2021	December 28, 2019	December 29, 2018
Beginning of year balance	$ 3,945	$ 308	$ 308
Increase in current period tax positions	794	749	—
Increase in prior period tax positions	1,443	2,888	—
End of year balance	$ 6,182	$ 3,945	$ 308

11. SHAREHOLDERS’ EQUITY AND SHARE-BASED COMPENSATION

On April 19, 2021, the Company’s Board of Directors and its shareholders approved, and the Company filed its Second Amended and Restated Certificate of Incorporation, which i) eliminated Class B common stock resulting in one class of common shares authorized, issued and outstanding, and ii) authorized 1,000,000,000 common shares and 5,000,000 preferred shares (the “Amended Charter”). See Note 21—Subsequent Events for additional details.

Each common share accords one vote on all matters voted upon by the stockholders of the Company.

On March 19, 2020, the Company issued 5,124,995 common shares as a result of equity contributions totaling $50.0 million. This transaction caused no significant changes in the Company’s ownership structure. The proceeds were used to fund strategic growth initiatives and provide additional liquidity for business operations.

In November 2017, the Company entered a stock incentive plan (the “Plan”). In the Plan, the Company authorized the issuance of awards (“Awards”), which are intended to promote long-term growth and profitability of the Company by providing certain personnel an opportunity to acquire an ownership interest in the Company. The Company issued Awards to officers, directors, and employees (individually “Participant”, and collectively, “Participants”) through award agreements between the Company and the Participant.

In accordance with the Plan, an aggregate of no more than 16,367,999 common shares is reserved for issuance of options and the term of all options granted is ten years. Most Awards granted to Participants consist of 50% time-vesting options and 50% performance-vesting options. Time-vesting options vest 20% per year over a period of 5 years, and the only condition to vesting is the passage of time. The related compensation expense is recognized ratably over the required service period. Time-vesting options will fully vest upon the sale of the Company.

Performance-vesting options vest based on the achievement of certain return thresholds to the Company’s shareholders after the occurrence of a liquidity event. A liquidity event is defined as either (1) an Initial Public Offering, (2) a sale of the company, (3) the payment of a cash dividend by the Company in an amount equal to at least 20% of its consolidated equity value, or (4) the payments of a series (whether related or not) of cash dividends by the Company that, in the aggregate, amount to at least 20% of the consolidated equity value of the Company. The related compensation expense is not recognized until one of these events occurs or it becomes probable that the event will occur.

The Company also awards accelerator-vesting options, which are subject to the time-based vesting schedule of 20% per year over a period of 5 years and provide additional value to holders, should the Company meet specified return levels to its shareholders.

To determine the fair value of time-vesting options, the Company utilizes a Black-Scholes model. For the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018, the weighted average grant date fair value of time-vesting options granted was $6.24 per share, $7.26 per share and $2.84 per share, respectively. The assumptions used to value time-vesting options granted during the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018 are as follows:

	January 2, 2021	December 28, 2019	December 29, 2018
Risk-free interest rate	0.45 - 0.50%	2.98%	2.37 - 2.98%
Expected term (in years)	6.5	6.0	5.0
Expected volatility	45.00 - 50.00%	50.00%	50.00 - 52.00%
Expected dividend yield	0.00%	0.00%	0.00%
Median time to become “at the money”	0.00	0.00	0.00 - 1.74
Underlying price per share	$8.82 - $15.00	$10.42	$2.63 - $10.42
Strike price	$9.76 - $15.00	$4.88	$4.88

To determine the fair value of options with a performance measure, the Company utilizes a Monte Carlo simulation. For the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018, the weighted average grant date fair value of performance-vesting options granted was $5.70 per share, $5.86 per share and $1.93 per share, respectively. The assumptions used to value performance-vesting options granted during the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018 are as follows:

	January 2, 2021	December 28, 2019	December 29, 2018
Risk-free interest rate	0.45 - 0.50%	3.05%	2.37 - 3.05%
Expected volatility	45.00 - 50.00%	50.00%	50.00 - 52.00%
Expected dividend yield	0.00%	0.00%	0.00%
Underlying price per share	$8.82 - $15.00	$10.42	$2.63 - $10.42
Strike price per share	$9.76 - $15.00	$4.88	$4.88

No accelerator-vesting options were granted during the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018.

Compensation expense recorded related to these options for the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018, totaled $1.9 million, $1.9 million and $1.5 million, respectively, and is included in branch and regional administrative expenses and corporate expenses in the accompanying consolidated statements of operations.

The Company does not maintain an internal market for its shares, which are rarely traded privately. Accordingly, expected volatility is based on an average of historical volatilities of similar entities’ shares that are publicly traded. The risk-free rate of return used in the valuation models is based on the U.S. treasury yield as of the grant date. The vesting period for time-vesting options is based on expected vesting of most of the participants.

In accordance with the Plan, an aggregate of no more than 307,500 common shares are reserved for settlement of deferred restricted stock units (“Deferred RSUs”). Deferred RSUs fully vest on the grant date and convert to common shares upon the earlier of (1) the sale of the Company or (2) termination of employment.

On May 6, 2020, the Company issued 92,250 deferred restricted stock units that were valued at $0.8 million and originally included in other current liabilities in the accompanying consolidated balance sheet. While classified as a liability, these deferred restricted stock units were continuously re-measured at fair value and an additional $0.6 million was recognized. On November 6, 2020, these deferred restricted stock units were reclassified to deferred restricted stock units in the accompanying consolidated balance sheet. The value of the remaining unsettled awards was recognized in deferred restricted stock units as of January 2, 2021 and December 28, 2019 in the accompanying consolidated balance sheets. There were no awards granted during the fiscal year ended December 28, 2019.

On May 2, 2018, the Company issued 61,500 deferred restricted stock units that were valued at $0.2 million and originally included in other current liabilities in the accompanying consolidated balance sheet. While classified as a liability, these deferred restricted stock units were continuously re-measured at fair value and an additional $0.5 million was recognized.

The Deferred RSUs contain a put right, which would require the Company, at the option of the Participant, to repurchase all the Deferred RSUs in event of the Participant's termination at fair market value. The existence of this put right prevents the Participant from bearing the risks and rewards of ownership during the six month period following the vesting date as the put right requires the Company to purchase all shares the Participant received at fair market value on the repurchase date. Based on the nature of the Deferred RSUs, management has determined the awards, upon grant, have characteristics of a liability and accounts for them as liabilities initially.

After the Award has been outstanding for six months and a day, the Participant is subject to the risk and rewards of ownership, and the Award is reclassified to temporary equity, or when the Award has been settled, if earlier. As the put right is exercisable only when the Participant terminates his or her employment, which is outside the control of the Company, the Company has classified the awards outstanding subsequent to the initial six-month period as temporary equity.

The Deferred RSUs are recorded at fair value upon issuance and are remeasured at fair value at each reporting date while classified as a liability and immediately prior to being reclassified as temporary equity. As the Deferred RSUs are contingently redeemable, the Company does not subsequently adjust the redemption value once classified as temporary equity as it is not deemed probable that the Participant will terminate his or her employment. The Company recorded $2.1 million and $0.8 million in temporary equity related to all outstanding awards in the accompanying consolidated balance sheets as of January 2, 2021 and December 28, 2019, respectively.

As of January 2, 2021 and December 28, 2019, there were 194,750 and 102,500 Deferred RSUs outstanding, all of which were fully vested. The aggregate intrinsic value of the Deferred RSUs is calculated as the positive difference between the prices paid, if any, of the Deferred RSUs and the fair value of the Company's common stock. The aggregate intrinsic value of Deferred RSUs vested during the fiscal years ended January 2, 2021 and December 29, 2018 was $1.4 million and $0.6 million, respectively. No Deferred RSUs vested during the fiscal year ended December 28, 2019.

The compensation expense related to the Deferred RSUs for the fiscal year ended January 2, 2021 totaled $1.4 million. There was no compensation expense related to the Deferred RSUs for the fiscal year ended December 28, 2019. The compensation expense related to these Deferred RSUs for the fiscal year December 29, 2018 totaled $0.6 million. This expense is included in corporate expenses in the accompanying consolidated statements of operations.

The following table summarizes the Company’s option activity since December 29, 2018:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Total Intrinsic Value (in thousands)
Outstanding at December 29, 2018	14,206,246	$ 4.88	9.0	$ 78,703
Granted	220,376	4.88	—	—
Forfeited	(256,734)	4.88	—	—
Outstanding at December 28, 2019	14,169,888	4.88	8.0	78,501
Granted	1,789,694	14.19	—	—
Forfeited	(385,684)	4.88	—	—
Outstanding at January 2, 2021	15,573,898	6.62	7.3	130,546
Exercisable at January 2, 2021	4,718,003	5.61	6.9	41,192
Vested and expected to vest at January 2, 2021	15,573,898	6.62	7.3	

There were no options exercised during the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018. The weighted-average grant-date fair value of options granted during the fiscal years ended January 2, 2021 and December 28, 2019 is $5.97 per option and $6.56 per option, respectively. The total fair value of options vested during the fiscal years ended January 2, 2021 and December 28, 2019 is $4.9 million and $1.7 million, respectively.

As of January 2, 2021, total compensation expense related to unvested time-vesting options, performance-vesting options, and accelerator-options not yet recognized was $8.9 million, $8.0 million, and $0.6 million, respectively. The weighted-average period over which this expense is expected to be recognized is 2.27 years and 0.96 years for time-vesting options and accelerator-vesting options, respectively. As of January 2, 2021, the Company does not believe it is probable that the performance target for performance-vesting options will be achieved. Therefore, these options have not yet begun to vest. The weighted-average remaining contractual term for all outstanding and currently exercisable options was approximately 6.9 years as of January 2, 2021.

12. LEASES

The Company has historically entered into operating leases for local branches, its corporate headquarters, and certain equipment. The Company’s current leases have expiration dates through 2029. Certain of these lease arrangements have free rent periods and/or escalating rent payment provisions. Rent is recognized on a straight-line basis over the lease term. Certain of the Company’s leases include termination options and renewal options for periods ranging from one to five years. Because the Company is not reasonably certain to exercise termination options, the options are not considered in determining the lease term, and payments for the full lease term are included in lease payments. Because the Company is not reasonably certain to exercise renewal options, the options are not considered in determining the lease term, and payments associated with the option years are excluded from lease payments. The Company’s leases do not contain material residual value guarantees.

Management exercises judgment in the determination of whether a financial arrangement includes a lease and in determining the appropriate discount rates to be applied to leases. When available, the Company uses the implicit discount rate in the lease contract to discount lease payments to present value. If an implicit discount rate is not available in the lease contract, the Company uses its incremental borrowing rate.

Amounts reported in the consolidated balance sheets as of January 2, 2021 and December 28, 2019 for operating leases were as follows (amounts in thousands):

	As of	
	January 2, 2021	December 28, 2019
Operating lease right of use assets	$46,217	$ 45,079
Current portion of operating lease liabilities	$11,884	$ 10,772
Operating lease liabilities, less current portion	40,246	41,222
Total operating lease liabilities	$52,130	$ 51,994

Lease Costs

The components of lease cost for the fiscal years ended January 2, 2021 and December 28, 2019 are as follows (amounts in thousands):

	For the Fiscal Year Ended	
	January 2, 2021	December 28, 2019
Operating lease cost:		
Operating lease cost	$17,919	$ 16,846
Impairment of operating lease right of use assets	—	402
Total operating lease cost	17,919	17,248
Variable lease cost	2,795	2,518
Short-term lease cost	491	374
Total lease cost	$21,205	$ 20,140

Rent expense under non-cancelable operating leases were approximately $23.0 million for the fiscal year ended December 29, 2018.

Supplemental Information

Information related to the Company's operating lease right of use assets and related operating lease liabilities are as follows (dollar amounts in thousands):

	For the Fiscal Year Ended	
	January 2, 2021	December 28, 2019
Cash payments of operating lease liabilities	$ (18,202)	$ (17,735)
Operating lease right of use assets obtained in exchange for new operating lease liabilities	15,422	17,856
Reduction to operating lease right of use assets resulting from reduction to operating lease liabilities	(366)	(723)
Weighted average remaining lease term	4.91 years	5.46 years
Weighted average discount rate	9.35%	9.54%

Maturity of Operating Lease Liabilities

Maturities of operating lease liabilities as of January 2, 2021 are as follows (amounts in thousands):

Year Ending:	
January 1, 2022	$ 16,044
December 31, 2022	13,661
December 30, 2023	10,986
December 28, 2024	8,085
January 3, 2026	5,194
Thereafter	12,679
Total undiscounted lease payments	66,649
Less: Imputed interest	(14,519)
Total operating lease liabilities	$ 52,130

Financing Leases

Financing leases include provisions to purchase the asset at the conclusion of the lease. The Company's current leases have expiration dates through 2023. The adoption of ASC 842 did not impact the accounting for these leases. Financing assets of $1.8 million and $2.8 million are included in property and equipment, net on the consolidated balance sheets as of January 2, 2021 and December 28, 2019, respectively. Financing liabilities of $0.6 million and $1.5 million are included in other current liabilities and other long-term liabilities, respectively, on the consolidated balance sheets as of January 2, 2021. Financing liabilities of $0.8 million and $2.0 million are included in other current liabilities and other long-term liabilities, respectively, on the consolidated balance sheets as of December 28, 2019.

13. COMMITMENTS AND CONTINGENCIES

Insurance Reserves

As is typical in the healthcare industry, the Company is subject to claims that its services have resulted in patient injury or other adverse effects.

The accrued insurance reserves included in the accompanying consolidated balance sheets include estimates of the ultimate costs, in the event the Company was unable to receive funds from claims made under commercial insurance policies, for claims that have been reported but not paid and claims that have been incurred but not reported at the balance sheet dates. Although substantially all reported claims are paid directly by the Company's commercial insurance carriers, the Company is ultimately responsible for payment of these claims in the event its insurance carriers become insolvent or otherwise do not honor the contractual obligations under the malpractice policies. The Company is required under U.S. GAAP to recognize these estimated liabilities in its consolidated financial statements on a gross basis; with a corresponding receivable from the insurance carriers reflecting the contractual indemnity provided by the carriers under the related malpractice policies.

The Company maintains primary commercial insurance coverage on a claim basis for professional malpractice claims with a $500,000 per claim deductible and $6.0 million per claim and annual aggregate limits. Moreover, the Company maintains excess insurance coverage for professional malpractice claims. In addition, the Company maintains workers' compensation insurance with a $500,000 per claim deductible and statutory limits. The Company reimburses insurance carriers for deductible losses under these policies. To manage credit risk exposure, carriers require collateral to secure the Company's obligation to deductible payments. Collateral as of January 2, 2021 is comprised of $18.8 million of issued letters of credit, $2.9 million in cash collateral, and $2.3 million in surety bonds.

At January 2, 2021, $74.6 million of insurance reserves were included on the consolidated balance sheet, representing $38.5 million and $36.1 million of reserves for professional malpractice claims and workers' compensation claims, respectively. At December 28, 2019, $68.7 million of insurance reserves were included on the consolidated balance sheets, representing $35.6 million and $33.1 million of reserves for professional malpractice claims and workers' compensation claims, respectively.

Litigation and Other Current Liabilities

On December 16, 2016, Aveanna Healthcare LLC (f/k/a BCPE Eagle Buyer LLC) entered into a stock purchase agreement with Epic/Freedom, LLC, Epic Acquisition, Inc., and FHH Holdings, Inc. for Aveanna Healthcare LLC to acquire Epic Acquisition, Inc. and FHH Holdings, Inc. (the "Acquisition"). The Acquisition closed on March 16, 2017.

On February 19, 2020, the Company entered a settlement agreement for a legal claim totaling $50.0 million related to the Acquisition. The funds received were included in other income (expense) in the accompanying consolidated statements of operations. All settlement payments were received by the Company as of March 5, 2020.

On December 24, 2018 Aveanna Healthcare LLC ("Aveanna") entered into a Stock Purchase Agreement ("the Agreement") to acquire a pediatric home health company ("Seller"). The agreement contained a provision whereby a $75.0 million transaction termination fee (the "Break-up Fee") could be payable to the Seller under certain circumstances. On December 20, 2019 Aveanna terminated the Agreement, and the Seller accordingly demanded payment of the Break-up Fee. Management believes the Agreement was terminated for cause and therefore no payment of the Break-up Fee is due to the Seller. The Seller has disputed this assertion. While management believes that litigation over this matter is unlikely at the present time, it is possible that Aveanna and the Seller may in the future pursue claims and counterclaims related to the termination of the Agreement and payment of the Break-up Fee. At this time, the Company is unable to predict the possible loss or range of loss, if any, associated with the resolution of this litigation, or any potential effect such may have on the Company or its business or operations.

The Company is currently a party to various legal proceedings involving routine litigation incidental to the business. While management currently believes that the ultimate outcome of such proceedings, individually and in the aggregate, will not have a material adverse effect on the Company's financial position or overall trends in results of operations, litigation is subject to inherent uncertainties. Management has established provisions within other current liabilities in the accompanying consolidated balance sheet, which in the opinion of management represents the best estimate of exposure and adequately provides for such losses that may occur from asserted claims related to the provision of professional services and which may not be covered by the Company's insurance policies. Management believes that any additional unfavorable provisions would not be material to the Company's results of operations or financial position; however, if an unfavorable ruling on any asserted or unasserted claim were to occur, there exists the possibility of a material adverse impact on the Company's net earnings or financial position. The estimate of the potential impact from legal proceedings on the Company's financial position or overall results of operations could change in the future.

Healthcare Regulatory Matters

On October 30, 2019 the Company received a grand jury subpoena ("Subpoena") issued by the U.S. Department of Justice, Antitrust Division ("the Antitrust Division") requiring the production of documents and information pertaining to nurse wages and hiring activities in two of our local markets that account for approximately 3% of our revenue which does not represent a significant portion of our revenue or operating income. We are fully cooperating with the Antitrust Division with respect to this investigation and management believes this matter is unlikely to materially impact our business, results of operations or financial condition. However, based on the information currently available to the Company, management cannot predict the timing or outcome of this investigation or predict the possible loss or range of loss, if any, associated with the resolution of this litigation.

Laws and regulations governing the government payer programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future governmental review and interpretation as well as significant regulatory action. From time to time, governmental regulatory agencies conduct inquiries and audits of the Company's practices. It is the Company's practice to cooperate fully with such inquiries. In addition to laws and regulations governing the Medicaid, Medicaid Managed Care, and Tricare programs, there are a number of federal and state laws and regulations governing such matters as the corporate practice of medicine, fee splitting arrangements, anti-kickback statues, physician self-referral laws, false or fraudulent claims filing and patient privacy requirements. Failure to comply with any such laws or regulations could have an adverse impact on the Company's operations and financial results. The Company believes that it is in material compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of wrongdoing.

14. EMPLOYEE BENEFIT PLANS

The Company and its subsidiaries sponsor several defined contribution retirement plans, which qualify under Section 401(k) of the Internal Revenue Code (the "Code"), covering substantially all employees. Certain of the Company's retirement plans require or allow for contributions by the Company. Company contributions to the plans were approximately $4.2 million, $3.7 million and $1.7 million for the fiscal years ended January 2, 2021, December 28, 2019, and December 29, 2018 and are included in cost of revenue, excluding depreciation and amortization, branch and regional administrative expenses, and corporate expenses in the accompanying consolidated statements of operations. Effective January 1, 2018, the Company merged its various plans into one amended plan.

15. COVID-19

In March 2020, the World Health Organization declared COVID-19 a pandemic. The COVID-19 outbreak has adversely impacted economic activity and conditions worldwide, including workforces, liquidity, capital markets, consumer behavior, supply chains and macroeconomic conditions. After the declaration of a national emergency in the United States on March 13, 2020, in compliance with stay-at-home and physical distancing orders and other restrictions on movement and economic activity intended to reduce the spread of COVID-19, the Company altered numerous clinical, operational, and business processes. While each of the states deemed healthcare services an essential business, allowing the Company to continue to deliver healthcare services to patients, the effects of the pandemic have been wide-reaching. Management has implemented contingency planning policies whereby most employees at the corporate support offices in Georgia, Texas and Arizona are working remotely in compliance with CDC recommendations and federal and state governmental orders. The Company has invested in technology and equipment that allows its remote workforce to provide continued and seamless functionality to clinicians who continue to care for patients on service.

The Company is taking precautions to protect the safety and well-being of employees and patients by purchasing and delivering significant additional supplies of personal protective equipment ("PPE") and other medical supplies to branches and regional offices across the country. Although the Company has had success in sourcing PPE from both traditional and non-traditional suppliers for these needs, PPE supplies have been incurred at significantly higher per unit costs for such items, as compared to pre-pandemic costs.

Patient volumes in the PDS segment have been negatively impacted by COVID-19. While the Company observed declining patient volumes during the first and second fiscal quarters of 2020 with a low point in mid-April 2020, shortly thereafter volumes stabilized and began recovering. Since that time the Company has seen a slow but steady recovery and management believes the Company will recover to pre-COVID-19 patient volume levels in the PDS segment by 2021, with the exception of pediatric autism volumes. As a result of COVID-19, during the second fiscal quarter of 2020, management made the decision to exit pediatric autism services, which was completed as of the end of the third fiscal quarter of 2020. Annual autism revenues in 2019, which have subsequently been exited, approximated $16.4 million. In connection with these activities, management evaluated the Therapy reporting unit for goodwill impairment and recorded an impairment charge of $75.7 million during the second fiscal quarter of 2020. See Note 2 – Summary of Significant Accounting Policies, *Goodwill* for more information regarding this impairment. The MS segment has not been negatively impacted by COVID-19. The HHH segment consists primarily of acquisitions made during the fourth fiscal quarter of 2020 and therefore has not been negatively impacted by COVID-19.

In response to COVID-19, the U.S. Government enacted the CARES Act on March 27, 2020. The following portions of the CARES Act have impacted the Company in fiscal year 2020:

Provider Relief Fund ("PRF"): Funds were distributed to health care providers who provide or provided diagnoses, testing or care for individuals with possible or actual cases of COVID-19. The payments received under the PRF are subject to certain terms and conditions. Payments are to be used to prevent, prepare for, and respond to COVID-19. The PRF payments received could potentially be subject to repayment if those funds are not utilized in accordance with the rules and regulations set forth by HHS. As of January 2, 2021, the Company had received PRF payments of $25.1 million, which are included in government stimulus liabilities on the accompanying consolidated balance sheets. Subsequently, on March 5, 2021, the Company repaid in full the PRF payments previously received.

State Sponsored Relief Funds: Beginning in June 2020, the Company received direct stimulus funds from the State of Pennsylvania Department of Human Services ("Pennsylvania DHS"). Such funds were not applied for or requested. As of January 2, 2021, the Company had received $4.8 million in direct stimulus funds from Pennsylvania DHS. During the fiscal year ended January 2, 2021, the Company recognized income of $0.5 million related to these direct stimulus funds based on a reasonable assurance that the applicable terms and conditions required to retain the funds have been met, which is included in other operating expenses in the accompanying consolidated statement of operations. Subsequently, on February 4, 2021, the Company repaid the remaining $4.3 million of direct stimulus funds to Pennsylvania DHS.

Deferred payment of the employer portion of social security tax: The Company is permitted to defer payments of the employer portion of social security tax for 2020, which will be payable in 50% increments, with the first due by December 31, 2021, and the second payment due by December 31, 2022. As of January 2, 2021 the Company deferred approximately $49.6 million of social security taxes, of which $24.8 million are included in current portion of deferred payroll taxes and $24.8 million are included in deferred payroll taxes in the consolidated balance sheet. The Company did not defer any social security taxes as of December 28, 2019. The Company did not defer any payroll taxes after December 31, 2020.

16. RELATED PARTY TRANSACTIONS

The Company has entered into an advisory services agreement with affiliates of certain shareholders of the Company (the "Management Agreement"). Under this agreement, the managers provide general and strategic advisory services and are paid a quarterly management fee plus out of pocket expenses. The Company incurred $3.3 million, $3.3 million and $3.2 million of management fees and expenses during the fiscal years ended January 2, 2021, December 28, 2019 and December 29, 2018, respectively, which are included in corporate expenses in the accompanying consolidated statements of operations. Amounts owed by the Company in connection with the advisory services agreement described above as of January 2, 2021 totaled $1.6 million and were included in accounts payable and other accrued liabilities on the consolidated balance sheets. As of December 28, 2019, there were no amounts owed by the Company in connection with the advisory services agreement described above.

In connection with the due diligence for acquisitions, a shareholder provided strategic advisory services of $0.4 million, $0.3 million and $2.3 million for the fiscal years ended January 2, 2021, December 28, 2019 and December 29, 2018, which are included in acquisition-related costs in the accompanying consolidated statements of operations. Amounts owed by the Company in connection with the due diligence described above were not material as of January 2, 2021 and totaled $2.4 million as of December 28, 2019, respectively, and were included in accounts payable and other accrued liabilities on the consolidated balance sheets.

One of the Company's shareholders has an ownership interest in a revenue cycle vendor used by the Company for eligibility and clearinghouse billing services. For the fiscal years ended January 2, 2021, December 28, 2019 and December 29, 2018, the Company incurred $0.5 million, $0.4 million and $0.3 million of expenses, which are included in corporate expenses in the accompanying consolidated statements of operations. Amounts owed by the Company in connection with the expenses described above were not material as of January 2, 2021 and December 28, 2019, respectively, and were included in accounts payable and other accrued liabilities on the consolidated balance sheets.

One of the Company's executives is party to an aircraft lease and services agreement with a private jet management services provider. Pursuant to the agreement, the provider maintains and operates an aircraft owned by the Company's executive for on-demand charter flights for which the Company's executive is compensated. From time to time, management engages the provider for use of the aircraft owned by the Company's executive for business related travel. For the fiscal years ended January 2, 2021, December 28, 2019 and December 29, 2018, the Company incurred $0.1 million, $0.3 million and $0.1 million of expenses, which are included in corporate expenses in the accompanying consolidated statements of operations. Amounts owed by the Company in connection with the expenses described above were not material as of January 2, 2021 and December 28, 2019, respectively, and were included in accounts payable and other accrued liabilities on the consolidated balance sheets.

The Management Agreement provides that if the Company consummates a "subsequent transaction," which includes, among other things, financings, debt or equity offerings, and acquisitions, then the Company must pay the shareholders an aggregate fee in connection with such transaction in an amount equal to 1% of the gross transaction value. Such fee is payable only in respect of a subsequent transaction with a value that equals or exceeds $25.0 million. Also, the Management Agreement provides that, upon the successful completion of an initial public offering, the Company must pay to the managers a lump sum equal to five times the currently applicable annual management fee. The annual management fee is currently $3.2 million and is subject to adjustment based upon certain increases in the Company's consolidated EBITDA as a result of acquisitions.

Immediately following the Fourth Amendment to the First Lien Term Loan, one of the Company's shareholders owned 5.3% of the Company's First Lien Term Loan. As of January 2, 2021, the same shareholder owned 6.0% of the Company's First Lien Term Loan.

17. SEGMENT INFORMATION

The Company has three reportable segments, PDS, MS and HHH. The PDS segment predominantly includes private duty nursing services as well as pediatric therapy and autism services. Through the MS segment, the Company provides enteral nutrition supplies and services to adults and children, delivered on a periodic or as-needed basis. The HHH segment provides home health and hospice services to predominately elderly patients.

The Chief Operating Decision Maker ("CODM") evaluates performance using gross margin (and gross margin percentage). Gross margin includes revenue less all costs of revenue, excluding depreciation and amortization, but excludes branch and regional administrative expenses, corporate expenses and other non-field expenses. The CODM does not evaluate a measure of assets when assessing performance.

Results shown for the fiscal years ended January 2, 2021, December 28, 2019 and December 29, 2018 are not necessarily those which would be achieved if each segment was an unaffiliated business enterprise. There are no intersegment transactions.

The following tables summarize the Company's segment information for the fiscal years ended January 2, 2021, December 28, 2019 and December 29, 2018 (amounts in thousands):

	For the Fiscal Year Ended January 2, 2021			
	PDS	MS	HHH	Total
Revenue	$1,329,745	$134,180	$31,180	$1,495,105
Cost of revenue, excluding depreciation and amortization	949,048	73,673	17,869	1,040,590
Gross margin	380,697	60,507	13,311	454,515
Gross margin percentage	28.6%	45.1%	42.7%	30.4%

	For the Fiscal Year Ended December 28, 2019			
	PDS	MS	HHH	Total
Revenue	$1,254,117	$112,877	$17,071	$1,384,065
Cost of revenue, excluding depreciation and amortization	889,970	63,767	11,077	964,814
Gross margin	364,147	49,110	5,994	419,251
Gross margin percentage	29.0%	43.5%	35.1%	30.3%

	For the Fiscal Year Ended December 29, 2018			
	PDS	MS	HHH	Total
Revenue	$1,137,156	$98,659	$17,858	$1,253,673
Cost of revenue, excluding depreciation and amortization	793,625	53,915	11,811	859,351
Gross margin	343,531	44,744	6,047	394,322
Gross margin percentage	30.2%	45.4%	33.9%	31.5%

	For the Fiscal Year Ended		
Segment Reconciliation:	January 2, 2021	December 28, 2019	December 29, 2018
Total Segment Gross Margin	454,515	419,251	394,322
Branch and regional administrative expenses	240,946	227,762	217,357
Corporate expenses	113,828	113,325	104,486
Goodwill impairment	75,727	—	—
Depreciation and amortization	17,027	14,317	11,938
Acquisition-related costs	9,564	22,661	15,577
Other operating expenses	910	2,232	5,931
Operating (loss) income	(3,487)	38,954	39,033
Interest income	345	207	594
Interest expense	(82,983)	(92,296)	(75,542)
Loss on debt extinguishment	(73)	(4,858)	—
Other income (expense)	34,464	(17,037)	(13,744)
Loss before income taxes	(51,734)	(75,030)	(49,659)

18. NET LOSS PER SHARE

The following is a computation of basic and diluted net loss per share (dollar amounts in thousands, except share and per share amounts):

	For the Fiscal Year Ended		
	January 2, 2021	December 28, 2019	December 29, 2018
Numerator:			
Net loss	$ (57,050)	$ (76,516)	$ (47,146)
Denominator:			
Weighted average common shares outstanding [1] , basic and diluted [2]	140,971,924	136,905,689	131,306,906
Net loss per share, basic and diluted	$ (0.40)	$ (0.56)	$ (0.36)
Dilutive securities outstanding not included in the computation of diluted net loss per share as their effect is antidilutive:			
Stock options	15,573,898	14,169,888	14,206,246
Unvested deferred RSUs	—	—	—

[1] The calculation of weighted average common shares outstanding includes all vested deferred RSUs.

[2] The impact of potentially dilutive securities for all periods was not considered because the effect would be anti-dilutive in each of those periods.

19. QUARTERLY CONSOLIDATED FINANCIAL INFORMATION (Unaudited)

The following is a summary of the unaudited quarterly results of operations for the fiscal years ended January 2, 2021 and December 28, 2019. The sum of the quarterly basic earnings (loss) per share may not equal the amount for the fiscal year as the basis for calculating average outstanding number of shares differs.

	For the Fiscal Year Ended January 2, 2021				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Revenue	$355,223	$351,577	$366,003	$422,302	$1,495,105
Operating income (loss)	$ 17,867	$ (51,957)	$ 12,877	$ 17,726	$ (3,487)
Net income (loss)	$ 37,637	$ (77,553)	$ (7,402)	$ (9,732)	$ (57,050)
Basic earnings (loss) per share	$ 0.27	$ (0.55)	$ (0.05)	$ (0.07)	$ (0.40)
Diluted earnings (loss) per share	$ 0.27	$ (0.55)	$ (0.05)	$ (0.07)	$ (0.40)

	For the Fiscal Year Ended December 28, 2019				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Revenue	$340,930	$345,392	$348,133	$349,610	$1,384,065
Operating income	$ 6,771	$ 10,025	$ 10,449	$ 11,709	$ 38,954
Net loss	$ (24,222)	$ (21,825)	$ (15,750)	$ (14,719)	$ (76,516)
Basic loss per share	$ (0.18)	$ (0.16)	$ (0.12)	$ (0.11)	$ (0.56)
Diluted loss per share	$ (0.18)	$ (0.16)	$ (0.12)	$ (0.11)	$ (0.56)

20. CONDENSED FINANCIAL INFORMATION OF REGISTRANT (PARENT COMPANY ONLY)

Aveanna Healthcare Holdings Inc.
(Parent Company Only)
Condensed Balance Sheets
(Amounts in thousands, except share and per share data)

	As of	
	January 2, 2021	December 28, 2019
Assets:		
Investment in subsidiaries	$ 267,169	$ 270,944
Total assets	267,169	270,944
Deferred restricted stock units	2,135	752
Shareholders' equity:		
Preferred shares, no par value, 5,000,000 shares authorized; none issued or outstanding	—	—
Common shares, $0.01 par value, 1,000,000,000 shares authorized; 141,928,184 and 136,803,189 issued and outstanding, respectively	1,419	1,368
Additional paid-in capital	721,247	669,406
Accumulated deficit	(457,632)	(400,582)
Total shareholders' equity	265,034	270,192
Total deferred restricted stock units and shareholders' equity	$ 267,169	$ 270,944

Aveanna Healthcare Holdings Inc.
(Parent Company Only)
Condensed Statements of Operations
(Amounts in thousands, except share and per share data)

	For the Fiscal Year Ended		
	January 2, 2021	December 28, 2019	December 29, 2018
Equity in net loss of subsidiaries	$ (57,050)	$ (76,516)	$ (47,146)
Net loss	$ (57,050)	$ (76,516)	$ (47,146)
Net loss per share-basic and diluted	$ (0.40)	$ (0.56)	$ (0.36)
Weighted average common shares outstanding-basic and diluted	140,971,924	136,905,689	131,306,906

The accompanying note is an integral part of these condensed financial statements.

A statement of cash flows has not been presented as Aveanna Healthcare Holdings Inc. did not have any cash as of or for the years ended January 2, 2021, December 28, 2019 and December 29, 2018.

Note to Condensed Financial Statements of Registrant (Parent Company Only)

Basis of Presentation

These condensed parent company-only financial statements have been prepared in accordance with Rule 12-04, Schedule I of Regulation S-X, as the restricted net assets of the subsidiaries of Aveanna Healthcare Holdings Inc. (“Parent”) (as defined in Rule 4-08(e)(3) of Regulation S-X) as of December 28, 2019 exceeded 25% of the consolidated net assets of the Company. The ability of the Company’s operating subsidiaries to pay dividends may be restricted due to the terms of the First Lien Term Loan, Revolver and Second Lien Term Loan, which are discussed in Note 7.

These condensed parent company financial statements have been prepared using the same accounting principles and policies described in the notes to the consolidated financial statements, with the only exception being that the parent company accounts for its subsidiaries using the equity method. These condensed financial statements should be read in conjunction with the consolidated financial statements and related notes thereto.

21. SUBSEQUENT EVENTS

Revolver amendment

On March 11, 2021, the Company amended the Revolver to increase the maximum availability to $200.0 million, subject to the occurrence of an initial public offering. The amendment also extended the maturity date to March 2023; provided that upon the occurrence of an initial public offering, the maturity date will become the date that is five years after the consummation of such initial public offering; provided further that if the Company fails to refinance its term loans by December 2023, the maturity date will become December 2023.

Acquisition

On April 16, 2021 the Company acquired 100% of the issued and outstanding membership interests of Doctor’s Choice Holdings, LLC (“Doctor’s Choice”) for aggregate cash consideration of $115.0 million, subject to customary purchase price adjustments. Doctor’s Choice provides home health and hospice service in Florida. As part of funding the Doctor’s Choice acquisition, on the date of acquisition, the Company borrowed incremental amounts under the existing Second Lien Term Loan of $67.0 million, including deferred financing fees of $1.7 million. The entire portion of the proceeds, as well as cash on hand, were used to pay cash consideration at closing and costs and expenses incurred by the Company in connection with the transaction of $2.4 million.

Change in capital structure

On April 19, 2021, the Company’s Board of Directors and its shareholders approved, and the Company filed its Second Amended and Restated Certificate of Incorporation, which i) eliminated Class B common stock resulting in one class of common shares authorized, issued and outstanding, ii) effected a one-to-20.5 forward stock split and iii) authorized 1,000,000,000 common shares and 5,000,000 preferred shares (the “Amended Charter”). The par value of each share of the Company’s common share and preferred share was not adjusted in connection with the aforementioned forward stock split.

All share and per share information for prior periods, including options to purchase common shares, deferred restricted stock units, option exercise prices, weighted average fair value of options granted, common shares and additional paid-in capital accounts on the consolidated balance sheets and consolidated statement of shareholders’ equity, including the notes to the financial statements, have been retroactively adjusted, where applicable, to reflect the stock split and the increase in authorized shares.

Stock Incentive Plan

On April 19, 2021, the Company’s Board of Directors adopted the Company’s 2017 Stock Incentive Plan, as amended (the “Amended Plan”). The Amended Plan i) provided for the issuance of common shares, as opposed to the Class B common shares previously issuable under the existing plan, to align with the Company’s Amended and Restated Certificate of Incorporation and ii) modified the vesting terms of the existing issued performance-based awards to now vest upon the achievement of volume weighted average price per share hurdles for any ninety consecutive days commencing on or after the nine-month anniversary of initial public offering. The issuance of common shares rather than Class B common shares resulted in a modification for accounting purposes and the establishment of a new grant date fair value of the award as common stock has voting powers and rights as opposed to the previously held Class B common shares. However, as the performance condition was not probable of being met at the modification date, there was no incremental fair value to be recognized.

The change in the vesting terms of the Amended Plan did not result in a modification for accounting purposes as the Company’s Board of Directors has not yet specified the volume weighted average price per share hurdles.

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38,236,000 Shares

Aveanna Healthcare Holdings Inc.

Common Stock

Preliminary Prospectus

Barclays **J.P. Morgan**

BMO Capital Markets **Credit Suisse**

BofA Securities **Deutsche Bank Securities** **Jefferies** **RBC Capital Markets** **Truist Securities**

Raymond James **Stephens Inc.** **Drexel Hamilton** **Siebert Williams Shank**

Prospectus dated , 2021

Through and including , 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II
INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth all fees and expenses, other than the underwriting discounts and commissions payable solely by us in connection with the offer and sale of the securities being registered. All amounts shown are estimated except for the SEC registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the exchange listing fee.

	Amount to be paid
SEC registration fee	$ 86,351
FINRA filing fee	105,500
Nasdaq listing fee	25,000
Accounting fees and expenses	1,862,700
Legal fees and expenses	4,147,196
Printing expenses	441,238
Transfer agent and registrar fees	4,500
Miscellaneous expenses	127,515
Total	**$ 6,800,000**

Item 14. Indemnification of Directors and Officers.

Section 102 of the General Corporation Law of the State of Delaware (the "DGCL") permits a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his or her duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of the DGCL or obtained an improper personal benefit. We expect to file a second amended and restated certificate of incorporation (the "Amended Charter"), which will become effective upon the consummation of this offering, and which will provide that none of our directors shall be personally liable to us or to our stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability, except to the extent that the DGCL prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145 of the DGCL provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation, or a person serving at the request of the corporation for another corporation, partnership, joint venture, trust or other enterprise in related capacities, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he or she was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, by reason of such position, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to an indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

Upon consummation of this offering, our Amended Charter and our second amended and restated bylaws (the "Amended Bylaws") will provide indemnification for our directors and officers to the fullest extent permitted by the DGCL, subject to certain limited exceptions. We will indemnify each person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of us) by reason of the fact that he or she is or was, or has agreed to become, a director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (all such persons being referred to as an "Indemnitee"), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding and any appeal therefrom, if such Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, and, with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. Our Amended Charter and Amended Bylaws will provide that we will indemnify any Indemnitee who was or is a party to an action or suit by or in the right of us to procure a judgment in our favor by reason of the fact that the Indemnitee is or was, or has agreed to become, a director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees) and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, and any appeal therefrom, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, except that no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to us, unless a court determines that, despite such adjudication but in view of all of the circumstances, he or she is entitled to indemnification of such expenses. Notwithstanding the foregoing, to the extent that any Indemnitee has been successful, on the merits or otherwise, he or she will be indemnified by us against all expenses (including attorneys' fees) actually and reasonably incurred in connection therewith. Expenses must be advanced to an Indemnitee under certain circumstances.

We have entered into, or prior to the consummation of this offering will have entered into, separate indemnification agreements with each of our directors and executive officers. Each indemnification agreement provides, among other things, for indemnification to the fullest extent permitted by applicable law and our Amended Charter and Amended Bylaws against any and all expenses, judgments, fines, penalties and amounts paid in settlement of any claim. The indemnification agreements provides for the advancement or payment of all expenses to the indemnitee and for the reimbursement to us if it is found that such indemnitee is not entitled to such indemnification under applicable law and our Amended Charter and Amended Bylaws.

We have also purchased directors' and officers' liability insurance for each of our directors and executive officers that covers certain liabilities of directors and officers of our corporation arising out of claims based on acts or omissions in their capacities as directors or officers. Certain of our non-employee directors may, through their relationships with their employers, be insured and/or indemnified against certain liabilities incurred in their capacity as members of our Board of Directors.

In any underwriting agreement we enter into in connection with the sale of common stock being registered hereby, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers and persons who control us within the meaning of the Securities Act of 1933, as amended, against certain liabilities.

Item 15. Recent Sales of Unregistered Securities.

The following sets forth information regarding all unregistered securities sold by us since November 1, 2017:

Sales of Notes

On November 27, 2019, our subsidiary, Aveanna Healthcare LLC, issued $560.0 million aggregate principal amount of Senior Notes due December 15, 2026 (the “2026 Notes”) in connection with a potential acquisition. The interest rate on the 2026 Notes was 9.750% per annum, commencing on December 9, 2019, and the gross proceeds from the 2026 Notes offering were deposited into an escrow account at issuance pending satisfaction of certain release conditions. The Company terminated the agreement governing the potential acquisition on December 20, 2019 and redeemed the 2026 Notes in accordance with the terms of the indenture governing such 2026 Notes and the escrow and security agreement entered into in connection with the 2026 Notes offering.

The sale of the 2026 Notes was made pursuant to a safe harbor and exemption from registration under the Securities Act pursuant to Rule 144(a) of the Securities Act and Regulation S of the Securities Act, respectively. The initial purchasers of the 2026 Notes were Barclays Capital Inc., BMO Capital Markets Corp., Jefferies LLC and Deutsche Bank Securities, Inc. The aggregate initial purchasers’ discount was $11.2 million.

Common Stock Issuances

On July 1, 2018, we issued 11,156,340 shares of common stock as a result of equity contributions from the Sponsor Affiliates and certain of our independent directors in connection with the Premier Acquisition totaling approximately $54.4 million.

On March 19, 2020, we issued 5,124,995 shares of common stock as a result of equity contributions from the Sponsor Affiliates totaling $50.0 million.

Plan-Related Issuances

From March 16, 2017 through the date of this registration statement, we granted to our directors, officers and employees certain options to purchase 16,358,290 shares of common stock at per share exercise prices ranging from $4.88 - $15.00 under our 2017 Plan. As of April 1, 2021, 15,573,898 options were outstanding and 784,392 had been forfeited.

We have not issued any shares of common stock pursuant to the exercise of stock options by our directors, officers, employees, consultants and other service providers.

With the exception of the sale of the 2026 Notes, none of the transactions set forth in Item 15 involved any underwriters, underwriting discounts or commissions or any public offering. Unless otherwise stated, the sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act (and Regulation D or Regulation S promulgated thereunder) or Rule 701 promulgated under the Securities Act. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed on the certificates representing such securities in these transactions. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

Item 16. Exhibits and Financial Statements.

(a) Exhibits

The exhibit index attached hereto is incorporated herein by reference.

(b) Financial Statement Schedules

All schedules have been omitted because the information required to be set forth in the schedules is either not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

(a) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction, the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(b) The undersigned hereby further undertakes that:

(1) For purposes of determining any liability under the Securities Act the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

INDEX TO EXHIBITS

Exhibit No.	
1.1	Form of Underwriting Agreement.
3.1*	Amended and Restated Certificate of Incorporation of Aveanna Healthcare Holdings Inc., as in effect prior to the consummation of this offering.
3.2*	Amendment to the Amended and Restated Certificate of Incorporation of Aveanna Healthcare Holdings Inc., as in effect prior to the consummation of this offering.
3.3	Form of Second Amended and Restated Certificate of Incorporation of Aveanna Healthcare Holdings Inc., as in effect prior to the consummation of this offering.
3.4*	Amended and Restated Bylaws of Aveanna Healthcare Holdings Inc., as in effect prior to the consummation of this offering.
3.5	Form of Second Amended and Restated Bylaws of Aveanna Healthcare Holdings Inc., as in effect prior to the consummation of this offering.
3.6	Certificate of Amendment to Amended and Restated Certificate of Incorporation of Aveanna Healthcare Holdings Inc., as in effect prior to the consummation of this offering.
4.1*	Registration Rights Agreement, dated as of March 16, 2017, by and among Aveanna Healthcare Holdings Inc. and certain holders of its capital stock.
4.2*	Stockholders Agreement, dated as of March 16, 2017, by and among Aveanna Healthcare Holdings Inc. and certain investors.
4.3*	First Amendment to Stockholders Agreement, dated as of April 18, 2018, by and among Aveanna Healthcare Holdings Inc. and certain investors.
4.4	Form of Amended and Restated Registration Rights Agreement, to be in effect upon the consummation of this offering.
4.5	Form of Amended and Restated Stockholders Agreement, to be in effect upon the consummation of this offering.
5.1	Opinion of Greenberg Traurig, LLP.
10.1*	Management Agreement, dated as of March 16, 2017, by and among Aveanna Healthcare Holdings Inc., certain of its subsidiaries, Bain Capital Private Equity, LP and J.H. Whitney Capital Partners, LLC.
10.2*	First Lien Credit Agreement, dated as of March 16, 2017, by and among Aveanna Healthcare Intermediate Holdings LLC (f/k/a BCPE Eagle Intermediate Holdings LLC), Aveanna Healthcare Holdings Inc. (f/k/a BCPE Eagle Buyer LLC) as borrower, the other credit parties, Barclays Bank PLC as administrative agent and the lenders party thereto.
10.3*	Joinder Agreement and Amendment, dated as of July 1, 2018, by and among Aveanna Healthcare LLC as borrower, the other credit parties, Barclays Bank PLC as administrative agent and the lenders party thereto.
10.4*	Amendment No. 2 to the First Lien Credit Agreement, dated as of March 19, 2020, by and among Aveanna Healthcare LLC as borrower, the other credit parties, Barclays Bank PLC as administrative agent and the lenders party thereto.
10.5*	Amendment No. 3 to the First Lien Credit Agreement, dated as of April 1, 2020, by and among Aveanna Healthcare LLC as borrower, the other credit parties, Barclays Bank PLC as administrative agent and the lenders party thereto.
10.6*	Second Joinder Agreement and Fourth Amendment, dated as of September 21, 2020, by and among Aveanna Healthcare LLC as borrower, the other credit parties, Barclays Bank PLC as the administrative agent and the lenders party thereto.

Exhibit No.	
10.7*	Second Lien Credit Agreement, dated as of March 16, 2017, by and among Aveanna Healthcare Intermediate Holdings LLC (f/k/a BCPE Eagle Intermediate Holdings LLC), Aveanna Healthcare Holdings Inc. (f/k/a BCPE Eagle Buyer LLC) as borrower, Royal Bank of Canada as administrative agent and collateral agent and the lenders party thereto.
10.8	Amended and Restated 2017 Stock Incentive Plan.
10.9*	Amended and Restated Employment Agreement, dated as of March 15, 2017, by and among Aveanna Healthcare LLC (f/k/a BCPE Eagle Buyer, LLC), Pediatric Services of America, Inc. and Rodney D. Windley.
10.10*	First Amendment to Amended and Restated Employment Agreement, dated as of January 23, 2018, by and among Aveanna Healthcare LLC (f/k/a BCPE Eagle Buyer, LLC), Pediatric Services of America, Inc. and Rodney D. Windley.
10.11*	Amended and Restated Employment Agreement, dated as of March 15, 2017, by and among Aveanna Healthcare LLC (f/k/a BCPE Eagle Buyer, LLC), Pediatric Services of America, Inc. and H. Anthony Strange.
10.12*	First Amendment to Amended and Restated Employment Agreement, dated as of January 23, 2018, by and among Aveanna Healthcare LLC (f/k/a BCPE Eagle Buyer, LLC), Pediatric Services of America, Inc. and H. Anthony Strange.
10.13*	Amended and Restated Employment Agreement, dated as of March 15, 2017, by and among Aveanna Healthcare LLC (f/k/a BCPE Eagle Buyer LLC), Pediatric Services of America, Inc. and Jeffrey Shaner.
10.14*	First Amendment to Amended and Restated Employment Agreement, dated as of January 23, 2018, by and among Aveanna Healthcare LLC (f/k/a BCPE Eagle Buyer, LLC), Pediatric Services of America, Inc. and Jeffrey Shaner.
10.15*	Employment Agreement, dated as of June 29, 2018, by and between Aveanna Healthcare LLC and David Afshar.
10.16*	Amendment to Employment Agreement, dated as of March 2020, by and between Aveanna Healthcare LLC and David Afshar.
10.17*	Employment Agreement, dated as of March 26, 2017, by and between Aveanna Healthcare LLC (f/k/a BCPE Eagle Buyer LLC) and Shannon Drake.
10.18*	Amendment to Employment Agreement, dated as of March 16, 2020, by and between Aveanna Healthcare LLC and Shannon Drake.
10.19	Third Joinder Agreement and Fifth Amendment, dated as of March 11, 2021, by and among Aveanna Healthcare LLC as borrower, the other credit parties, Barclays Bank PLC as administrative agent and the lenders party thereto.
10.20	2021 Stock Incentive Plan.
10.21	Employee Stock Purchase Plan.
10.22	Form of Indemnification Agreement.
21.1	List of Subsidiaries.
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
23.2	Consent of Greenberg Traurig, LLP (included in Exhibit 5.1).
23.3*	Consent of Marwood Group Advisory, LLC.
24.1*	Power of Attorney (included on signature page).

* Previously filed.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, Aveanna Healthcare Holdings Inc. has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Atlanta, Georgia, on April 20, 2021.

Aveanna Healthcare Holdings Inc.

By: /s/ Tony Strange
Name: Tony Strange
Title: Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement on Form S-1 has been signed by the following persons in the capacities set forth opposite their names and on the date indicated above.

Signature	Title
* Rodney D. Windley	Executive Chairman
/s/ Tony Strange Tony Strange	Chief Executive Officer and Director (Principal Executive Officer)
* David Afshar	Chief Financial Officer (Principal Financial and Accounting Officer)
* Victor F. Ganzi	Director
* Christopher R. Gordon	Director
* Devin O’Reilly	Director
* Sheldon M. Retchin, M.D., M.S.P.H.	Director
* Steven E. Rodgers	Director
* Robert M. Williams, Jr.	Director
* Richard C. Zoretic	Director

*By: /s/ Tony Strange
Name: Tony Strange
Title: Attorney-in-fact

Exhibit 1.1

[•] shares of Common Stock

Aveanna Healthcare Holdings Inc.

UNDERWRITING AGREEMENT

[•], 2021

BARCLAYS CAPITAL INC.
J.P. MORGAN SECURITIES LLC
BMO CAPITAL MARKETS CORP.
CREDIT SUISSE SECURITIES (USA) LLC

As Representatives of the several
Underwriters named in Schedule I attached hereto,

c/o Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

c/o BMO Capital Markets Corp.
3 Times Square
New York, NY 10036

c/o Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, New York 10010

Ladies and Gentlemen:

Aveanna Healthcare Holdings Inc., a Delaware corporation (the "***Company***"), proposes to sell [•] shares (the "***Firm Stock***") of the Company's common stock, par value $0.01 per share (the "***Common Stock***"). In addition, the Company proposes to grant to the underwriters named in Schedule I (the "***Underwriters***") attached to this agreement (this "***Agreement***") an option to purchase up to [•] additional shares of the Common Stock on the terms set forth in Section 3 (the "***Option Stock***"). The Firm Stock and the Option Stock, if purchased, are hereinafter collectively called the "***Stock***". This Agreement is to confirm the agreement concerning the purchase of the Stock from the Company by the Underwriters.

1. *Representations, Warranties and Agreements of the Company*. The Company represents, warrants and agrees that:

(a) A registration statement on Form S-1 (File No. 333-254981) relating to the Stock has (i) been prepared by the Company in conformity with the requirements of the Securities Act of 1933, as amended (the "***Securities Act***"), and the rules and regulations of the Securities and Exchange Commission (the "***Commission***") thereunder; (ii) been filed with the Commission under the Securities Act; and (iii) become effective under the Securities Act. Copies of such registration statement and any amendment thereto have been delivered by the Company to you as the representatives (the "***Representatives***") of the Underwriters. As used in this Agreement:

(i) "***Applicable Time***" means [•] [P.M.] (New York City time) on [•], 2021;

(ii) "***Effective Date***" means the date and time at which the Registration Statement, or the most recent post-effective amendment thereto, if any, was declared effective by the Commission;

(iii) "***Issuer Free Writing Prospectus***" means each "issuer free writing prospectus" (as defined in Rule 433 under the Securities Act) relating to the Stock;

(iv) "***Preliminary Prospectus***" means any preliminary prospectus relating to the Stock included in such registration statement or filed with the Commission pursuant to Rule 424(b) under the Securities Act;

(v) "***Pricing Disclosure Package***" means, as of the Applicable Time, the most recent Preliminary Prospectus, together with the information included in Schedule IV hereto, if any, and each Issuer Free Writing Prospectus filed or used by the Company at or before the Applicable Time, other than a road show, that is an Issuer Free Writing Prospectus but is not required to be filed under Rule 433 under the Securities Act;

(vi) "***Prospectus***" means the final prospectus relating to the Stock, as filed with the Commission pursuant to Rule 424(b) under the Securities Act;

(vii) "***Registration Statement***" means, collectively, the various parts of such registration statement, each as amended as of the Effective Date for such part, including any Preliminary Prospectus or the Prospectus, all exhibits to such registration statement and including the information deemed by virtue of Rule 430A under the Securities Act to be part of such registration statement as of the Effective Date;

(viii) "***Testing-the-Waters Communication***" means any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Securities Act or Rule 163B under the Securities Act; and

(ix) "***Written Testing-the-Waters Communication***" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act.

(b) The Company (i) has not engaged in any Testing-the-Waters Communication other than Testing-the-Waters Communications, with the consent of the Representatives, with entities that are qualified institutional buyers within the meaning of Rule 144A under the Securities Act, or with institutions that are accredited investors within the meaning of Rule 501 under the Securities Act and (ii) has not authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications. The Company has not distributed or approved for distribution any Written Testing-the-Waters Communications other than those listed on Schedule VII hereto.

(c) The Company was not at the time of the initial filing of the Registration Statement and at the earliest time thereafter that the Company or another offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Stock, and is not on the date hereof and will not be on the applicable Delivery Date (as defined below), an "ineligible issuer" (as defined in Rule 405 under the Securities Act).

(d) The Registration Statement conformed and will conform in all material respects on the Effective Date and on the applicable Delivery Date, and any amendment to the Registration Statement filed after the date hereof will conform in all material respects when filed, to the requirements of the Securities Act and the rules and regulations thereunder. The most recent Preliminary Prospectus conformed, and the Prospectus will conform, in all material respects when filed with the Commission pursuant to Rule 424(b) under the Securities Act and on the applicable Delivery Date to the requirements of the Securities Act and the rules and regulations thereunder.

(e) The Registration Statement did not, as of the Effective Date, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from the Registration Statement in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 10(f).

(f) The Prospectus will not, as of its date or as of the applicable Delivery Date, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from the Prospectus in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 10(f).

(g) The Pricing Disclosure Package did not, as of the Applicable Time, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from the Pricing Disclosure Package made in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 10(f).

(h) Each Issuer Free Writing Prospectus listed in Schedule V hereto, when taken together with the Pricing Disclosure Package, did not, as of the Applicable Time, contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from such Issuer Free Writing Prospectus listed in Schedule V hereto in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 10(f).

(i) No Written Testing-the-Waters Communication, as of the Applicable Time, when taken together with the Pricing Disclosure Package, contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided* that no representation or warranty is made as to information contained in or omitted from such Written Testing-the-Waters Communication listed on Schedule VII hereto in reliance upon and in conformity with written information furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information is specified in Section 10(f); and the Company has filed publicly on the Commission's Electronic Data Gathering, Analysis, and Retrieval system ("***EDGAR***") at least 15 calendar days prior to any "road show" (as defined in Rule 433 under the Securities Act), any confidentially submitted registration statement and registration statement amendments relating to the offer and sale of the Stock. Each Written Testing-the-Waters Communications did not, as of the Applicable Time, and at all times through the completion of the public offer and sale of the Stock will not, include any information that conflicted, conflicts or will conflict with the information contained in the Registration Statement, the Pricing Disclosure Package or the Prospectus, in each case except as would not have a material effect.

(j) Each Issuer Free Writing Prospectus conformed or will conform in all material respects to the requirements of the Securities Act and the rules and regulations thereunder on the date of first use, and the Company has complied with all prospectus delivery and any filing requirements applicable to such Issuer Free Writing Prospectus pursuant to the Securities Act and rules and regulations thereunder. The Company has not made any offer relating to the Stock that would constitute an Issuer Free Writing Prospectus without the prior written consent of the Representatives, except as set forth on Schedule VI hereto. The Company has retained in accordance with the Securities Act and the rules and regulations thereunder all Issuer Free Writing Prospectuses that were not required to be filed pursuant to the Securities Act and the rules and regulations thereunder. The Company has taken all actions necessary so that any "road show" (as defined in Rule 433 under the Securities Act) in connection with the offering of the Stock will not be required to be filed pursuant to the Securities Act and the rules and regulations thereunder.

(k) Each of the Company and each of its subsidiaries has been duly organized, is validly existing and in good standing as a corporation or other business entity under the laws of its jurisdiction of organization and is duly qualified to do business and in good standing as a foreign corporation or other business entity in each jurisdiction in which its ownership or lease of property or the conduct of its businesses requires such qualification, except where the failure to be so qualified or in good standing would not, in the aggregate, reasonably be expected to have a material adverse effect on the condition (financial or otherwise), results of operations, stockholders' equity, properties, business or prospects of the Company and its subsidiaries taken as a whole (a "***Material Adverse Effect***"). The Company and each of its subsidiaries have all power and authority necessary to own or hold their respective properties and to conduct their respective businesses in which they are engaged as described in the most recent Preliminary Prospectus. The Company does not own or control, directly or indirectly, any corporation, association or other entity other than the subsidiaries listed in Exhibit 21 to the Registration Statement. None of the subsidiaries of the Company (other than Aveanna Healthcare, LLC, Pediatric Services of America, LLC, Epic Acquisition, Inc., Epic Health Services, Inc., Premier Healthcare Services, LLC, PYRA Med Health Services, LLC, Epic Health Services (PA), LLC, Epic Pediatric Therapy, L.P., AndVenture, LLC, Medco Respiratory Instruments Incorporated, Option 1 Nutrition Solutions LLC (AZ), Option 1 Nutrition Solutions (CO), and Child's Play Therapeutic Homecare, Inc.) is a "significant subsidiary" (as defined in Rule 405 under the Securities Act).

(l) The Company has an authorized capitalization as set forth under the heading "Capitalization" in each of the most recent Preliminary Prospectus and the Prospectus as of the date or dates set forth therein, and all of the issued shares of capital stock of the Company have been duly authorized and validly issued, are fully paid and non-assessable, conform to the description thereof contained in the most recent Preliminary Prospectus and were issued in compliance with federal and state securities laws and not in violation of any preemptive right, resale right, right of first refusal or similar right. All of the Company's options, warrants and other rights to purchase or exchange any securities for shares of the Company's capital stock have been duly authorized and validly issued, conform in all material respects to the description thereof contained in the most recent Preliminary Prospectus and were issued in compliance with federal and state securities laws. All of the issued shares of capital stock or other ownership interest of each subsidiary of the Company have been duly authorized and validly issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, except for such liens, encumbrances, equities or claims as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(m) The shares of the Stock to be issued and sold by the Company to the Underwriters hereunder have been duly authorized and, upon payment and delivery in accordance with this Agreement, will be validly issued, fully paid and non-assessable, will conform in all material respects to the description thereof contained in the most recent Preliminary Prospectus, will be issued in compliance with federal and state securities laws and will be free of statutory and contractual preemptive rights, rights of first refusal and similar rights.

(n) The Company has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement. This Agreement has been duly and validly authorized, executed and delivered by the Company.

(o) The issuance and sale of the Stock by the Company, the execution, delivery and performance of this Agreement by the Company, the consummation of the transactions contemplated hereby and the application of the proceeds from the sale of the Stock as described under "Use of Proceeds" in the most recent Preliminary Prospectus will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, impose any lien, charge or encumbrance upon any property or assets of the Company and its subsidiaries, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, license, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject; (ii) result in any violation of the provisions of the charter or by-laws (or similar organizational documents) of the Company or any of its subsidiaries; or (iii) result in any violation of any statute or any judgment, order, decree, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries (each, a "***Governmental Entity***") or any of their properties or assets, except, with respect to clauses (i) and (iii), conflicts or violations that would not reasonably be expected to have a Material Adverse Effect.

(p) No consent, approval, authorization or order of, or filing, registration or qualification with, any Governmental Entity or any of their properties or assets is required for the issue and sale of the Stock by the Company, the execution, delivery and performance of this Agreement by the Company, the consummation of the transactions contemplated hereby, the application of the proceeds from the sale of the Stock as described under "Use of Proceeds" in the most recent Preliminary Prospectus, except for the registration of the Stock under the Securities Act and such consents, approvals, authorizations, orders, filings, registrations or qualifications as may be required under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), and applicable state securities laws and/or the bylaws and rules of the Financial Industry Regulatory Authority, Inc. (the "***FINRA***") in connection with the purchase and sale of the Stock by the Underwriters.

(q) The historical financial statements (including the related notes and supporting schedules) included in the most recent Preliminary Prospectus comply as to form in all material respects with the requirements of Regulation S-X under the Securities Act and present fairly, in all material respects, the financial condition, results of operations and cash flows of the entities purported to be shown thereby at the dates and for the periods indicated and have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP"). The supporting schedules, if any, present fairly, in all material respects, the information required to be stated therein in accordance with GAAP. The summary financial information included in the most recent Preliminary Prospectus present fairly the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included therein. All disclosures contained in the most recent Preliminary Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply in all material respects with Regulation G of the Exchange Act and Item 10 of Regulation S-K of the Securities Act, to the extent applicable.

(r) Ernst & Young LLP, who have certified certain financial statements of the Company and its consolidated subsidiaries, whose report appears in the most recent Preliminary Prospectus and who have delivered the initial letter referred to in Section 9(g) hereof, are independent public accountants as required by the Securities Act and the rules and regulations thereunder.

(s) The Company maintains internal accounting controls designed to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, including, but not limited to, internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorization, (ii) transactions are recorded as necessary to permit preparation of the Company's financial statements in conformity with GAAP and to maintain accountability for its assets, (iii) access to the Company's assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for the Company's assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences. As of the date of the most recent balance sheet of the Company and its consolidated subsidiaries reviewed or audited by Ernst & Young LLP and the audit committee of the board of directors of the Company (the "***Audit Committee***"), there were no material weaknesses in the Company's internal controls.

(t) (i) The Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act), (ii) such disclosure controls and procedures are designed to ensure that the information is accumulated and communicated to management of the Company, including its principal executive officers and principal financial officers, as appropriate and (iii) such disclosure controls and procedures are effective in all material respects to perform the functions for which they were established.

(u) Since the date of the most recent balance sheet of the Company and its consolidated subsidiaries reviewed or audited by Ernst & Young LLP and the Audit Committee, (i) the Company has not been advised of or become aware of (A) any significant deficiencies in the design or operation of internal controls that could adversely affect the ability of the Company to record, process, summarize and report financial data, or any material weaknesses in internal controls, or (B) any fraud, whether or not material, that involves management or other employees who have a significant role in the internal controls of the Company; and (ii) there have been no significant changes in internal controls or in other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

(v) The section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies" set forth in the most recent Preliminary Prospectus accurately describes (i) the accounting policies that the Company believes are the most important in the portrayal of the Company's financial condition and results of operations and that require management's most difficult, subjective or complex judgments ("***Critical Accounting Policies***"); (ii) the judgments and uncertainties affecting the application of Critical Accounting Policies; and (iii) the likelihood that materially different amounts would be reported under different conditions or using different assumptions and an explanation thereof.

(w) There is and has been no failure on the part of the Company and any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith.

(x) Since the date of the latest audited financial statements included in the most recent Preliminary Prospectus, neither the Company nor any of its subsidiaries has (i) sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree (whether domestic or foreign), (ii) issued or granted any securities, other than pursuant to equity incentive plans or similar arrangements described in the most recent Preliminary Prospectus, (iii) incurred any material liability or obligation, direct or contingent, other than liabilities and obligations that were incurred in the ordinary course of business, (iv) entered into any material transaction not in the ordinary course of business, or (v) declared or paid any dividend on its capital stock, and since such date, except as described in the Preliminary Prospectus, there has not been any change in the capital stock, partnership or limited liability interests, as applicable, or long-term debt of the Company or any of its subsidiaries or any adverse change, or any development involving a prospective adverse change, in or affecting the condition (financial or otherwise), results of operations, stockholders' equity, properties, management, business or prospects of the Company and its subsidiaries taken as a whole, in each case except as would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(y) The Company does not own any real property. The Company has good and marketable title to all personal property owned by it, free and clear of all liens, encumbrances and defects, except such liens, encumbrances and defects as are described in the most recent Preliminary Prospectus or such as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries. All assets held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases, with such exceptions as do not materially interfere with the use made and proposed to be made of such assets by the Company and its subsidiaries.

(z) Except as described in the most recent Preliminary Prospectus, the Company and each of its subsidiaries have, and are operating in compliance with, such permits, licenses, patents, franchises, certifications (including certification under the Medicare and Medicaid programs), accreditations (including accreditation by the Community Health Accreditation Partner), certificates of need and other approvals or authorizations of governmental or regulatory authorities ("***Permits***") as are necessary under applicable law to own their properties and conduct their businesses in the manner described in the most recent Preliminary Prospectus, except for any of the foregoing that could not, in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company and each of its subsidiaries have fulfilled and performed all of their respective obligations with respect to the Permits, and no event has occurred that allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any other impairment of the rights of the holder or any such Permits, except for any of the foregoing that could not reasonably be expected to have a Material Adverse Effect. Except as could not reasonably be expected to have a Material Adverse Effect, neither the Company nor any of its subsidiaries has received notice of any revocation or modification of any such Permits or has any reason to believe that any such Permits will not be renewed in the ordinary course.

(aa) The Company and each of its subsidiaries own or possess adequate rights to use all material patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses, know-how, inventions, domain names, software, systems and technology (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) necessary for the conduct of their respective businesses and reasonably believe that the conduct of their respective businesses will not conflict with, and have not received any notice of any claim of conflict with, any such rights of others.

(bb) Except as described in the most recent Preliminary Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property or assets of the Company or any of its subsidiaries is the subject that would, in the aggregate, reasonably be expected to have a Material Adverse Effect or could, in the aggregate, reasonably be expected to have a material adverse effect on the performance of this Agreement or the consummation of the transactions contemplated hereby; and to the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or others.

(cc) There are no contracts or other documents required to be described in the Registration Statement or the most recent Preliminary Prospectus or filed as exhibits to the Registration Statement, that are not described and filed as required. The statements made in the most recent Preliminary Prospectus, insofar as they purport to constitute summaries of the terms of the contracts and other documents described and filed, constitute accurate summaries of the terms of such contracts and documents in all material respects. Neither the Company nor any of its subsidiaries has knowledge that any other party to any such contract or other document has any intention not to render full performance as contemplated by the terms thereof.

(dd) The Company and each of its subsidiaries carry, or are covered by, insurance from insurers of recognized financial responsibility in such amounts and covering such risks as is reasonable for the conduct of their respective businesses and the value of their respective properties and, in the Company's reasonable opinion, as is customary for companies of a similar size engaged in similar businesses in similar industries. All policies of insurance of the Company and its subsidiaries are in full force and effect; the Company and each of its subsidiaries are in compliance with the terms of such policies in all material respects; and neither the Company nor any of its subsidiaries has received notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance; except as described in the most recent Preliminary Prospectus, there are no claims by the Company or any of its subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; and neither the Company nor any such subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not reasonably be expected to have a Material Adverse Effect.

(ee) No relationship, direct or indirect, exists between or among the Company, on the one hand, and the directors, officers, stockholders, customers or suppliers of the Company, on the other hand, that is required to be described in the most recent Preliminary Prospectus which is not so described.

(ff) No labor disturbance by or dispute with the employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is imminent that would reasonably be expected to have a Material Adverse Effect.

(gg) Neither the Company nor any of its subsidiaries (i) is in violation of its charter or by-laws (or similar organizational documents), (ii) is in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant, condition or other obligation contained in any indenture, mortgage, deed of trust, loan agreement, license or other agreement or instrument to which it is a party or by which it is bound or to which any of its properties or assets is subject, (iii) is in violation of any law, statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over it or its property or assets or its own privacy policies or (iv) has failed to obtain any license, permit, certificate, franchise or other governmental authorization or permit necessary to the ownership of its property or to the conduct of its business, except in the case of clauses (ii), (iii) and (iv), to the extent any such conflict, breach, violation or default would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(hh) Except as described in the most recent Preliminary Prospectus, (i) there are no proceedings that are pending, or known to be contemplated, against the Company or any of its subsidiaries under any laws, regulations, ordinances, rules, orders, judgments, decrees, permits or other legal requirements of any governmental authority, including without limitation any international, foreign, national, state, provincial, regional, or local authority, relating to pollution, the protection of human health or safety, the environment, or natural resources, or to use, handling, storage, manufacturing, transportation, treatment, discharge, disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants ("***Environmental Laws***") in which a governmental authority is also a party, other than such proceedings regarding which it is reasonably believed no monetary sanctions of $100,000 or more will be imposed, (ii) neither the Company nor any of its subsidiaries is aware of any issues regarding compliance with Environmental Laws or liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, that would reasonably be expected to have a material effect on the capital expenditures, earnings or competitive position of the Company and its subsidiaries taken as a whole, and (iii) neither the Company nor any of its subsidiaries currently anticipates material capital expenditures relating to Environmental Laws.

(ii) The Company and each of its subsidiaries have filed all federal, state, local and foreign tax returns required to be filed through the date hereof, subject to permitted extensions, and have paid all taxes due, and no tax deficiency has been determined adversely to the Company or any of its subsidiaries, nor does the Company have any knowledge of any tax deficiencies that have been, or could reasonably be expected to be asserted against the Company, that could, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(jj) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, (i) each "employee benefit plan" (within the meaning of Section 3(3) of the Employee Retirement Security Act of 1974, as amended ("***ERISA***")) for which the Company or any member of its "Controlled Group" (defined as any organization which is a member of a controlled group of corporations within the meaning of Section 414 of the Internal Revenue Code of 1986, as amended (the "***Code***")) would have any liability (each a "***Plan***") has been maintained in compliance with its terms and with the requirements of all applicable statutes, rules and regulations including ERISA and the Code; (ii) no prohibited transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan excluding transactions effected pursuant to a statutory or administrative exemption; (iii) with respect to each Plan subject to Title IV of ERISA (A) no "reportable event" (within the meaning of Section 4043(c) of ERISA) has occurred or is reasonably expected to occur, (B) no failure to meet the minimum funding standard set forth in Sections 412 of the Code and 303 of ERISA, whether or not waived, has occurred or is reasonably expected to occur, (C) no Plan is or is reasonably expected to be in “at risk” status (within the meaning of Section 430 of the Code or Section 303 of ERISA), (D) there has been no filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan or the receipt by the Company or any member of its Controlled Group from the PBGC or the Plan administrator of the notice relating to the intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, (E) no conditions contained in Section 303(k)(1)(A) of ERISA for the imposition of a lien shall have been met with respect to any Plan, (F) the fair market value of the assets under each Plan exceeds the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan) and (G) neither the Company or any member of its Controlled Group has incurred, or reasonably expects to incur, any liability under Title IV of ERISA (other than contributions to the Plan or premiums to the Pension Benefit Guaranty Corporation in the ordinary course and without default) in respect of a Plan (including a “multiemployer plan”, within the meaning of Section 4001(c)(3) of ERISA) (“***Multiemployer Plan***”); (iv) no Multiemployer Plan is, or is expected to be, “insolvent” (within the meaning of Section 4245 of ERISA), or in “endangered” or “critical” status (within the meaning of Section 432 of the Code or Section 304 of ERISA); and (v) each Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service that it is so qualified and nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification.

(kk) The statistical and market-related data included in the most recent Preliminary Prospectus and “road show” (as defined in Rule 433 under the Securities Act) and the consolidated financial statements of the Company and its subsidiaries included in the most recent Preliminary Prospectus and “road show” (as defined in Rule 433 under the Securities Act) are based on or derived from sources that the Company believes to be reliable in all material respects.

(ll) Neither the Company nor any of its subsidiaries is, and as of the applicable Delivery Date and, after giving effect to the offer and sale of the Stock and the application of the proceeds therefrom as described under “Use of Proceeds” in the most recent Preliminary Prospectus and the Prospectus, none of them will be, (i) an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended (the “***Investment Company Act***”), and the rules and regulations of the Commission thereunder, or (ii) a “business development company” (as defined in Section 2(a)(48) of the Investment Company Act).

(mm) The statements set forth in each of the most recent Preliminary Prospectus and the Prospectus under the captions “Description of Capital Stock,” “Material U.S. Federal Income Tax Considerations for Non-U.S. Holders of Common Stock,” and “Underwriting,” insofar as they purport to summarize the provisions of the laws and documents referred to therein, are accurate summaries in all material respects.

(nn) Except as described in the most recent Preliminary Prospectus, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Securities Act.

(oo) Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or the Underwriters for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Stock.

(pp) The Company has not sold or issued any securities that would be integrated with the offering of the Stock contemplated by this Agreement pursuant to the Securities Act, the rules and regulations thereunder or the interpretations thereof by the Commission.

(qq) The Company and its controlled affiliates have not taken, directly or indirectly, any action designed to constitute, or that has constituted, or that could reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company in connection with the offering of the shares of the Stock.

(rr) The Stock has been approved for listing, subject to official notice of issuance and evidence of satisfactory distribution on, The Nasdaq Global Select Market.

(ss) The Company has not distributed and, prior to the later to occur of any Delivery Date and completion of the distribution of the Stock, will not distribute any offering material in connection with the offering and sale of the Stock other than any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus to which the Representatives have consented in accordance with Section 1(j) or 6(a)(vi) and any Issuer Free Writing Prospectus set forth on Schedule VI hereto.

(tt) Neither the Company nor any subsidiary is in violation of or has received notice of any violation with respect to any federal or state law relating to discrimination in the hiring, promotion or pay of employees, nor any applicable federal or state wage and hour laws, nor any state law precluding the denial of credit due to the neighborhood in which a property is situated, the violation of any of which could reasonably be expected to have a Material Adverse Effect.

(uu) Neither the Company nor any of its subsidiaries, any of the Company's directors or officers, nor, to the knowledge of the Company, any affiliate, agent, employee or other person acting on behalf of the Company or any of its subsidiaries, has in the course of its actions for, or on behalf of, the Company or any of its subsidiaries: (i) made any unlawful contribution, gift, or other unlawful expense relating to political activity; (ii) made any direct or indirect bribe, kickback, rebate, payoff, influence payment, or otherwise unlawfully provided anything of value, to any "foreign official" (as defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (collectively, the "***FCPA***")) or domestic government official; or (iii) violated or is in violation of any provision of the FCPA, the Bribery Act 2010 of the United Kingdom, as amended (the "***Bribery Act 2010***"), or any other applicable anti-corruption or anti-bribery statute or regulation. The Company and its subsidiaries and, to the knowledge of the Company, the Company's affiliates, have conducted their respective businesses in compliance with the FCPA, Bribery Act 2010 and all other applicable anti-corruption and anti-bribery statutes or regulations, and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to ensure, continued compliance therewith.

(vv) The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, that have been issued, administered or enforced by any governmental agency (collectively, the "***Money Laundering Laws***") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator or non-governmental authority involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(ww) Neither the Company nor any of its subsidiaries, any directors or officers nor, to the knowledge of the Company, any agents, employees or affiliates of the Company or any of its subsidiaries is: (i) currently the subject or the target of any sanctions administered or enforced by the Office of Foreign Assets Control of the U.S. Treasury Department, the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, "***Sanctions***"); or (ii) located, organized or resident in a country or territory that is the subject or target of Sanctions (including, without limitation, Cuba, Iran, North Korea, Syria and Crimea); and the Company will not directly or indirectly use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing or facilitating the activities of any person, or in any country or territory, that at the time of such financing or facilitation and currently is the subject or target of Sanctions or in any other manner that will result in a violation by any person (including any person participating in the transaction whether as an underwriter, advisor, investor or otherwise) of Sanctions. The Company and its subsidiaries have not knowingly engaged in for the past five years, are not now knowingly engaged in, and will not engage in, any dealings or transactions with any individual or entity, or in any country or territory, that at the time of the dealing or transaction, is or was the subject or target of Sanctions.

(xx) Except as described in the most recent Preliminary Prospectus or as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Company and its subsidiaries own or possess, or have a valid and enforceable license to use, all inventions, patents, trademarks, service marks, trade names, trade dress, domain names, copyrights, licenses, technology, know-how, trade secrets, software, social media identifiers and accounts and other intellectual property and proprietary or confidential information, systems or procedures in any jurisdiction throughout the world (including all goodwill associated with, and all registrations of and applications for registration of, the foregoing) (collectively, "***Intellectual Property***") used or held for use in, or otherwise necessary for or material to the conduct of their respective businesses as currently conducted and as proposed to be conducted by them in the Registration Statement, the Pricing Disclosure Package and the Prospectus. To the Company's knowledge, the Intellectual Property rights owned by the Company and its subsidiaries and the Intellectual Property rights licensed to the Company and its subsidiaries, are valid, subsisting and enforceable. To the Company's knowledge, neither the Company nor any of its subsidiaries, nor the conduct of their respective businesses, infringes, misappropriates or otherwise violates, or has infringed, misappropriated or violated, any Intellectual Property of others. There is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim (i) challenging the Company's or any subsidiary of the Company's rights in or to, or alleging the violation by the Company or any of its subsidiaries of any of the terms of, any of their Intellectual Property; (ii) alleging that the Company or any of its subsidiaries has infringed, misappropriated or otherwise violated or conflicted with any Intellectual Property of any third party; or (iii) challenging the ownership, validity, scope or enforceability of any Intellectual Property owned by or exclusively licensed to the Company or any of its subsidiaries, and neither the Company nor any of its subsidiaries has received any notice of, or is otherwise aware of any facts that would form the basis for, any such action, suit, proceeding or claim. All Intellectual Property owned by the Company or its subsidiaries is owned solely by the Company or its subsidiaries, is owned free and clear of all liens, encumbrances, defects and other restrictions (except for non-exclusive licenses granted to third parties in the ordinary course of business consistent with past practice), and to the knowledge of the Company, no third party is infringing, misappropriating or otherwise violating, or has infringed, misappropriated or otherwise violated, any Intellectual Property owned by or exclusively licensed to the Company or any of its subsidiaries. The Company and its subsidiaries take, and have taken, commercially reasonable steps in accordance with customary industry practice to maintain the confidentiality of all Intellectual Property and, to the knowledge of the Company, no trade secrets or proprietary or confidential information of the Company or any of its subsidiaries has been subject to any unauthorized disclosure.

(yy) Except as described in the most recent Preliminary Prospectus or as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Company and its subsidiaries' information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, "***IT Systems***") are (i) adequate for, and operate and perform, in all material respects as required in connection with, the operation of the business of the Company and its subsidiaries as currently conducted and as proposed to be conducted in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (ii) have not materially malfunctioned or failed and (iii) to the Company's knowledge, are free and clear of all material bugs, errors, defects, Trojan horses, time bombs, back doors, drop dead devices, malware and other corruptants, including software or hardware components that are designed to interrupt use of, permit unauthorized access to or disable, damage or erase the IT Systems. The Company and its subsidiaries have taken reasonable technical and organizational measures necessary to protect the IT Systems and Data (as defined below) and have implemented reasonable backup and disaster recovery technology consistent with applicable regulatory standards and customary industry practices. The Company and its subsidiaries have used reasonable efforts to establish, implement and maintain, and have established, implemented and maintained, reasonable controls, policies, procedures, and safeguards consistent with applicable regulatory standards and customary industry practices (including, without limitation, implementing and monitoring compliance with adequate measures with respect to technical and physical security) to maintain and protect their confidential information and the integrity, continuous operation, redundancy and security of all IT Systems and data and information (including "personal data" as defined by the EU General Data Protection Regulations ("***GDPR***") (EU 2016 679) and any personal, personally identifiable, household, sensitive, confidential or regulated data and information processed by or on behalf of the Company or any of its subsidiaries ("***Data***")) in connection with their businesses, except to the extent that a failure to do so could not reasonably be expected to have a Material Adverse Effect, and there have been no breaches, violations, outages, destructions, losses, disablements, misappropriations, modifications, misuses, disclosures or unauthorized uses of or accesses to any IT System or Data (each, a "***Breach***"), except as described in the most recent Preliminary Prospectus.

(zz) Except as described in the most recent Preliminary Prospectus or as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Company and each of its subsidiaries are, and at all prior times were, in compliance with all applicable data privacy and security laws, statutes, industry standards, judgements, orders, rules and regulations of any court or arbitrator or any other governmental or regulatory authority, internal and external privacy policies and all other legal and contractual obligations and applicable laws, in each case, regarding the collection, use, processing, transfer, import, export, storage, protection, disposal, privacy, security and disclosure by the Company or any of its subsidiaries of the IT Systems and Data, including, without limitation, the Health Insurance Portability and Accountability Act of 1996 ("***HIPAA***") (42 U.S.C. Section 1320d et seq.), as amended by the Health Information Technology for Economic and Clinical Health Act (the "***HITECH Act***") (42 U.S.C. Section 17921 et seq.); the Federal Trade Commission Act; and the GDPR (EU 2016/679) (collectively, the "***Data Security Obligations***"). The Company and its subsidiaries have in place, comply with, and take reasonably appropriate steps reasonably designed to (i) ensure compliance with their privacy policies, all third-party obligations and industry standards regarding Data and (ii) reasonably protect the security and confidentiality of all Data (collectively, the "***Policies***"). The Company provides notice of its privacy policy on its website, which provides accurate and reasonably sufficient notice of the Company's privacy practices relating to its subject matter, and, in the Company's reasonable opinion, such privacy policy does not contain any material omissions of the Company's privacy practices. In the Company's reasonable opinion, none of the disclosures made or contained in the privacy policy has been inaccurate, misleading, deceptive or in violation of any Data Security Obligations or Policies in any material respect. The execution, delivery and performance of this Agreement or any other agreement referred to in this Agreement will not result in a breach of violation of any Data Security Obligations or Policies. Except as described in the most recent Preliminary Prospectus, neither the Company nor any of its subsidiaries has received notice of any actual or potential liability under or relating to, or actual or potential violation of any Data Security Obligations, and neither the Company nor any of its subsidiaries is aware of any notification or complaint, or any other facts that, individually or in the aggregate, would reasonably indicate non-compliance with any Data Security Obligations or Policies. Except as described in the most recent Preliminary Prospectus, there is no action, suit or proceeding by or before any court or governmental agency, authority or body pending or, to the Company's knowledge, threatened, alleging non-compliance with Data Security Obligation or Policies.

(aaa) No forward looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) included in any of the Registration Statement, the Pricing Disclosure Package, the Prospectus or any "road show" (as defined in Rule 433 under the Securities Act) has been made or reaffirmed by the Company without a reasonable basis or has been disclosed other than in good faith.

(bbb) There are no affiliations or associations between (i) any member of FINRA and (ii) the Company or, to the Company's knowledge, any of the Company's officers, directors or 10% or greater security holders or any beneficial owner of the Company's unregistered equity securities that were acquired at any time on or after the 180th day immediately preceding the date the Registration Statement was initially filed with the Commission, except as disclosed in the Registration Statement (excluding the exhibits thereto), the Pricing Disclosure Package and the Prospectus or as otherwise disclosed to the Underwriters.

(ccc) Each of the Company and its subsidiaries has the requisite provider number or other authorization to bill the Medicare program and the respective Medicaid program in the state or states in which such entity operates. Except as described in the most recent Preliminary Prospectus, neither the Company nor any of its subsidiaries is subject to any pending or threatened or contemplated action which would reasonably be expected to result either in a revocation of any provider number or authorization or in the Company's or any subsidiary's exclusion from the Medicare or any state Medicaid programs. To the Company's knowledge, there are no material suspensions, offsets or recoupments of any such program or third-party payor payments being sought, requested or claimed threatened against the Company. All of the hospice agencies operated by the Company (collectively, the "***Facilities***") or its subsidiaries are eligible to participate in the Medicare and available Medicaid programs.

(ddd) Except as described in the most recent Preliminary Prospectus, neither the Company nor its subsidiaries, nor, to the knowledge of the Company, any officer, director, employee or other agent of the Company or any of its subsidiaries or the Facilities operated by the Company or any of its subsidiaries, has engaged, directly or indirectly, in (i) any material activities which are prohibited under Medicare and Medicaid statutes or any regulations promulgated pursuant to such statutes, or (ii) any activities which are prohibited under related state or local statutes or regulations, including the following: (A) knowingly and willfully making or causing to be made a false statement or representation of a material fact in connection with the receipt of or claim for any benefit or payment under the Medicare or Medicaid program or from any other third-party payor; (B) failing to disclose knowledge by a claimant of the occurrence of any event affecting the initial or continued right to any benefit or payment under the Medicare or Medicaid program or from any other third-party payor on its own behalf or on behalf of another, with intent to secure such benefit or payment fraudulently; (C) knowingly and willfully offering, paying, soliciting or receiving any remuneration, in cash or in kind (1) in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by Medicare or Medicaid or any other third-party payor, or (2) in return for purchasing, leasing or ordering or arranging for, or recommending the purchasing, leasing or ordering of, any good, facility, service, or item for which payment may be made in whole or in part by Medicare or Medicaid or any other third-party payor; (D) knowingly and willfully referring an individual to a person or entity with which it has ownership or other financial arrangements (where applicable federal or state law prohibits such referrals); and (E) knowingly and willfully violating any enforcement initiative instituted by any governmental agency (including the Office of the Inspector General and the Department of Justice).

(eee) Except as described in the most recent Preliminary Prospectus and where the failure to comply would not be expected, singly or in the aggregate, to result in a Material Adverse Effect, each of the Company and its subsidiaries is and has been in compliance with all applicable Healthcare Laws, and has not engaged in activities which could provide, as applicable, cause for false claims liability, civil penalties, or mandatory or permissive exclusion from Medicare, Medicaid, or any other state health care program or federal health care program. The term "***Healthcare Laws***" shall include any applicable federal, state, local or foreign statute, law, rule, guidance, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to healthcare services, reimbursement, fraud and abuse, conditions for participation, or the privacy, security, use and disclosure of individually identifiable health information, including: Title XVIII of the Social Security Act, (the Medicare statute), Title XIX of the Social Security Act, (the Medicaid statute); the Ethics in Patient Referrals Act, (the Stark Law), 42 U.S.C. § 1395nn; the Federal Health Care Program Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b); the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Anti-Kickback Act of 1986, 41 U.S.C. §§ 51-58; the Civil Monetary Penalties Law, 42 U.S.C. §§ 1320a-7a and 1320a-7b; the Exclusion Laws, 42 U.S.C. § 1320a-7; TRICARE, 10 U.S.C. § 1071 et seq.; HIPAA, as amended by the HITECH Act; any criminal laws relating to health care fraud and abuse, including but not limited to 18 U.S.C. Sections 286 and 287; and all applicable foreign, federal, state, and local licensing, certificate of need, privacy, corporate practice of medicine, fee splitting, anti-kickback or self-referral, laws requiring disclosure of financial interest, regulatory and reimbursement laws; each as amended and together with regulations promulgated pursuant to such laws. Except as described in the most recent Preliminary Prospectus, none of the Company or its subsidiaries has received any correspondence, communication or notice from any Governmental Entity alleging or asserting noncompliance with any Healthcare Laws applicable to the Company or its subsidiaries, except where the failure to comply would not be expected, individually or in the aggregate, to result in a Material Adverse Effect. Except as described in the most recent Preliminary Prospectus, none of the Company or its subsidiaries is a party to, or has any ongoing reporting obligations pursuant to, any corporate integrity agreements, deferred prosecution agreements, monitoring agreements, consent decrees, settlement orders, plans of correction or similar agreements with or imposed by any Governmental Entity. Except as described in the most recent Preliminary Prospectus, none of the Company or its subsidiaries, nor, to the knowledge of the Company, any of their respective officers, directors, employees or independent contractors, (i) is or has been excluded, suspended or debarred from participation in any federal health care program or (ii) is subject to an action, suit or proceeding that could reasonably be expected to result in debarment, suspension, or exclusion. The Company and its subsidiaries have maintained in all material respects all records required to be maintained by the Joint Commission on Accreditation of Healthcare Organizations or the Community Health Accreditation Program (as applicable), the Food and Drug Administration, Drug Enforcement Agency and State Boards of Pharmacy and the federal and state Medicare and Medicaid programs as required by the Healthcare Laws and, to the knowledge of the Company, there are no presently existing circumstances which would result or likely would result in material violations of the Healthcare Laws.

Any certificate signed by any officer of the Company and delivered to the Representatives or counsel for the Underwriters in connection with the offering of the Stock shall be deemed a representation and warranty by the Company, as to matters covered thereby, to each Underwriter.

2. *Purchase of the Stock by the Underwriters.* On the basis of the representations, warranties and covenants contained in, and subject to the terms and conditions of, this Agreement, the Company agrees to sell [•] shares of the Firm Stock to the several Underwriters, and each of the Underwriters, severally and not jointly, agrees to purchase the number of shares of the Firm Stock set forth opposite that Underwriter's name in Schedule I hereto. The respective purchase obligations of the Underwriters with respect to the Firm Stock shall be rounded among the Underwriters to avoid fractional shares, as the Representatives shall determine.

In addition, the Company grants to the Underwriters an option to purchase up to [•] additional shares of Option Stock. Such option is exercisable in the event that the Underwriters sell more shares of Common Stock than the number of shares of Firm Stock in the offering and as set forth in Section 5 hereof. Each Underwriter agrees, severally and not jointly, to purchase the number of shares of Option Stock (subject to such adjustments to eliminate fractional shares as the Representatives shall determine) that bears the same proportion to the total number of shares of Option Stock to be sold on such Delivery Date as the number of shares of Firm Stock set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of shares of Firm Stock.

The purchase price payable by the Underwriters for both the Firm Stock and any Option Stock is $[•] per share. The public offering price of the Stock is not in excess of the price recommended by J.P. Morgan Securities LLC, acting as a "qualified independent underwriter" within the meaning of Rule 5121 of FINRA.

The Company is not obligated to deliver any of the Firm Stock or Option Stock to be delivered on the applicable Delivery Date, except upon payment for all such Stock to be purchased on such Delivery Date as provided herein.

3. *Offering of Stock by the Underwriters*. Upon authorization by the Representatives of the release of the Firm Stock, the several Underwriters propose to offer the Firm Stock for sale upon the terms and conditions to be set forth in the Prospectus.

4. *Delivery of and Payment for the Stock.* Delivery of and payment for the Firm Stock shall be made on the second full business day following the date of this Agreement or at such other date or place as shall be determined by agreement between the Representatives and the Company. This date is sometimes referred to as the "***Initial Delivery Date***". Delivery of the Firm Stock shall be made to the Representatives for the account of each Underwriter against payment by the several Underwriters through the Representatives and of the respective aggregate purchase prices of the Firm Stock being sold by the Company to or upon the order of the Company of the purchase price by wire transfer in immediately available funds to the accounts specified by the Company. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of each Underwriter hereunder. The Company shall deliver the Firm Stock through the facilities of DTC unless the Representatives shall otherwise instruct.

The option granted in Section 3 will expire 30 days after the date of this Agreement and may be exercised in whole or from time to time in part by written notice being given to the Company by the Representatives; *provided* that if such date falls on a day that is not a business day, the option granted in Section 3 will expire on the next succeeding business day. Such notice shall set forth the aggregate number of shares of Option Stock as to which the option is being exercised, the names in which the shares of Option Stock are to be registered, the denominations in which the shares of Option Stock are to be issued and the date and time, as determined by the Representatives, when the shares of Option Stock are to be delivered; *provided, however*, that this date and time shall not be earlier than the Initial Delivery Date nor earlier than the second business day after the date on which the option shall have been exercised nor later than the fifth business day after the date on which the option shall have been exercised. Each date and time the shares of Option Stock are delivered is sometimes referred to as an "***Option Stock Delivery Date***", and the Initial Delivery Date and any Option Stock Delivery Date are sometimes each referred to as a "***Delivery Date***."

Delivery of the Option Stock by the Company and payment for the Option Stock by the several Underwriters through the Representatives shall be made on the date specified in the corresponding notice described in the preceding paragraph or at such other date or place as shall be determined by agreement between the Representatives and the Company. On each Option Stock Delivery Date, the Company shall deliver, or cause to be delivered, the Option Stock, to the Representatives for the account of each Underwriter, against payment by the several Underwriters through the Representatives and of the respective aggregate purchase prices of the Option Stock being sold by the Company to or upon the order of the Company of the purchase price by wire transfer in immediately available funds to the accounts specified by the Company. Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligation of each Underwriter hereunder. The Company shall cause the Option Stock to be delivered through the facilities of DTC unless the Representatives shall otherwise instruct.

5. *Further Agreements of the Company and the Underwriters*. (a) The Company agrees:

(i) To prepare the Prospectus in a form approved by the Representatives and to file such Prospectus pursuant to Rule 424(b) under the Securities Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement; to make no further amendment or any supplement to the Registration Statement or the Prospectus prior to the last Delivery Date except as provided herein; to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment or supplement to the Registration Statement or the Prospectus has been filed and to furnish the Representatives with copies thereof; to advise the Representatives, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus, of the suspension of the qualification of the Stock for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding or examination for any such purpose, or any notice from the Commission objecting to the use of the form of Registration Statement or any post-effective amendment thereto or of any request by the Commission for the amending or supplementing of the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus or suspending any such qualification, to use promptly its reasonable best efforts to obtain its withdrawal.

(ii) Upon written request, to furnish promptly to each of the Representatives and to counsel for the Underwriters a signed copy of the Registration Statement as originally filed with the Commission, and each amendment thereto filed with the Commission, including all consents and exhibits filed therewith.

(iii) To deliver promptly to the Representatives such number of the following documents as the Representatives shall reasonably request: (A) conformed copies of the Registration Statement as originally filed with the Commission and each amendment thereto (in each case excluding exhibits other than this Agreement and the computation of per share earnings), (B) each Preliminary Prospectus, the Prospectus and any amended or supplemented Prospectus, and (C) each Issuer Free Writing Prospectus; and, if the delivery of a prospectus is required at any time after the date hereof in connection with the offering or sale of the Stock or any other securities relating thereto and if at such time any events shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary to amend or supplement the Prospectus in order to comply with the Securities Act, to notify the Representatives and, upon their request, to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many copies as the Representatives may from time to time reasonably request of an amended or supplemented Prospectus that will correct such statement or omission or effect such compliance.

(iv) To file promptly with the Commission any amendment or supplement to the Registration Statement or the Prospectus that may, in the judgment of the Company or the Representatives, be required by the Securities Act or requested by the Commission.

(v) Prior to filing with the Commission any amendment or supplement to the Registration Statement or the Prospectus, to furnish a copy thereof to the Representatives and counsel for the Underwriters and obtain the consent of the Representatives to the filing.

(vi) Not to make any offer relating to the Stock that would constitute an Issuer Free Writing Prospectus without the prior written consent of the Representatives.

(vii) To comply with all applicable requirements of Rule 433 under the Securities Act with respect to any Issuer Free Writing Prospectus. If at any time after the date hereof any events shall have occurred as a result of which any Issuer Free Writing Prospectus, as then amended or supplemented, would conflict with the information in the Registration Statement, the most recent Preliminary Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or, if for any other reason it shall be necessary to amend or supplement any Issuer Free Writing Prospectus, to notify the Representatives and, upon their request, to file such document and to prepare and furnish without charge to each Underwriter as many copies as the Representatives may from time to time reasonably request of an amended or supplemented Issuer Free Writing Prospectus that will correct such conflict, statement or omission or effect such compliance.

(viii) As soon as practicable after the Effective Date (it being understood that the Company shall have until at least 410 days or, if the fourth quarter following the fiscal quarter that includes the Effective Date is the last fiscal quarter of the Company's fiscal year, 455 days after the end of the Company's current fiscal quarter), to make generally available to the Company's security holders and to deliver to the Representatives an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Securities Act and the rules and regulations thereunder (including, at the option of the Company, Rule 158).

(ix) Promptly from time to time to take such action as the Representatives may reasonably request to qualify the Stock for offering and sale under the securities or Blue Sky laws of Canada and such other jurisdictions as the Representatives may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Stock; *provided*, that in connection therewith the Company shall not be required to (A) qualify as a foreign corporation in any jurisdiction in which it would not otherwise be required to so qualify, (B) file a general consent to service of process in any such jurisdiction, or (C) subject itself to taxation in any jurisdiction in which it would not otherwise be subject.

(x) For a period commencing on the date hereof and ending on the 180th day after the date of the Prospectus (the "***Lock-Up Period***"), not to, directly or indirectly, (A) offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock (other than the Stock and shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans existing on the date hereof as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus or pursuant to currently outstanding options, warrants or rights not issued under one of those plans), or sell or grant options, rights or warrants with respect to any shares of Common Stock or securities convertible into or exchangeable for Common Stock (other than the grant of options pursuant to option plans existing on the date hereof), (B) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of such shares of Common Stock, whether any such transaction described in clause (A) or (B) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise, (C) file, confidentially submit or cause to be confidentially submitted or filed a registration statement, including any amendments thereto, with respect to the registration of any shares of Common Stock or securities convertible, exercisable or exchangeable into Common Stock or any other securities of the Company (other than any registration statement on Form S-8), or (D) publicly disclose the intention to do any of the foregoing, in each case without the prior written consent of at least two of the Representatives, on behalf of the Underwriters, and to cause each officer, director and stockholder of the Company set forth on Schedule II hereto to furnish to the Representatives, prior to the Initial Delivery Date, a letter or letters, substantially in the form of Exhibit A hereto (the "***Lock-Up Agreements***").

(xi) [Reserved.]

(xii) If the Representatives in their sole discretion, agree to release or waive the restrictions set forth in a Lock-Up Agreement for an officer or director of the Company and provides the Company with notice of the impending release or waiver substantially in the form of Exhibit C hereto at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver in accordance with FINRA Rule 5131 (which may include by issuing a press release substantially in the form of Exhibit B hereto), and containing such other information as the Representatives may reasonably require with respect to the circumstances of the release or waiver and/or the identity of the officer(s) and/or director(s) with respect to which the release or waiver applies, in accordance with FINRA Rule 5131.

(xiii) To apply the net proceeds from the sale of the Stock being sold by the Company substantially in accordance with the description as set forth in the Prospectus under the caption “Use of Proceeds.”

(xiv) To file with the Commission such information on Form 10-Q or Form 10-K as may be required by Rule 463 under the Securities Act.

(xv) If the Company elects to rely upon Rule 462(b) under the Securities Act, the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) under the Securities Act by 10:00 P.M., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing pay the Commission the filing fee for the Rule 462(b) Registration Statement.

(xvi) If at any time following the distribution of any Written Testing-the-Waters Communication there occurred or occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and, if requested by the Representatives, will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission. The Company will promptly notify the Representatives of (A) any distribution by the Company of Written Testing-the-Waters Communications and (B) any request by the Commission for information concerning the Written Testing-the-Waters Communications.

(xvii) The Company and its affiliates will not take, directly or indirectly, any action designed to or that has constituted or that reasonably would be expected to cause or result in the stabilization or manipulation of the price of any security of the Company in connection with the offering of the Stock.

(xviii) The Company will do and perform all things required or necessary to be done and performed under this Agreement by it prior to each Delivery Date, and to satisfy all conditions precedent to the Underwriters' obligations hereunder to purchase the Stock.

(xix) The Company will deliver to each Underwriter (or its agent), on or prior to the date of execution of this Agreement, a properly completed and executed Certification Regarding Beneficial Owners of Legal Entity Customers or applicable exemption certificate (the "***FinCEN Certification***"), together with copies of identifying documentation, of the Company and the Company undertakes to provide such additional supporting documentation as each Underwriter may reasonably request in connection with the verification of the FinCEN Certification.

(b) Each Underwriter severally agrees that such Underwriter shall not include any "issuer information" (as defined in Rule 433 under the Securities Act) in any "free writing prospectus" (as defined in Rule 405 under the Securities Act) used or referred to by such Underwriter without the prior written consent of the Company (any such issuer information with respect to whose use the Company has given its consent, "***Permitted Issuer Information***"); *provided* that (i) no such consent shall be required with respect to any such issuer information contained in any document filed by the Company with the Commission prior to the use of such free writing prospectus, and (ii) "issuer information", as used in this Section 6(b), shall not be deemed to include information prepared by or on behalf of such Underwriter on the basis of or derived from issuer information.

6. *Expenses.* The Company agrees, whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, to pay all expenses, costs, fees and taxes incident to and in connection with (a) the authorization, issuance, sale and delivery of the Stock and any stamp duties or other taxes payable in that connection, and the preparation and printing of certificates for the Stock; (b) the preparation, printing and filing under the Securities Act of the Registration Statement (including any exhibits thereto), any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, and any amendment or supplement thereto; (c) the distribution of the Registration Statement (including any exhibits thereto), any Preliminary Prospectus, the Prospectus, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, and any amendment or supplement thereto, all as provided in this Agreement; (d) the production and distribution of this Agreement, any supplemental agreement among Underwriters, and any other related documents in connection with the offering, purchase, sale and delivery of the Stock; (e) any required review by the FINRA of the terms of sale of the Stock (including related fees and expenses of counsel to the Underwriters); (f) the listing of the Stock on The Nasdaq Global Select Market and/or any other exchange; (g) the qualification of the Stock under the securities laws of the several jurisdictions as provided in Section 6(a)(ix) and the preparation, printing and distribution of a Blue Sky Memorandum (including related fees and expenses of counsel to the Underwriters); (h) the preparation, printing and distribution of one or more versions of the Preliminary Prospectus and the Prospectus for distribution in Canada, including in the form of a Canadian "wrapper" (including related fees and expenses of Canadian counsel to the Underwriters); *provided* that the Company shall only be required to pay such fees and expenses of counsel to the Underwriters incurred in relation to subsections (e), (g) and (h) in an amount that is not greater than $50,000 in the aggregate); (i) the investor presentations on any "road show" or any Testing-the-Waters

Communication, undertaken in connection with the marketing of the Stock, including, without limitation, expenses associated with any electronic road show, travel and lodging expenses of the representatives and officers of the Company and 50% of the cost of any aircraft chartered in connection with the road show (with the other 50% being paid by the Underwriters); and (j) all other costs and expenses incident to the performance of the obligations of the Company under this Agreement; *provided* that, except as provided in this Section 6 and in Section 11, the Underwriters shall pay their own costs and expenses, including the costs and expenses of their counsel, any transfer taxes on the Stock which they may sell and the expenses of advertising any offering of the Stock made by the Underwriters.

7. *Conditions of Underwriters' Obligations*. The respective obligations of the Underwriters hereunder are subject to the accuracy, when made and on each Delivery Date, of the representations and warranties of the Company contained herein, to the performance by the Company of its obligations hereunder, and to each of the following additional terms and conditions:

(a) The Prospectus shall have been timely filed with the Commission in accordance with Section 6(a)(i). The Company shall have complied with all filing requirements applicable to any Issuer Free Writing Prospectus used or referred to after the date hereof; no stop order suspending the effectiveness of the Registration Statement or preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus shall have been issued and no proceeding or examination for such purpose shall have been initiated or threatened by the Commission; and any request of the Commission for inclusion of additional information in the Registration Statement or the Prospectus or otherwise shall have been complied with. If the Company has elected to rely upon Rule 462(b) under the Securities Act, the Rule 462(b) Registration Statement shall have become effective by 10:00 P.M., Washington, D.C. time, on the date of this Agreement.

(b) No Underwriter shall have discovered and disclosed to the Company on or prior to such Delivery Date that the Registration Statement, the Prospectus or the Pricing Disclosure Package, or any amendment or supplement thereto, contains an untrue statement of a fact which, in the opinion of Davis Polk & Wardwell LLP, counsel for the Underwriters, is material or omits to state a fact which, in the opinion of such counsel, is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(c) All corporate proceedings and other legal matters incident to the authorization, form and validity of this Agreement, the Stock, the Registration Statement, the Prospectus and any Issuer Free Writing Prospectus, and all other legal matters relating to this Agreement and the transactions contemplated hereby shall be reasonably satisfactory in all material respects to counsel for the Underwriters, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon such matters.

(d) Each of Greenberg Traurig, LLP, Kirkland & Ellis LLP and Dechert LLP shall have furnished to the Representatives its written opinion, as counsel to the Company, addressed to the Underwriters and dated such Delivery Date, in form and substance reasonably satisfactory to the Representatives.

(e) The Representatives shall have received from Davis Polk & Wardwell LLP, counsel for the Underwriters, such opinion and negative assurance letter, dated such Delivery Date, with respect to the issuance and sale of the Stock, the Registration Statement, the Prospectus and the Pricing Disclosure Package and other related matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass upon such matters.

(f) At the time of execution of this Agreement, the Representatives shall have received from Ernst & Young LLP a letter, in form and substance satisfactory to the Representatives, addressed to the Underwriters and dated the date hereof (i) confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, and (ii) stating, as of the date hereof (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the most recent Preliminary Prospectus, as of a date not more than three days prior to the date hereof), the conclusions and findings of such firm with respect to the financial information and other matters ordinarily covered by accountants' "comfort letters" to underwriters in connection with registered public offerings.

(g) With respect to the letter of Ernst & Young LLP referred to in the preceding paragraph and delivered to the Representatives concurrently with the execution of this Agreement (the "***initial letter***"), the Company shall have furnished to the Representatives a letter (the "***bring-down letter***") of such accountants, addressed to the Underwriters and dated such Delivery Date (i) confirming that they are independent public accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under Rule 2-01 of Regulation S-X of the Commission, (ii) stating, as of the date of the bring-down letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Prospectus, as of a date not more than three days prior to the date of the bring-down letter), the conclusions and findings of such firm with respect to the financial information and other matters covered by the initial letter, and (iii) confirming in all material respects the conclusions and findings set forth in the initial letter.

(h) The Company shall have furnished to the Representatives a certificate, dated such Delivery Date, of its Chief Executive Officer and its Chief Financial Officer as to such matters as the Representatives may reasonably request, including, without limitation, a statement:

> (i) That the representations, warranties and agreements of the Company in Section 1 are true and correct on and as of such Delivery Date, and the Company has complied with all its agreements contained herein and satisfied all the conditions on its part to be performed or satisfied hereunder at or prior to such Delivery Date;

(ii) That no stop order suspending the effectiveness of the Registration Statement has been issued; and no proceedings or examination for that purpose have been instituted or, to the knowledge of such officers, threatened;

(iii) That they have examined the Registration Statement, the Prospectus and the Pricing Disclosure Package, and, in their opinion, (A) (1) the Registration Statement, as of the Effective Date, (2) the Prospectus, as of its date and on the applicable Delivery Date, and (3) the Pricing Disclosure Package, as of the Applicable Time, did not and do not contain any untrue statement of a material fact and did not and do not omit to state a material fact required to be stated therein or necessary to make the statements therein (except in the case of the Registration Statement, in the light of the circumstances under which they were made) not misleading, and (B) since the Effective Date, no event has occurred that should have been set forth in a supplement or amendment to the Registration Statement, the Prospectus or any Issuer Free Writing Prospectus that has not been so set forth; and

(iv) To the effect of Section 9(l) (*provided* that no representation with respect to the judgment of the Representatives need be made) and Section 9(m).

(i) Except as described in the most recent Preliminary Prospectus, (i) neither the Company nor any of its subsidiaries shall have sustained, since the date of the latest audited financial statements included in the most recent Preliminary Prospectus, any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, or (ii) since such date there shall not have been any change in the capital stock or long-term debt of the Company or any of its subsidiaries or any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), results of operations, stockholders' equity, properties, management, business or prospects of the Company and its subsidiaries taken as a whole, the effect of which, in any such case described in clause (i) or (ii), is, individually or in the aggregate, in the judgment of the Representatives, so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Stock being delivered on such Delivery Date on the terms and in the manner contemplated in the Prospectus.

(j) Subsequent to the execution and delivery of this Agreement (i) no downgrading shall have occurred in the rating accorded the Company's securities by any "nationally recognized statistical rating organization" (as defined by the Commission in Section 3(a)(62) of the Exchange Act), and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's securities.

(k) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following: (i) (A) trading in securities generally on any securities exchange that has registered with the Commission under Section 6 of the Exchange Act (including the New York Stock Exchange, The Nasdaq Global Select Market, The Nasdaq Global Market or The Nasdaq Capital Market), or (B) trading in any securities of the Company on any exchange or in the over-the-counter market, shall have been suspended or materially limited or the settlement of such trading generally shall have been materially disrupted or minimum prices shall have been established on any such exchange or such market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction, (ii) a general moratorium on commercial banking activities shall have been declared by federal or state authorities, (iii) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States or there shall have been a declaration of a national emergency or war by the United States, or (iv) there shall have occurred such a material adverse change in general economic, political or financial conditions, including, without limitation, as a result of terrorist activities after the date hereof (or the effect of international conditions on the financial markets in the United States shall be such) or any other calamity or crisis, either within or outside the United States, in each case as to make it, in the judgment of the Representatives, impracticable or inadvisable to proceed with the public offering or delivery of the Stock being delivered on such Delivery Date on the terms and in the manner contemplated in the Prospectus.

(l) The Nasdaq Global Select Market shall have approved the Stock for listing, subject only to official notice of issuance and evidence of satisfactory distribution.

(m) The Lock-Up Agreements between the Representatives and the officers, directors and stockholders of the Company set forth on Schedule II, delivered to the Representatives on or before the date of this Agreement, shall be in full force and effect on such Delivery Date.

(n) On or prior to each Delivery Date, the Company shall have furnished to the Underwriters such further certificates and documents as the Representatives may reasonably request.

(o) FINRA shall not have raised any objection with respect to the fairness or reasonableness of the underwriting, or other arrangements of the transactions, contemplated hereby.

All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriters.

8. *Indemnification and Contribution.*

(a) The Company hereby agrees to indemnify and hold harmless each Underwriter, its affiliates, directors, officers and employees and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of Stock), to which that Underwriter, affiliate, director, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in (A) any Preliminary Prospectus, the Registration Statement, the Prospectus or in any amendment or supplement thereto, (B) any Issuer Free Writing Prospectus or in any amendment or supplement thereto, (C) any Permitted Issuer Information used or referred to in any "free writing prospectus" (as defined in Rule 405 under the Securities Act) used or referred to by any Underwriter, (D) any materials or information provided to investors by, or with the approval of, the Company in connection with the marketing of the offering of the Stock, including any "road show" (as defined in Rule 433 under the Securities Act) not constituting an Issuer Free Writing Prospectus and any Written Testing-the-Waters Communication ("***Marketing Materials***"), or (E) any Blue Sky application or other document prepared or executed by the Company (or based upon any written information furnished by the Company for use therein) specifically for the purpose of qualifying any or all of the Stock under the securities laws of any state or other jurisdiction (any such application, document or information being hereinafter called a "***Blue Sky Application***") or (ii) the omission or alleged omission to state in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Permitted Issuer Information, any Marketing Materials or any Blue Sky Application, any material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse each Underwriter and each such affiliate, director, officer, employee or controlling person promptly upon demand for any legal or other documented expenses reasonably incurred by that Underwriter, affiliate, director, officer, employee or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such documented expenses are incurred; *provided*, *however*, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any such amendment or supplement thereto or in any Permitted Issuer Information, any Marketing Materials or any Blue Sky Application, in reliance upon and in conformity with written information concerning such Underwriter furnished to the Company through the Representatives by or on behalf of any Underwriter specifically for inclusion therein, which information consists solely of the information specified in Section 8(e). The foregoing indemnity agreement is in addition to any liability which the Company may otherwise have to any Underwriter or to any affiliate, director, officer, employee or controlling person of that Underwriter.

The Company also agrees to indemnify and hold harmless J.P. Morgan Securities LLC, its affiliates, directors and officers and each person, if any, who controls J. P. Morgan Securities LLC within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities incurred as a result of J.P. Morgan Securities' participation as a "qualified independent underwriter" within the meaning of FINRA Rule 5121 in connection with the offering of the Stock.

(b) Each Underwriter, severally and not jointly, shall indemnify and hold harmless the Company, its directors, officers and employees, and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company or any such director, officer, employee or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Marketing Materials or Blue Sky Application, or (ii) the omission or alleged omission to state in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Marketing Materials or Blue Sky Application, any material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning such Underwriter furnished to the Company through the Representatives by or on behalf of that Underwriter specifically for inclusion therein, which information is limited to the information set forth in Section 8(e). The foregoing indemnity agreement is in addition to any liability that any Underwriter may otherwise have to the Company or any such director, officer, employee or controlling person.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the claim or the commencement of that action; *provided*, *however*, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 8 except to the extent it has been materially prejudiced (through the forfeiture of substantive rights and defenses) by such failure and, *provided*, *further*, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 8. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 8 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; *provided*, *however*, that the indemnified party shall have the right to employ counsel to represent jointly the indemnified party and those other indemnified parties and their respective directors, officers, employees and controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought under this Section 8 if (i) the indemnified party and the indemnifying party shall have so mutually agreed; (ii) the indemnifying party has failed within a reasonable time to retain counsel reasonably satisfactory to the indemnified party; (iii) the indemnified party and its directors, officers, employees and controlling persons shall have reasonably concluded that there may be legal defenses available to them that are different from or in addition to those available to the indemnifying party; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the indemnified parties or their respective directors, officers, employees or controlling persons, on the one hand, and the indemnifying party, on the other hand, and representation of both sets of parties by the same counsel would be inappropriate due to actual or potential differing interests between them, and in any such event the fees and expenses of such separate counsel shall be paid by the indemnifying party*; provided*, *further*, that if indemnity may be sought pursuant to the second paragraph of Section 8(a) above in respect of such proceeding, then in addition to such separate firm of the Underwriters, their affiliates, directors, officers and such control persons of the Underwriters the indemnifying party shall be liable for the fees and expenses of not more than one separate firm (in addition to any local counsel) for J.P. Morgan Securities LLC in its capacity as a "qualified independent underwriter", its affiliates, directors, officers and all persons, if any, who control J.P. Morgan Securities LLC within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act. It is understood and agreed that the indemnifying party shall not, in connection with any action or claim or related action or claim in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all indemnified parties. No indemnifying party shall (x) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding and does not include a statement as to, or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party, or (y) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with the consent of the indemnifying party or if there be a final judgment for the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by Section 8(a) or (b) hereof, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request or disputed in good faith the indemnified party's entitlement to such reimbursement prior to the date of such settlement.

(d) If the indemnification provided for in this Section 8 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party under Section 8(a), 8(b) or 8(c) in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, (i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriters or J.P. Morgan Securities LLC in its capacity as "qualified independent underwriter", as the case may be, on the other hand, from the offering of the Stock, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and the Underwriters or J.P. Morgan Securities LLC in its capacity as "qualified independent underwriter", as the case may be, on the other hand, with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriters or J.P. Morgan Securities LLC in its capacity as "qualified independent underwriter", as the case may be, on the other hand, with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Stock purchased under this Agreement (before deducting expenses) received by the Company, as set forth in the table on the cover page of the Prospectus, on the one hand, and the total underwriting discounts and commissions received by the Underwriters with respect to the shares of the

Stock purchased under this Agreement, as set forth in the table on the cover page of the Prospectus, on the other hand. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriters or J.P. Morgan Securities LLC in its capacity as "qualified independent underwriter", as the case may be, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters or J.P. Morgan Securities LLC in its capacity as "qualified independent underwriter", as the case may be, agree that it would not be just and equitable if contributions pursuant to this Section 8(d) were to be determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 8(d) shall be deemed to include, for purposes of this Section 8(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 8(d), in no event shall an Underwriter or J.P. Morgan Securities LLC in its capacity as "qualified independent underwriter", as the case may be, be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter or J.P. Morgan Securities LLC in its capacity as "qualified independent underwriter", as the case may be, with respect to the offering of the Stock exceeds the amount of any damages that such Underwriter or J.P. Morgan Securities LLC in its capacity as "qualified independent underwriter", as the case may be, has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute as provided in this Section 8(d) are several in proportion to their respective underwriting obligations and not joint.

(e) The Underwriters severally confirm and the Company acknowledges and agrees that the statement regarding delivery of shares by the Underwriters set forth on the cover page and the information related to concession figures, price stabilization and short positions in the [third, thirteenth, fourteenth and fifteenth] paragraphs of the "Underwriting" section of the Preliminary Prospectus and the Prospectus are correct and constitute the only information concerning such Underwriters furnished in writing to the Company by or on behalf of the Underwriters specifically for inclusion in any Preliminary Prospectus, the Registration Statement, the Prospectus, any Issuer Free Writing Prospectus or in any amendment or supplement thereto or in any Marketing Materials.

9. *Defaulting Underwriters.*

(a) If, on any Delivery Date, any Underwriter defaults in its obligations to purchase the Stock that it has agreed to purchase under this Agreement, the remaining non-defaulting Underwriters may in their discretion arrange for the purchase of such Stock by the non-defaulting Underwriters or other persons satisfactory to the Company on the terms contained in this Agreement. If, within 36 hours after any such default by any Underwriter, the non-defaulting Underwriters do not arrange for the purchase of such Stock, then the Company shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Underwriters to purchase such Stock on such terms. In the event that within the respective prescribed periods, the non-defaulting

Underwriters notify the Company that they have so arranged for the purchase of such Stock, or the Company notifies the non-defaulting Underwriters that it has so arranged for the purchase of such Stock, either the non-defaulting Underwriters or the Company may postpone such Delivery Date for up to seven full business days in order to effect any changes that in the opinion of counsel for the Company or counsel for the Underwriters may be necessary in the Registration Statement, the Prospectus or in any other document or arrangement, and the Company agrees to promptly prepare any amendment or supplement to the Registration Statement, the Prospectus or in any such other document or arrangement that effects any such changes. As used in this Agreement, the term "Underwriter," unless the context requires otherwise, includes any party not listed in Schedule I hereto that, pursuant to this Section 9, purchases Stock that a defaulting Underwriter agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Stock of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters and the Company as provided in paragraph (a) above, the total number of shares of the Stock that remains unpurchased does not exceed one-eleventh of the total number of shares of all the Stock, then the Company shall have the right to require each non-defaulting Underwriter to purchase the total number of shares of Stock that such Underwriter agreed to purchase hereunder plus such Underwriter's pro rata share (based on the total number of shares of Stock that such Underwriter agreed to purchase hereunder) of the Stock of such defaulting Underwriter or Underwriters for which such arrangements have not been made; *provided* that the non-defaulting Underwriters shall not be obligated to purchase more than 110% of the total number of shares of Stock that it agreed to purchase on such Delivery Date pursuant to the terms of Section 3.

(c) If, after giving effect to any arrangements for the purchase of the Stock of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters and the Company as provided in paragraph (a) above, the total number of shares of Stock that remains unpurchased exceeds one-eleventh of the total number of shares of all the Stock, or if the Company shall not exercise the right described in paragraph (b) above, then this Agreement shall terminate without liability on the part of the non-defaulting Underwriters. Any termination of this Agreement pursuant to this Section 9 shall be without liability on the part of the Company, except that the Company will continue to be liable for the payment of expenses as set forth in Sections 6 and 11 and except that the provisions of Section 8 shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the Company or any non-defaulting Underwriter for damages caused by its default.

10. *Termination.* The obligations of the Underwriters hereunder may be terminated by the Representatives by notice given to and received by the Company prior to delivery of and payment for the Firm Stock if, prior to that time, any of the events described in Sections 7(i), 7(j) and 7(k) shall have occurred or if the Underwriters shall decline to purchase the Stock for any reason permitted under this Agreement.

11. *Reimbursement of Underwriters' Expenses.* If (a) the Company shall fail to tender the Stock for delivery to the Underwriters for any reason, or (b) the Underwriters shall decline to purchase the Stock for any reason permitted under this Agreement, the Company will reimburse the Underwriters for all reasonable and documented out-of-pocket expenses (including the reasonable and documented fees and disbursements of counsel for the Underwriters) incurred by the Underwriters in connection with this Agreement and the proposed purchase of the Stock, and upon demand the Company shall pay the full amount thereof to the Representatives. If this Agreement is terminated pursuant to Section 9 by reason of the default of one or more Underwriters, the Company shall not be obligated to reimburse any defaulting Underwriter on account of those expenses.

12. *Research Analyst Independence.* The Company acknowledges that the Underwriters' research analysts and research departments are required to be independent from their respective investment banking divisions and are subject to certain regulations and internal policies, and that such Underwriters' research analysts may hold views and make statements or investment recommendations and/or publish research reports with respect to the Company and/or the offering that differ from the views of their respective investment banking divisions. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Underwriters with respect to any conflict of interest that may arise from the fact that the views expressed by their independent research analysts and research departments may be different from or inconsistent with the views or advice communicated to the Company by such Underwriters' investment banking divisions. The Company acknowledges that each of the Underwriters is a full service securities firm and as such from time to time, subject to applicable securities laws, may effect transactions for its own account or the account of its customers and hold long or short positions in debt or equity securities of the companies that may be the subject of the transactions contemplated by this Agreement.

13. *No Fiduciary Duty*. The Company acknowledges and agrees that in connection with this offering, sale of the Stock or any other services the Underwriters may be deemed to be providing hereunder, notwithstanding any preexisting relationship, advisory or otherwise, between the parties or any oral representations or assurances previously or subsequently made by the Underwriters: (a) no fiduciary or agency relationship between the Company and any other person, on the one hand, and the Underwriters, on the other hand, exists; (b) the Underwriters are not acting as advisors, expert or otherwise and are not providing a recommendation or investment advice, to the Company, including, without limitation, with respect to the determination of the public offering price of the Stock, and such relationship between the Company, on the one hand, and the Underwriters, on the other hand, is entirely and solely commercial, based on arms-length negotiations and, as such, not intended for use by any individual for personal, family or household purposes; (c) any duties and obligations that the Underwriters may have to the Company shall be limited to those duties and obligations specifically stated herein; (d) the Underwriters and their respective affiliates may have interests that differ from those of the Company; and (e) does not constitute a solicitation of any action by the Underwriters. The Company hereby (x) waives any claims that the Company may have against the Underwriters with respect to any breach of fiduciary duty in connection with this offering and (y) agree that none of the activities of the Underwriters in connection with the transactions contemplated herein constitutes a recommendation, investment advice or solicitation of any action by the Underwriters with respect to any entity or natural person. The Company has consulted its own legal, accounting, financial, regulatory and tax advisors to the extent deemed appropriate.

14. *Notices, etc.* All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Underwriters, shall be delivered or sent by mail or facsimile transmission to Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019, Attention: Syndicate Registration (Fax: (646) 834-8133), with a copy, in the case of any notice pursuant to Section 8(d), to the Director of Litigation, Office of the General Counsel, Barclays Capital Inc., 745 Seventh Avenue, New York, New York 10019; J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179, fax: (212) 622-8358, Attention: Equity Syndicate Desk; BMO Capital Markets Corp., 3 Times Square, New York, New York 10036 (fax: 212-702-1205), Attention: Legal Department; and Credit Suisse Securities (USA) LLC, Eleven Madison Avenue, New York, New York 10010, Attention: IB-Legal.

(b) if to the Company, shall be delivered or sent by mail or facsimile transmission to the address of the Company set forth in the Registration Statement, Attention: Shannon Drake, General Counsel and Chief Legal Officer, 400 Interstate North Parkway SE, Suite 1600, Atlanta, Georgia 30339, (678) 385, 4005, with a copy (which shall not constitute notice) to Greenberg Traurig, P.A., Attention: Drew M. Altman, 333 S.E. 2nd Avenue, Miami, Florida 33131, Fax: (305) 961-5589.

Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof. The Company shall be entitled to act and rely upon any request, consent, notice or agreement given or made on behalf of the Underwriters by Barclays Capital Inc. on behalf of the Representatives.

15. *Persons Entitled to Benefit of Agreement*. This Agreement shall inure to the benefit of and be binding upon the Underwriters, the Company and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that (a) the representations, warranties, indemnities and agreements of the Company contained in this Agreement shall also be deemed to be for the benefit of the directors, officers and employees of the Underwriters and each person or persons, if any, who control any Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, and (b) the indemnity agreement of the Underwriters contained in Section 8(c) of this Agreement shall be deemed to be for the benefit of the directors of the Company, the officers of the Company who have signed the Registration Statement and any person controlling the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act. Nothing in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 15, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

16. *Survival.* The respective indemnities, rights of contributions, representations, warranties and agreements of the Company and the Underwriters contained in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall survive the delivery of and payment for the Stock and shall remain in full force and effect, regardless of any investigation made by or on behalf of any of them or any person controlling any of them.

17. *Definition of the Terms "Business Day," "Affiliate" and "Subsidiary."* For purposes of this Agreement, (a) "***business day***" means each Monday, Tuesday, Wednesday, Thursday or Friday that is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close, and (b) "***affiliate***" and "***subsidiary***" have the meanings set forth in Rule 405 under the Securities Act.

18. *Governing Law*. **This Agreement and any transaction contemplated by this Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of laws principles that would result in the application of any other law than the laws of the State of New York (other than Section 5-1401 of the General Obligations Law).**

19. *Waiver of Jury Trial*. The Company and the Underwriters hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

20. *Counterparts.* This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

21. *Headings.* The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

22. *Recognition of the U.S. Special Resolution Regimes.*

(a) In the event that any of the Underwriters that are a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any of the Underwriters that are a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(c) As used in this Agreement:

(i) “BHC Act Affiliate” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

(ii) “Covered Entity” means any of the following:

(x) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(y) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(z) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

(iii) “Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

(iv) “U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

If the foregoing correctly sets forth the agreement between the Company and the Underwriters, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

Aveanna Healthcare Holdings Inc.

By: ______________________________
Name:
Title:

Accepted:

BARCLAYS CAPITAL INC.
J.P. MORGAN SECURITIES LLC
BMO CAPITAL MARKETS CORP.
CREDIT SUISSE SECURITIES (USA) LLC

For themselves and as Representatives
of the several Underwriters named
in Schedule I hereto

BY BARCLAYS CAPITAL INC.

By: ________________________________
Name:
Title:

BY J.P. MORGAN SECURITIES LLC

By: ________________________________
Name:
Title:

BY BMO CAPITAL MARKETS CORP.

By: ________________________________
Name:
Title:

BY CREDIT SUISSE SECURITIES (USA) LLC

By: ________________________________
Name:
Title:

SCHEDULE I

Underwriters	Number of Shares of Firm Stock	Number of Shares of Option Stock
Barclays Capital Inc.		
J.P. Morgan Securities LLC		
BMO Capital Markets Corp.		
Credit Suisse Securities (USA) LLC		
BofA Securities, Inc.		
Deutsche Bank Securities Inc.		
Jefferies LLC		
RBC Capital Markets, LLC		
Truist Securities, Inc.		
Raymond James & Associates, Inc.		
Stephens Inc.		
Total		

SCHEDULE II

PERSONS DELIVERING LOCK-UP AGREEMENTS

- Rodney D. Windley
- Anthony Strange
- Jeffrey Shaner
- Edwin Reisz
- David Afshar
- Shannon Drake
- Victor F. Ganzi
- Christopher R. Gordon
- Devin O’Reilly
- Sheldon M. Retchin, M.D., M.S.P.H.
- Steve E. Rodgers
- Robert M. Williams, Jr.
- Richard C. Zoretic
- Bain Capital Fund XI, L.P.
- BCIP Associates IV (US), L.P.
- BCIP Associates IV-B (US), L.P.
- BCIP T Associates IV (US), L.P.
- BCIP T Associates IV-B (US), L.P.
- Randolph Street Investment Partners, L.P.—2016 DIF
- Squam Lake Investors XI, L.P.
- Bain & Company, Inc.
- Wayne DeVeydt

- PSA Healthcare Investment Holding
- JHW Iliad Holdings LLC
- PSA Iliad Holdings LLC
- J.H. Whitney VII, L.P.
- JHW Iliad Holdings II LLC

SCHEDULE IV

ORALLY CONVEYED PRICING INFORMATION

1. The public offering price for the Stock is $[•] per share.

2. [•] shares of Firm Stock.

3. [•] shares of Option Stock.

SCHEDULE V

ISSUER FREE WRITING PROSPECTUSES – ROAD SHOW MATERIALS

[Electronic Roadshow dated [•].]

SCHEDULE VI

ISSUER FREE WRITING PROSPECTUS

[None.]

SCHEDULE VII

WRITTEN TESTING-THE-WATERS COMMUNICATIONS

[None.]

EXHIBIT A

LOCK-UP LETTER AGREEMENT

BARCLAYS CAPITAL INC.
J.P. MORGAN SECURITIES LLC
BMO CAPITAL MARKETS CORP.
CREDIT SUISSE SECURITIES (USA) LLC

As Representatives of the several
Underwriters named in Schedule I of the Underwriting Agreement,

c/o Barclays Capital Inc.
745 Seventh Avenue
New York, New York 10019

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

c/o BMO Capital Markets Corp.
3 Times Square
New York, NY 10036

c/o Credit Suisse Securities (USA) LLC
Eleven Madison Avenue
New York, New York 10010

Ladies and Gentlemen:

The undersigned understands that you and certain other firms (the "***Underwriters***") propose to enter into an Underwriting Agreement (the "***Underwriting Agreement***") providing for the purchase by the Underwriters of shares (the "***Stock***") of Common Stock, par value $0.01 per share (the "***Common Stock***"), of Aveanna Healthcare Holdings Inc., a Delaware corporation (the "***Company***"), and that the Underwriters propose to reoffer the Stock to the public (the "***Offering***"). Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Underwriting Agreement.

In consideration of the execution of the Underwriting Agreement by the Underwriters, and for other good and valuable consideration, the undersigned hereby irrevocably agrees that, without the prior written consent of at least two of the Representatives, on behalf of the Underwriters, the undersigned will not, directly or indirectly, (1) offer for sale, sell, pledge, lend or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any shares of Common Stock (including, without limitation, shares of Common Stock that may be deemed to be beneficially owned by the undersigned in accordance with the rules and regulations of the Securities and Exchange Commission and shares of Common Stock that may be issued upon exercise of any options or warrants) or securities convertible into or exercisable or exchangeable for Common Stock (together with the Common Stock, the "***Lock-Up Securities***"), (2) enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of shares of Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise, (3) make any demand for or exercise any right or cause to be confidentially submitted or filed a registration statement, including any amendments thereto, with respect to the registration of any shares of Common Stock or securities convertible into or exercisable or exchangeable for Common Stock or any other securities of the Company, or (4) publicly disclose the intention to do any of the foregoing for a period commencing on the date hereof and ending on the 180th day after the date of the Prospectus relating to the Offering (such 180-day period, the "***Lock-Up Period***").

The foregoing restrictions are expressly agreed to preclude the undersigned from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of Common Stock or any other securities of the Company even if such Common Stock or other securities of the Company would be disposed of by someone other than the undersigned, including, without limitation, any short sale or any purchase, sale or grant of any right (including without limitation any put or call option, forward, swap or any other derivative transaction or instrument) with respect to any Common Stock, or any other security of the Company that includes, relates to, or derives any significant part of its value from Common Stock or other securities of the Company.

The foregoing restrictions, including without limitation the immediately preceding sentence, shall not apply to:

(a) transactions relating to shares of Common Stock or other securities acquired in the open market after the completion of the Offering,

(b) bona fide gifts or other dispositions of shares of any class of the Company's capital stock or securities convertible into Common Stock, in each case that are made exclusively between and among the undersigned or members of the undersigned's family (including to any trust, limited partnership, limited liability company or other entity for the direct benefit of the undersigned or any members of the undersigned's family) or affiliates of the undersigned, including its subsidiaries, partners (if a partnership) or members (if a limited liability company);

(c) transfers of the undersigned's Lock-Up Securities by will or intestacy;

(d) transfers of the undersigned’s Lock-Up Securities to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned, or if the undersigned is a trust, to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust (for purposes of this Lock-Up Letter Agreement, “immediate family” shall mean any relationship by blood, current or former marriage, domestic partnership or adoption, not more remote than first cousin);

(e) transfers of the undersigned’s Lock-Up Securities to a partnership, limited liability company or other entity of which the undersigned and the immediate family of the undersigned are the legal and beneficial owner of all of the outstanding equity securities or similar interests;

(f) transfers of the undersigned’s Lock-Up Securities to a partnership, limited liability company or other entity of which to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (b) through (e) above;

(g) transfers of the undersigned’s Lock-Up Securities if the undersigned is a corporation, partnership, limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended (the “***Securities Act***”)) of the undersigned, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the undersigned or affiliates of the undersigned (including, for the avoidance of doubt, where the undersigned is a partnership, to its general partner or a successor partnership or fund, or any other funds managed by such partnership), or (B) as part of a distribution to members or shareholders of the undersigned;

(h) transfers of the undersigned’s Lock-Up Securities to partners, members, stockholders or other equityholders of the undersigned, any direct or indirect partner, member, stockholder or other equityholder of such transferee until the Lock-Up Securities come to be held by a natural person;

(i) transfers of the undersigned’s Lock-Up Securities by operation of law or pursuant to an order of a court (including a qualified domestic order, divorce settlement, divorce decree or separation agreement) or regulatory agency;

(j) transfers of the undersigned’s Lock-Up Securities to the Company from an employee of the Company upon death, disability or termination of employment, in each case, of such employee;

(k) transfers of the undersigned's Lock-Up Securities to the Company in connection with the vesting, settlement, or exercise of restricted stock units, options, warrants or other rights to purchase shares of Common Stock (including, in each case, by way of "net" or "cashless" exercise), including for the payment of exercise price and tax and remittance payments due as a result of the vesting, settlement, or exercise of such restricted stock units, options, warrants or rights, provided that any such shares of Common Stock received upon such exercise, vesting or settlement shall be subject to the terms of this Lock-Up Letter Agreement, and provided further that any such restricted stock units, options, warrants or rights are held by the undersigned pursuant to an agreement or equity awards granted under a stock incentive plan or other equity award plan, each such agreement or plan which is described in the Registration Statement, the Pricing Disclosure Package and the Prospectus;

(l) transfers of the undersigned's Lock-Up Securities pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by the Board of Directors of the Company and made to all holders of the Company's capital stock involving a Change of Control (as defined below) of the Company (for purposes hereof, "Change of Control" shall mean the transfer (whether by tender offer, merger, consolidation or other similar transaction), in one transaction or a series of related transactions, to a person or group of affiliated persons, of shares of capital stock if, after such transfer, such person or group of affiliated persons would hold more than 50% of the outstanding voting securities of the Company (or the surviving entity)); provided that in the event that such tender offer, merger, consolidation or other similar transaction is not completed, the undersigned's Lock-Up Securities shall remain subject to the provisions of this Lock-Up Letter Agreement;

(m) the exercise of outstanding options, settle restricted stock units or other equity awards or exercise warrants pursuant to plans described in the Registration Statement, the Pricing Disclosure Package and the Prospectus; provided that any Lock-Up Securities received upon such exercise, vesting or settlement shall be subject to the terms of this Letter Agreement;

(n) the conversion of outstanding preferred stock, warrants to acquire preferred stock or convertible securities into shares of Common Stock or warrants to acquire shares of Common Stock; provided that any such shares of Common Stock or warrants received upon such conversion shall be subject to the terms of this Letter Agreement;

(o) any pledge, charge, hypothecation or other granting of a security interest in Lock-Up Securities by the Bain Funds or Whitney Funds (each, as defined below) to one or more banks, financial or other lending institutions ("**Lenders**") as collateral or security for or in connection with any margin loan or other loans, advances or extensions of credit entered into by the undersigned or any of its direct or indirect subsidiaries and any transfers of such Lock-Up Securities or such other securities to the applicable Lender(s) or other third parties upon or following foreclosure upon or enforcement of such Lock-Up Securities or such securities in accordance with the terms of the documentation governing any margin loan or other loan, advance, or extension of credit (including, without limitation, pursuant to any agreement or arrangement existing as of the date hereof); provided that with respect to any pledge, charge, hypothecation or other granting of a security interest set forth above after the execution of this agreement, the applicable Lender(s) shall be informed of the existence and contents of this agreement before entering into any margin loan or other loans, advances or extensions of credit;

(p) transfers of the Lock-Up Securities by entities affiliated with Bain Capital (collectively, the "Bain Funds") on or prior to the effective date of the Prospectus by bona fide gift to any charitable organizations, either directly or indirectly (including through any related distributions or dividends to the direct or indirect equity holders of the Bain Funds or to managing directors of Bain Capital Investors, LLC, in each case as necessary to facilitate any such bona fide gifts);

(q) transfers of the Lock-Up Securities by entities affiliated with J.H. Whitney (collectively, the "***Whitney Funds***") on or prior to the effective date of the Prospectus by bona fide gift to any charitable organizations, either directly or indirectly (including through any related distributions or dividends to the direct or indirect equity holders of the Whitney Funds or to managing directors of J.H. Whitney Capital Partners, LLC, in each case as necessary to facilitate any such bona fide gifts); and

(r) the establishment of any contract, instruction or plan that satisfies all of the requirements of Rule 10b5-1 (a "***Rule 10b5-1 Plan***") under the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"); *provided*, *however*, that no sales of Common Stock or securities convertible into, or exchangeable or exercisable for, Common Stock, shall be made pursuant to a Rule 10b5-1 Plan prior to the expiration of the Lock-Up Period (as the same may be extended pursuant to the provisions hereof); *provided further*, that neither the undersigned nor the Company is required to report the establishment of such Rule 10b5-1 Plan in any public report or filing with the Commission under the Exchange Act during the Lock-Up Period and neither otherwise voluntarily effects any such public filing or report regarding such Rule 10b5-1 Plan;

provided that:

(A) it shall be a condition to any transfer pursuant to clauses (b), (c), (d), (e), (f), (g), (h), (i) and (o) that the transfer shall not involve a disposition for value, each donee, devisee, transferee or distributee agrees to be bound by the terms of this Lock-Up Letter Agreement to the same extent as if the transferee/donee were a party hereto;

(B) it shall be a condition to any transfer pursuant to clauses (b), (c), (d), (e), (f), (g) and (k) that each donee, devisee, transferee or distributee shall not be required by law (including without limitation the disclosure requirements of the Securities Act and the Exchange Act) to make, and shall agree to not voluntarily make, any filing or public announcement of the transfer or disposition prior to the expiration of the Lock-Up Period;

(C) it shall be a condition to any transfer pursuant to clauses (h) and (i) that no public filing, report or announcement shall be voluntarily made and if any filing under Section 16(a) of the Exchange Act, or other public filing, report or announcement reporting a reduction in beneficial ownership of shares of Common Stock in connection with such transfer or distribution shall be legally required during the Lock-Up Period, such filing, report or announcement shall clearly indicate in the footnotes thereto the nature and conditions of such transfer; and

(D) it shall be a condition to any transfer pursuant to clause (b) that the undersigned notifies the Representatives at least two business days prior to the proposed transfer or disposition.

If the undersigned is an officer or director of the Company, (i) the undersigned agrees that the foregoing provisions shall be equally applicable to any issuer-directed Stock, as referred to in FINRA Rule 5131(d)(2)(A) that the undersigned may purchase in the Offering pursuant to an allocation of Stock that is directed in writing by the Company, (ii) each of the Representatives agrees that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of Common Stock, such Representative will notify the Company of the impending release or waiver and (iii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by issuing a press release through a major news service (as referred to in FINRA Rule 5131(d)(2)(B)) or any other method permitted by FINRA Rule 5131 at least two business days before the effective date of the release or waiver. Any release or waiver granted by the Representatives hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if both (a) the release or waiver is effected solely to permit a transfer not for consideration, and (b) the transferee has agreed in writing to be bound by the same terms described in this letter that are applicable to the transferor, to the extent and for the duration that such terms remain in effect at the time of the transfer.

In furtherance of the foregoing, the Company and its transfer agent are hereby authorized to decline to make any transfer of securities if such transfer would constitute a violation or breach of this Lock-Up Letter Agreement.

It is understood that, if the Company notifies the Underwriters that it does not intend to proceed with the Offering through the Representatives, if the Underwriters notify the Company that they do not intend to proceed with the Offering, if the Underwriting Agreement does not become effective, or if the Underwriting Agreement (other than the provisions thereof which survive termination) shall terminate or be terminated prior to payment for and delivery of the Stock, the undersigned will be released from its obligations under this Lock-Up Letter Agreement.

The undersigned understands that the Company and the Underwriters will proceed with the Offering in reliance on this Lock-Up Letter Agreement.

Whether or not the Offering actually occurs depends on a number of factors, including, without limitation, market conditions. Any Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters.

The undersigned acknowledges and agrees that the Underwriters have not provided any recommendation or investment advice nor have the Underwriters solicited any action from the undersigned with respect to the Offering and the undersigned has consulted their own legal, accounting, financial, regulatory and tax advisors to the extent deemed appropriate.

This Lock-Up Letter Agreement and any transaction contemplated by this Lock-Up Letter Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of laws principles that would result in the application of any other law than the laws of the State of New York (other than Section 5-1401 of the General Obligations Law).

The undersigned hereby consents to receipt of this Lock-Up Letter Agreement in electronic form and understands and agrees that this Lock-Up Letter Agreement may be signed electronically. In the event that any signature is delivered by facsimile transmission, electronic mail or otherwise by electronic transmission evidencing an intent to sign this Lock-Up Letter Agreement, such facsimile transmission, electronic mail or other electronic transmission shall create a valid and binding obligation on the undersigned with the same force and effect as if such signature were an original execution, and delivery of this Lock-Up Letter Agreement by facsimile transmission, electronic mail or other electronic transmission is legal, valid and binding for all purposes.

The undersigned acknowledges and agrees that the Underwriters have not provided any recommendation or investment advice nor have the Underwriters solicited any action from the undersigned with respect to the Offering of the Common Stock and the undersigned has consulted their own legal, accounting, financial, regulatory and tax advisors to the extent deemed appropriate. The undersigned further acknowledges and agrees that, although the Representatives may be required or choose to provide certain Regulation Best Interest and Form CRS disclosures to you in connection with the Offering, the Representatives and the other Underwriters are not making a recommendation to you to participate in the Offering, enter into this Lock-Up Letter Agreement, or sell any shares of Common Stock at the price determined in the Public Offering, and nothing set forth in such disclosures is intended to suggest that the Representatives or any Underwriter is making such a recommendation.

This Lock-Up Letter Agreement shall automatically terminate upon the earlier to occur, if any, of (1) the termination of the Underwriting Agreement before the sale of any Stock to the Underwriters or (2) June 30, 2021, in the event that the Underwriting Agreement has not been executed by that date.

[Signature page follows]

The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-Up Letter Agreement and that, upon request, the undersigned will execute any additional documents necessary in connection with the enforcement hereof. Any obligations of the undersigned shall be binding upon the heirs and executors (in the case of individuals), personal representatives, successors and assigns of the undersigned.

Very truly yours,

By: ______________________________

Name:
Title:

Dated: ________________

EXHIBIT B

Form of Press Release

Aveanna Healthcare Holdings Inc.
[*Insert date*]

Aveanna Healthcare Holdings Inc., (the "***Company***") announced today that [Barclays Capital Inc., J.P. Morgan Securities LLC, BMO Capital Markets Corp. and Credit Suisse Securities (USA) LLC], the joint book-running managers in the Company's recent public sale of [•] shares of common stock are [waiving] [releasing] a lock-up restriction with respect to [•] shares of the Company's common stock held by [certain officers or directors] [an officer or director][1] of the Company. The [waiver] [release] will take effect on [*insert date*], and the shares may be sold or otherwise disposed of on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

[1] If Barclays Capital Inc., J.P. Morgan Securities LLC, BMO Capital Markets Corp. or Credit Suisse Securities (USA) LLC so requests in writing (either in or accompanying the notice to the Company about the impending release or waiver), the Company will include in the press release such other information as Barclays Capital Inc., J.P. Morgan Securities LLC, BMO Capital Markets Corp. or Credit Suisse Securities (USA) LLC may require regarding the circumstances of the release or waiver and/or the identity of the officer(s) or director(s) with respect to which the release or waiver applies.

EXHIBIT C

Form of Waiver of Lock-up

[Letterhead of Representative]

Aveanna Healthcare Holdings Inc.
Public Offering of Common Stock

[*Insert date*]

[*Insert Name and Address of*
Officer or Director
Requesting Waiver]

Dear Mr./Ms. [*Insert Name*]:

This letter is being delivered to you in connection with the offering by Aveanna Healthcare Holdings Inc. (the "***Company***") of [•] shares of common stock, $[•] par value (the "***Common Stock***"), of the Company and the lock-up letter agreement dated [*insert date*] (the "***Lock-Up Agreement***"), executed by you in connection with such offering, and your request for a [waiver] [release] dated [*insert date*] with respect to [•] shares of Common Stock (the "***Shares***").

[Barclays Capital Inc., J.P. Morgan Securities LLC, BMO Capital Markets Corp. and Credit Suisse Securities (USA) LLC] as representatives of the Underwriters (as defined in the Lock-Up Agreement) hereby agree (subject to the proviso below) to [waive] [release] the transfer restrictions set forth in the Lock-Up Agreement, but only with respect to the Shares, effective [*insert date*] (the "***Anticipated Effective Date***"), provided, however, that such [waiver] [release] is expressly conditioned on the Company announcing the impending [waiver] [release] by issuing a press release through a major news service at least two business days before the Anticipated Effective Date. This letter will serve as notice to the Company of the impending [waiver] [release].

Except as expressly [waived] [released] hereby, the Lock-Up Agreement shall remain in full force and effect.

Yours very truly,

cc: Aveanna Healthcare Holdings Inc.

Exhibit 3.3

SECOND AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

AVEANNA HEALTHCARE HOLDINGS INC.

Aveanna Healthcare Holdings Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware ("DGCL"), does hereby certify as follows:

(1) The original Certificate of Incorporation of the Corporation was filed with the office of the Secretary of State of the State of Delaware on November 30, 2016 under the name BCPE Oasis Holdings Inc. (the "Certificate of Incorporation").

(2) The Certificate of Incorporation was restated and integrated and further amended by the Amended and Restated Certificate of Incorporation (as defined below) of the Corporation filed with the office of the Secretary of State of the State of Delaware on March 16, 2017.

(3) The Amended and Restated Certificate of Incorporation was further amended by the Certificate of Amendment to the Amended and Restated Certificate of Incorporation filed with the office of the Secretary of State of the State of Delaware on May 26, 2017 under the name Aveanna Healthcare Holdings Inc. and the Certificate of Amendment to the Amended and Restated Certificate of Incorporation filed with the office of the Secretary of State of the State of Delaware on April 19, 2021 (as so amended, the "Amended and Restated Certificate of Incorporation")

(4) This Second Amended and Restated Certificate of Incorporation (as amended or modified from time to time, this "Second Amended and Restated Certificate of Incorporation") was duly adopted in accordance with Sections 228, 242 and 245 of the DGCL.

(5) This Second Amended and Restated Certificate of Incorporation restates and integrates and further amends the Amended and Restated Certificate of Incorporation of the Corporation in its entirety.

(6) The text of the Amended and Restated Certificate of Incorporation hereby is amended and restated in entirety as follows:

ARTICLE I

NAME

The name of the Corporation is "Aveanna Healthcare Holdings Inc.".

ARTICLE II

REGISTERED OFFICE AND AGENT

The address of the Corporation's registered office in the State of Delaware is Suite 302, 4001 Kennett Pike, Wilmington, County of New Castle, Delaware 19807. The name of the Corporation's registered agent at such address is Maples Fiduciary Services (Delaware) Inc.

ARTICLE III

PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

ARTICLE IV

CAPITAL STOCK

I. *Authorized Capital*.

The total number of shares of all classes of capital stock which the Corporation shall have authority to issue is 1,005,000,000, which shall be divided into two classes as follows: 1,000,000,000 shares of common stock, par value $0.01 per share ("Common Stock") and 5,000,000 shares of preferred stock, par value $0.01 per share ("Preferred Stock").

The number of authorized shares of Preferred Stock or Common Stock may be increased or decreased (but not below the number of shares thereof then-outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of either the Common Stock or the Preferred Stock voting separately as a class shall be required therefor, unless a vote of any such holder is required pursuant to this Second Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock).

II. *Common Stock*.

A. Voting Rights. Except as otherwise provided in this Second Amended and Restated Certificate of Incorporation or otherwise required by applicable law, each holder of Common Stock shall be entitled to one vote for each share of Common Stock held as of the applicable record date on any matter that is submitted to a vote or for the consent of the stockholders of the Corporation.

B. Dividends. Subject to the preferences applicable to any series of Preferred Stock, if any, outstanding at any time, the holders of Common Stock shall be entitled to share equally, on a per share basis, in such dividends and other distributions of cash, property or shares of stock of the Corporation as may be declared by the Board of Directors of the Corporation (the "Board") from time to time with respect to the Common Stock out of assets or funds of the Corporation legally available therefor.

C. Liquidation. Subject to the preferences applicable to any series of Preferred Stock, if any, outstanding at any time, in the event of the voluntary or involuntary liquidation, dissolution, distribution of assets or winding up of the Corporation, all assets of the Corporation of whatever kind available for distribution to the holders of Common Stock, after payment or provision for payment of the debts and other liabilities of the Corporation, shall be divided among and paid ratably to the holders of Common Stock.

III. Preferred Stock.

A. Preferred Stock may be issued from time to time by the Corporation for such consideration as may be fixed by the Board. The Board is hereby expressly authorized, by resolution or resolutions, to provide, out of the unissued shares of Preferred Stock, for one or more series of Preferred Stock and, with respect to each such series, to fix, without further stockholder approval, the designation of such series, the powers (including voting powers), preferences and relative, participating, optional and other special rights, and the qualifications, limitations or restrictions thereof, of such series of Preferred Stock and the number of shares of such series, and as may be permitted by the DGCL. The powers, preferences and relative, participating, optional and other special rights of, and the qualifications, limitations or restrictions thereof, of each series of Preferred Stock, if any, may differ from those of any and all other series at any time outstanding.

B. Except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Second Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to this Second Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock) or pursuant to the DGCL.

C. Except as otherwise required by law, holders of any series of Preferred Stock shall be entitled to only such voting rights, if any, as shall expressly be granted thereto by this Second Amended and Restated Certificate of Incorporation (including any certificate of designation relating to such series of Preferred Stock).

ARTICLE V

AMENDMENT OF THE CERTIFICATE OF INCORPORATION AND BYLAWS

A. Any amendment, alteration, repeal or rescission of any provision of this Second Amended and Restated Certificate of Incorporation is subject to the terms and conditions set forth in the Stockholders Agreement (as defined below). Notwithstanding anything contained in this Second Amended and Restated Certificate of Incorporation to the contrary, from and after the date on which Investors (as defined below) cease to beneficially own at least 50% of the outstanding shares of Common Stock (the "Trigger Event"), the following provisions in this Second Amended and Restated Certificate of Incorporation may be amended, altered, repealed or rescinded, in whole or in part, or any provision inconsistent therewith or herewith may be adopted, only by the affirmative vote of the holders of at least 66⅔% in voting power of all the then-outstanding shares of Common Stock entitled to vote thereon: Article V, Article VI, Article VII, Article VIII, Article IX, Article X and clause (b) of Article XI. For the purposes of this Second Amended and Restated Certificate of Incorporation, beneficial ownership of shares shall be determined in accordance with Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). For the purposes of this Second Amended and Restated Certificate of Incorporation, (i) "Person" shall mean any individual, corporation, limited liability company, limited or general partnership, joint venture, association, joint-stock company, trust, unincorporated organization or other entity, whether domestic or foreign; (ii) "control" (including the terms "controlled by" and "under common control with"), with respect to the relationship between or among two or more Persons, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, by contract or otherwise; (iii) "Investors" shall mean any of Bain Sponsors and J.H. Whitney Sponsors; (iv) "Bain Sponsors" shall mean any of Bain Capital Investors, LLC, Bain Capital Fund XI, L.P., BCIP Associates IV (US), L.P., BCIP Associates IV-B (US), L.P, BCIP T Associates IV (US), L.P. and BCIP T Associates IV-B (US), L.P. and each of their respective Affiliates; (v) "J.H. Whitney Sponsors" shall mean any of J.H. Whitney Capital Partners, LLC, J.H. Whitney VII, L.P., PSA Healthcare Investment Holding LLC, JHW Iliad Holdings LLC, PSA Iliad Holdings LLC and JHW Iliad Holdings II LLC and each of their respective Affiliates; and (vi) except for Article IX, "Affiliate" shall mean, with respect to any Person, any Person directly or indirectly controlling, controlled by or under common control with such Person.

B. The Board is expressly authorized to make, repeal, alter, amend and rescind, in whole or in part, the bylaws of the Corporation (as in effect from time to time, the "Bylaws") without the assent or vote of the stockholders in any manner not inconsistent with the laws of the State of Delaware or this Second Amended and Restated Certificate of Incorporation. Notwithstanding anything to the contrary contained in this Second Amended and Restated Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote of the stockholders, from and after the Trigger Event, in addition to any vote of the holders of any class or series of capital stock of the Corporation required herein (including any certificate of designation relating to any series of Preferred Stock), the Bylaws or applicable law, the affirmative vote of the holders of at least 66⅔% in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required in order for the stockholders of the Corporation to alter, amend, repeal or rescind, in whole or in part, any provision of the Bylaws or to adopt any provision inconsistent therewith.

ARTICLE VI

BOARD OF DIRECTORS

A. Except as otherwise provided in this Second Amended and Restated Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board. Except as otherwise provided for or fixed pursuant to the provisions of Article IV hereof (including any certificate of designation with respect to any series of Preferred Stock) and this Article VI relating to the rights of the holders of any series of Preferred Stock to elect additional directors, the total number of directors shall be determined from time to time exclusively by resolution adopted by the Board. The directors (other than those directors elected by the holders of any series of Preferred Stock, voting separately as a series or together with one or more other such series, as the case may be) shall be divided into three classes designated Class I, Class II and Class III. Each class shall consist, as nearly as possible, of one-third of the total number of such directors. Class I directors shall initially serve for a term expiring at the first annual meeting of stockholders following the date the Common Stock is first publicly traded (the "IPO Date"), Class II directors shall initially serve for a term expiring at the second annual meeting of stockholders following the IPO Date and Class III directors shall initially serve for a term expiring at the third annual meeting of stockholders following the IPO Date. At each succeeding annual meeting, successors to the class of directors whose term expires at that annual meeting shall be elected for a term expiring at the third succeeding annual meeting of stockholders. If the number of such directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any such additional director of any class elected to fill a newly created directorship resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case shall a decrease in the number of directors remove or shorten the term of any incumbent director. Any such director shall hold office until the annual meeting at which his or her term expires and until his or her successor shall be elected and qualified, or his or her death, resignation, retirement, disqualification or removal from office. The Board is authorized to assign members of the Board to their respective class.

B. Subject to the rights granted to the holders of any one or more series of Preferred Stock then outstanding and that certain Amended and Restated Stockholders Agreement, to be dated on or about April 29, 2021, among the Corporation and certain of its stockholders (as amended, supplemented or otherwise modified from time to time, the "Stockholder Agreement"), any newly-created directorship on the Board that results from an increase in the number of directors and any vacancy occurring in the Board (whether by death, resignation, retirement, disqualification, removal or other cause) shall be filled by a majority of the directors then in office, even if less than a quorum, by a sole remaining director or by the stockholders; *provided, however,* that from and after the Trigger Event, any newly-created directorship on the Board that results from an increase in the number of directors and any vacancy occurring on the Board shall be filled only by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director (and not by the stockholders). Any director elected to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall be elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal.

C. Subject to the Stockholder Agreement, any or all of the directors (other than the directors elected by the holders of any series of Preferred Stock of the Corporation, voting separately as a series or together with one or more other such series, as the case may be) may be removed at any time only for cause by the affirmative vote of a majority in voting power of all outstanding shares of Common Stock entitled to vote thereon; *provided*, *however*, that from and after the Trigger Event, any such director or all such directors may be removed only for cause and only by the affirmative vote of the holders of at least 66⅔% in voting power of all the then-outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class.

D. Elections of directors need not be by written ballot unless the Bylaws shall so provide.

E. During any period when the holders of any series of Preferred Stock, voting separately as a series or together with one or more series, have the right to elect additional directors, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to said provisions, and (ii) each such additional director shall serve until such director’s successor shall have been duly elected and qualified, or until such director’s right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his or her earlier death, resignation, retirement, disqualification or removal. Except as otherwise provided by the Board in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate and the total authorized number of directors of the Corporation shall be reduced accordingly.

ARTICLE VII

LIMITATION OF DIRECTOR LIABILITY

A. To the fullest extent permitted by the DGCL as it now exists or may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty owed to the Corporation or its stockholders.

B. Neither the amendment nor repeal of this Article VII, nor the adoption of any provision of this Second Amended and Restated Certificate of Incorporation, nor, to the fullest extent permitted by the DGCL, any modification of law shall eliminate, reduce or otherwise adversely affect any right or protection of a current or former director of the Corporation existing at the time of such amendment, repeal, adoption or modification.

ARTICLE VIII

CONSENT OF STOCKHOLDERS IN LIEU OF MEETING;

ANNUAL AND SPECIAL MEETINGS OF STOCKHOLDERS

A. Prior to the Trigger Event, any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, which holders must include the Investors, and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the books in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be made by hand, overnight courier or by certified or registered mail, return receipt requested. From and after the Trigger Event, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders; *provided, however*, that any action required or permitted to be taken by the holders of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable certificate of designation relating to such series of Preferred Stock.

B. Except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders of the Corporation for any purpose or purposes may only be called in the manner provided in the Bylaws.

C. An annual meeting of stockholders for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, if any, on such date, and at such time as shall be fixed in the manner provided in the Bylaws.

ARTICLE IX

COMPETITION AND CORPORATE OPPORTUNITIES

A. In recognition and anticipation that (i) certain directors, principals, members, officers, associated funds, employees and/or other representatives of one or more of the Investors and their respective Affiliates (as defined below) may serve as directors, officers or agents of the Corporation, (ii) one or more of the Investors and their respective Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, and (iii) members of the Board who are not employees of the Corporation ("Non-Employee Directors") and their respective Affiliates may now engage and may continue to engage in the same or similar activities or related lines of business as those in which the Corporation, directly or indirectly, may engage and/or other business activities that overlap with or compete with those in which the Corporation, directly or indirectly, may engage, the provisions of this Article IX are set forth to regulate and define the conduct of certain affairs of the Corporation with respect to certain classes or categories of business opportunities as they may involve any of the Investors, the Non-Employee Directors or their respective Affiliates and the powers, rights, duties and liabilities of the Corporation and its directors, officers and stockholders in connection therewith.

B. None of (i) the Investors or any of their respective Affiliates or (ii) any Non-Employee Director (including any Non-Employee Director who serves as an officer of the Corporation in both his or her director and officer capacities) or his or her Affiliates (the Persons (as defined below) identified in (i) and (ii) above being referred to, collectively, as "Identified Persons" and, individually, as an "Identified Person") shall, to the fullest extent permitted by law, have any duty to refrain from directly or indirectly (1) engaging in the same or similar business activities or lines of business in which the Corporation or any of its Affiliates now engages or proposes to engage or (2) otherwise competing with the Corporation or any of its Affiliates, and, to the fullest extent permitted by law, no Identified Person shall be liable to the Corporation or its stockholders or to any Affiliate of the Corporation for breach of any fiduciary duty solely by reason of the fact that such Identified Person engages in any such activities. To the fullest extent permitted by law, the Corporation hereby renounces any interest or expectancy in, or right to be offered an opportunity to participate in, any business opportunity which may be a corporate opportunity for an Identified Person and the Corporation or any of its Affiliates, except as provided in Section D of this Article IX. Subject to Section D of this Article IX, in the event that any Identified Person acquires knowledge of a potential transaction or other matter or business opportunity which may be a corporate opportunity for itself, herself or himself and the Corporation or any of its Affiliates, such Identified Person shall, to the fullest extent permitted by law, have no fiduciary duty or other duty (contractual or otherwise) to communicate, present or offer such transaction or other business opportunity to the Corporation or any of its Affiliates and, to the fullest extent permitted by law, shall not be liable to the Corporation or its stockholders or to any Affiliate of the Corporation for breach of any fiduciary duty or other duty (contractual or otherwise) as a stockholder, director or officer of the Corporation solely by reason of the fact that such Identified Person pursues or acquires such corporate opportunity for itself, herself or himself, offers or directs such corporate opportunity to another Person, or does not present such corporate opportunity to the Corporation or any of its Affiliates.

C. The Corporation and its Affiliates do not have any rights in and to the business ventures of any Identified Person, or the income or profits derived therefrom, and the Corporation agrees that each of the Identified Persons may do business with any potential or actual customer or supplier of the Corporation or may employ or otherwise engage any officer or employee of the Corporation.

D. The Corporation does not renounce its interest in any corporate opportunity offered to any Non-Employee Director (including any Non-Employee Director who serves as an officer of the Corporation, and for the avoidance of doubt, in any case expressly excluding Steven Rodgers) if such opportunity is expressly offered to such person in writing solely in his or her capacity as a director or officer of the Corporation, and the provisions of Section B of this Article IX shall not apply to any such corporate opportunity.

E. In addition to and notwithstanding the foregoing provisions of this Article IX, a corporate opportunity shall not be deemed to be a potential corporate opportunity for the Corporation if it is a business opportunity that (i) the Corporation is neither financially or legally able, nor contractually permitted to undertake, (ii) from its nature, is not in the line of the Corporation's business or is of no practical advantage to the Corporation or (iii) is one in which the Corporation has no interest or reasonable expectancy.

F. For purposes of this Article IX, "Affiliate" shall mean (i) in respect of any Investor, any Person that, directly or indirectly, is controlled by such Investor, controls such Investor or is under common control with such Investor and shall include any principal, member, director, partner, stockholder, officer, employee or other representative of any of the foregoing (other than the Corporation and any entity that is controlled by the Corporation), (ii) in respect of a Non-Employee Director, any Person that, directly or indirectly, is controlled by such Non-Employee Director (other than the Corporation and any entity that is controlled by the Corporation) and (iii) in respect of the Corporation, any Person that, directly or indirectly, is controlled by the Corporation.

G. To the fullest extent permitted by law, any Person purchasing or otherwise acquiring any interest in any shares of capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article IX. Neither the alteration, amendment, addition to or repeal of this Article IX, nor the adoption of any provision of this Second Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock) inconsistent with this Article IX, shall eliminate or reduce the effect of this Article IX in respect of any business opportunity first identified or any other matter occurring, or any cause of action, suit or claim that, but for this Article IX, would accrue or arise, prior to such alteration, amendment, addition, repeal or adoption.

ARTICLE X

BUSINESS COMBINATIONS

A. Section 203 of the DGCL. The Corporation hereby expressly elects not to be governed by Section 203 of the DGCL.

B. Limitations on Business Combinations. Notwithstanding the foregoing, the Corporation shall not engage in any business combination (as defined below), at any point in time at which the Corporation's Common Stock is registered under Sections 12(b) or 12(g) of the Exchange Act, with any interested stockholder (as defined below) for a period of three (3) years following the time that such stockholder became an interested stockholder, unless:

(i) prior to such time, the Board approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder, or

(ii) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock (as defined below) of the Corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned by (i) persons who are directors and also officers or (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer, or

(iii) at or subsequent to such time, the business combination is approved by the Board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two thirds of the outstanding voting stock of the Corporation which is not owned by the interested stockholder.

C. Exceptions to Prohibition on interested Stockholder Transactions. The restrictions contained in this Article X shall not apply if:

(i) a stockholder becomes an interested stockholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that the stockholder ceases to be an interested stockholder; and (ii) would not, at any time within the three-year period immediately prior to a business combination between the Corporation and such stockholder, have been an interested stockholder but for the inadvertent acquisition of ownership; or

(ii) the business combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required hereunder of a proposed transaction which (1) constitutes one of the transactions described in the second sentence of this clause (ii) of Article X; (2) is with or by a person who either was not an interested stockholder during the previous three years or who became an interested stockholder with the approval of the Board; and (3) is approved or not opposed by a majority of the directors then in office (but not less than one) who were directors prior to any person becoming an interested stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors. The proposed transactions referred to in the preceding sentence are limited to (x) a merger or consolidation of the Corporation (except for a merger in respect of which, pursuant to Section 251(f) of the DGCL, no vote of the stockholders of the Corporation is required); (y) a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation (other than to any direct or indirect wholly-owned subsidiary or to the Corporation) having an aggregate market value equal to fifty percent (50%) or more of either that aggregate market value of all of the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding Stock (as defined hereinafter) of the Corporation; or (z) a proposed tender or exchange offer for fifty percent (50%) or more of the outstanding voting stock of the Corporation. The Corporation shall give not less than 20 days' notice to all interested stockholders prior to the consummation of any of the transactions described in clause (x) or (y) of the second sentence of this clause C(ii) of Article X.

D. Definitions. Notwithstanding anything to the contrary herein, for purposes of this Article X, references to:

(i) "affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.

(ii) "associate," when used to indicate a relationship with any person, means: (i) any corporation, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of 20% or more of any class of voting stock; (ii) any trust or other estate in which such person has at least a 20% beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

(iii) "business combination," when used in reference to the Corporation and any interested stockholder of the Corporation, means:

(1) any merger or consolidation of the Corporation or any direct or indirect majority-owned subsidiary of the Corporation (a) with the interested stockholder, or (b) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the interested stockholder and as a result of such merger or consolidation paragraph (b) of this Article X is not applicable to the surviving entity;

(2) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the interested stockholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to 10% or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the Corporation;

(3) any transaction which results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any stock of the Corporation or of such subsidiary to the interested stockholder, except: (a) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which securities were outstanding prior to the time that the interested stockholder became such; (b) pursuant to a

merger under Section 251(g) of the DGCL; (c) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of stock of the Corporation subsequent to the time the interested stockholder became such; (d) pursuant to an exchange offer by the Corporation to purchase stock made on the same terms to all holders of said stock; or (e) any issuance or transfer of stock by the Corporation; provided, however, that in no case under items (c)-(e) of this subsection (3) shall there be an increase in the interested stockholder's proportionate share of the stock of any class or series of the Corporation or of the voting stock of the Corporation (except as a result of immaterial changes due to fractional share adjustments);

(4) any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation which has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the Corporation or of any such subsidiary which is owned by the interested stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the interested stockholder; or

(5) any receipt by the interested stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges, or other financial benefits (other than those expressly permitted in subsections (1)-(4) above) provided by or through the Corporation or any direct or indirect majority-owned subsidiary.

(iv) "control," including the terms "controlling," "controlled by" and "under common control with," 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 stock, by contract, or otherwise. A person who is the owner of 20% or more of the outstanding voting stock of the Corporation, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing this Article X, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.

(v) "interested stockholder" means any person (other than the Corporation or any direct or indirect majority-owned subsidiary of the Corporation) that (i) is the owner of 15% or more of the outstanding voting stock of the Corporation, or (ii) is an affiliate or associate of the Corporation and was the owner of 15% or more of the outstanding voting stock of the Corporation at any time within the three (3) year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder, and the affiliates and associates of such person; provided, however, that the term "interested stockholder" shall not include (a) the Investors or any of their affiliates, any direct or indirect transferees of the Investors or any of their affiliates, or any other person with whom any of the foregoing are acting as a group or in concert for the purpose of acquiring, holding, voting or disposing of shares of stock of the Corporation, (b) any Person who would otherwise be an interested stockholder either in connection with or because of a transfer, sale, assignment, conveyance, hypothecation, encumbrance, or other disposition of five percent (5%) or more of the outstanding voting stock of the Corporation (in one transaction or a series of transactions) by the Investors or any of their affiliates or associates to such person; *provided*, however, that such Person was not an interested stockholder prior to such transfer, sale, assignment, conveyance, hypothecation, encumbrance, or other disposition, or (c) any person whose ownership of shares in excess of the 15% limitation set forth herein is the result of any action taken solely by the Corporation; provided that such person specified in this clause (c) shall be an interested stockholder if thereafter such person acquires additional shares of voting stock of the Corporation, except as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an interested stockholder, the voting stock of the Corporation deemed to be outstanding shall include stock deemed to be owned by the person through application of the definition of "owner" below but shall not include any other unissued stock of the Corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

(vi) "owner," including the terms "own" and "owned," when used with respect to any stock, means a person that individually or with or through any of its affiliates or associates:

(1) beneficially owns such stock, directly or indirectly; or

(2) has (a) the right to acquire such stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; provided, however, that a person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such person or any of such person's affiliates or associates until such tendered stock is accepted for purchase or exchange; or (b) the right to vote such stock pursuant to any agreement, arrangement or understanding; provided, however, that a person shall not be deemed the owner of any stock because of such person's right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to ten (10) or more persons; or

(3) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in item (b) of subsection (2) above), or disposing of such stock with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such stock.

(vii) "person" means any individual, corporation, partnership, unincorporated association or other entity.

(viii) "stock" means, with respect to any corporation, capital stock and, with respect to any other entity, any equity interest.

(ix) "voting stock" means stock of any class or series entitled to vote generally in the election of directors.

ARTICLE XI

MISCELLANEOUS

A. If any provision or provisions of this Second Amended and Restated Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (i) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Second Amended and Restated Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Second Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (ii) to the fullest extent possible, the provisions of this Second Amended and Restated Certificate of Incorporation (including, without limitation, each such portion of any paragraph of this Second Amended and Restated Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service or for the benefit of the Corporation to the fullest extent permitted by law.

B. Exclusive Forum.

(i) Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery does not have subject matter jurisdiction, another state court sitting in the State of Delaware or, if and only if neither the Court of Chancery nor any state court sitting in the State of Delaware has subject matter jurisdiction, then the federal district court for the District of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (1) any derivative action or proceeding brought on behalf of the Corporation, (2) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, or other employee or stockholder of the Corporation to the Corporation or the Corporation's stockholders, creditors or other constituents, or a claim of aiding and abetting any such breach of fiduciary duty, (3) any action asserting a claim against the Corporation or any director or officer of the Corporation arising pursuant to, or any action to interpret, apply, enforce any right, obligation or remedy under or determine the validity of, any provision of the DGCL or this Second Amended and Restated Certificate of Incorporation or the Bylaws (as either may be amended and/or restated from time to time) or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, (4) any action asserting a claim against the Corporation or any director or officer of the Corporation governed by the internal affairs doctrine or (5) any action asserting an "internal corporate claim" as that term is defined in Section 115 of the DGCL. The choice of forum provision set forth in this Section B(i) of Article XI does not apply to any actions arising under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act.

(ii) Unless the Corporation consents in writing to the selection of an alternative forum, the federal district court for the District of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act against the Corporation or any director or officer of the Corporation.

(iii) To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Section B of Article XI and personal jurisdiction and venue in any state or federal court located in the State of Delaware for any action or proceeding set forth in above clauses 1 to 6 of Section B(i) of Article XI and any complaint set forth in Section B(ii) of Article XI.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, Aveanna Healthcare Holdings Inc. has caused this Second Amended and Restated Certificate of Incorporation to be executed by its duly authorized officer on this 19th day of April, 2021.

Aveanna Healthcare Holdings Inc.

By: /s/ Tony Strange
Name: Tony Strange
Title: Chief Executive Officer

[*Signature Page to Certificate of Incorporation*]

Exhibit 3.5

SECOND AMENDED AND RESTATED BYLAWS

OF

AVEANNA HEALTHCARE HOLDINGS INC.

*** * * * ***

ARTICLE I

Offices

SECTION 1.01 Registered Office. The address of the registered office of Aveanna Healthcare Holdings Inc. (the "Corporation") in the State of Delaware is Suite 302, 4001 Kennett Pike, Wilmington, County of New Castle, Delaware 19807. The name of the Corporation's registered agent at such address is Maples Fiduciary Services (Delaware) Inc. The Corporation may also have offices in such other places in the United States or elsewhere (and may change the Corporation's registered agent) as the Board of Directors of the Corporation (the "Board") may, from time to time, determine or as the business of the Corporation may require.

ARTICLE II

Meetings of Stockholders

SECTION 2.01 Annual Meetings. Annual meetings of stockholders of the Corporation may be held at such place, if any, either within or without the State of Delaware, and at such time and date as the Board shall determine and state in the notice of meeting. The Board may, in its sole discretion, determine that any annual meeting of stockholders of the Corporation shall not be held at any place, but may instead be held solely by means of remote communication as described in Section 2.11 hereof and in accordance with the General Corporation Law of the State of Delaware (the "DGCL"). At the annual meeting, the stockholders of the Corporation shall elect directors and transact such other business as may properly be brought before the annual meeting. The Board may postpone, reschedule or cancel any annual meeting of stockholders of the Corporation.

SECTION 2.02 Special Meetings. Except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock (as defined in the Corporation's Second Amended and Restated Certificate of Incorporation as then in effect (as the same may be amended and/or restated from time to time, the "Second Amended and Restated Certificate of Incorporation")), special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time only by or at the direction of the Board or the Chairman of the Board; *provided*, *however*, that at any time before the Trigger Event (as defined in the Second Amended and Restated Certificate of Incorporation), special meetings of the stockholders of the Corporation for any purpose or purposes shall also be called by or at the direction of the Board or the Chairman of the Board at the request of the holders of 50% or more of the voting power of all the outstanding shares of Common Stock (as defined in the Second Amended and Restated Certificate of Incorporation). Special meetings of the stockholders of the Corporation may be held at such place, if any, either within or without the State of Delaware, and at such time and date as determined by the Board, the Chairman of the Board, the Chief Executive Officer of the Corporation (the "CEO") and, before the Trigger Event, by or at the direction of the Board, the Chairman of the Board or the CEO at the request of holders of 50% or more of the voting power of all the outstanding shares of Common Stock. The Board may postpone, reschedule or cancel any special meeting of stockholders of the Corporation; *provided*, *however*, that with respect to any special meeting of stockholders of the Corporation previously scheduled at the request of holders of 50% or more of the voting power of all the outstanding shares of Common Stock, the Board shall not postpone, reschedule or cancel such special meeting without the prior written consent of such holders. The Board may, in its sole discretion, determine that any special meeting of stockholders of the Corporation shall not be held at any place, but may instead be held solely by means of remote communication as described in Section 2.11 hereof and in accordance with the DGCL.

SECTION 2.03 Notice of Stockholder Business and Nominations; Form and Requirements of Notice.

(A) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board and the proposal of other business to be considered by the stockholders of the Corporation may be made at an annual meeting of stockholders of the Corporation only (a) pursuant to the Corporation's notice of meeting (or any supplement thereto) delivered pursuant to Section 2.04 hereof; (b) by or at the direction of the Board or any authorized committee thereof; or (c) by any stockholder of the Corporation who is entitled to vote at the meeting, who, subject to Section 2.03(C)(4) hereof, complies with the notice procedures set forth in Sections 2.03(A)(2) and (A)(3) hereof and who is a stockholder of record at the time such notice is delivered to the Secretary of the Corporation (the "Secretary"), on the record date for the determination of stockholders of the Corporation entitled to vote at the annual meeting, and at the time of the annual meeting.

(2) Without qualification, for nominations or other business to be properly brought before an annual meeting by a stockholder of the Corporation pursuant to Section 2.03(A)(1)(c) hereof, the stockholder must have given timely notice thereof in writing to the Secretary, and, in the case of business other than nominations of persons for election to the Board, such other business must constitute a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered to the Secretary at the principal executive offices of the Corporation in writing not later than the Close of Business (as defined below) on the 90th day nor earlier than the Close of Business on the 120th day prior to the first anniversary of the preceding year's annual meeting (which anniversary date shall, for purposes of the Corporation's first annual meeting of stockholders of the Corporation after the shares of its Common Stock, are first publicly traded (the "First Annual Meeting"), be deemed to have occurred on May 6, 2021); *provided*, *however*, that in the event that the date of the annual meeting is more than 30 days before or more than 70 days after the anniversary date of the previous year's meeting, or if no annual meeting was held in the preceding year (other than in connection with the First Annual Meeting), notice by a

stockholder of the Corporation to be timely must be so delivered not earlier than the Close of Business on the 120th day prior to such annual meeting and not later than the Close of Business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which Public Announcement (as defined below) of the date of such meeting is first made. In no event shall the adjournment or postponement of an annual meeting (or the Public Announcement of the adjournment or postponement thereof) commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. For the avoidance of doubt, a stockholder shall not be entitled to make additional or substitute nominations following expiration of the time periods set forth in these Bylaws. Notwithstanding anything in this Section 2.03(A)(2) to the contrary, if the number of directors to be elected to the Board at an annual meeting is increased effective after the time period for which nominations would otherwise be due under this Section 2.03(A)(2) and there is no Public Announcement naming all of the nominees for the additional directorships or specifying the size of the increased Board at least 100 days prior to the first anniversary of the prior year's annual meeting of stockholders of the Corporation, then a stockholder's notice required by this Section 2.03(A)(2) shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it is received by the Secretary at the principal executive offices of the Corporation in writing not later than the Close of Business on the 10th day following the day on which such Public Announcement is first made.

(3) To be in proper form, a stockholder's notice to the Secretary (the stockholder providing such notice, the "Noticing Stockholder") under this Section 2.03(A) must:

(a) as to each person whom the Noticing Stockholder proposes to nominate for election or re-election as a director, set forth or provide (i) the name, age, business address and residence address of such person, (ii) the principal occupation or employment of such person (present and for the past five years), (iii) the class or series and number of shares of the Corporation which are, directly or indirectly, owned beneficially and/or of record by such person (*provided*, *however*, that for purposes of this Section 2.03(A)(3)(a), such person shall in all events be deemed to beneficially own any shares of the Corporation as to which such person has a right to acquire beneficial ownership of at any time in the future), (iv) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest or that is otherwise required pursuant to and in accordance with Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the rules and regulations promulgated thereunder, (v) a complete and accurate description of any current or prior agreements, arrangements and understandings, and any other material relationships between or among the Noticing Stockholder, any beneficial owner on whose behalf the nomination or proposal is made (collectively with the Noticing Stockholder, the "Holders"), any of their respective affiliates and associates within the meaning of Rule 12b-2 under the Exchange Act, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, including all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K (or any successor provision) if any Holder, any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant, (vi) a complete and accurate description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings (whether written or oral) during the past three years, between or among any Holder, any of its affiliates or associates, or others acting in concert therewith, on the one hand, and each nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, (vii) a notarized letter signed by such person stating his or her acceptance of the nomination by the Holder, stating his or her intention to serve as a director for a full term on the Board, if elected, and consenting to being named as a nominee for director in a proxy statement relating to such election, (viii) a completed and signed questionnaire and written representation and agreement, each as may be required by Section 2.03(A)(4) hereof and (ix) all information relating to the nominee that would be required by this Section 2.03(A) to be set forth in a stockholder's notice with respect to a director nomination if such nominee were a stockholder providing notice of a director nomination to be made at the meeting;

(b) as to any business that the Noticing Stockholder proposes to bring before the meeting, set forth or provide (i) a brief description of the business desired to be brought before the meeting, (ii) the text, if any, of the proposal (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Second Amended and Restated Bylaws ("Bylaws") of the Corporation, the language of the proposed amendment), (iii) the reasons for conducting such business at the meeting and any material interest in such business of any Holder and (iv) a complete and accurate description of any current or prior agreements, arrangements and understandings, and any other material relationships between or among the Holders, any of their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the other hand, in connection with the proposal of such business by such Noticing Stockholder, including all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K (or any successor provision) if any Holder, any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant; and

(c) as to the Holders, set forth (i) the name and address of the Noticing Stockholder as they appear on the Corporation's books, (ii) the name and address of all other Holders, if any, (iii) the class or series and number of shares of the Corporation that are, directly or indirectly, owned beneficially and/or of record by each Holder (*provided*, *however*, that for purposes of this Section 2.03(A)(3)(c), any such person shall in all events be deemed to beneficially own any shares of the Corporation as to which such person has a right to acquire beneficial ownership of at any time in the future), any person controlling, directly or indirectly, or acting in concert with, any Holder and any person controlled by or under common control with any Holder, (iv) the Ownership Information (as defined below) for each Holder and Stockholder Associated Person (as defined below), (v) a representation by the Noticing Stockholder that the Noticing Stockholder is a stockholder of record of the Corporation entitled to vote at the meeting, will continue to be a stockholder of record of the Corporation entitled to vote at such meeting through the date of such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, (vi) a representation as to whether any Holder intends or is part of a group which intends to (A) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the outstanding shares of the Corporation required to approve or adopt the proposal or elect the nominee and/or (B) otherwise solicit proxies from stockholders of the Corporation in support of such proposal or nomination, (vii) a certification regarding whether each Holder has complied with all applicable federal, state and other legal requirements in connection with its acquisition of shares or other securities of the Corporation and such Holder’s acts or omissions as a stockholder of the Corporation and (viii) the Noticing Stockholder’s representation as to the accuracy of the information set forth in the notice.

The Corporation may also, as a condition to any such nomination or business being deemed properly brought before an annual meeting, request any Holder or proposed nominee to deliver to the Secretary, within five Business Days of any such request, including such other information as may be reasonably requested by the Corporation, including, without limitation, such other information as may be reasonably required by the Board, in its sole discretion, to determine (i) the eligibility of a proposed nominee to serve as a director of the Corporation, (ii) whether such nominee qualifies as an “independent director” or “audit committee financial expert” under applicable law, securities exchange rule or regulation, or any publicly disclosed corporate governance guideline or committee charter of the Corporation and (iii) such other information that the Board determines, in its sole discretion, could be material to a reasonable stockholder’s understanding of the independence, or lack thereof, of such nominee.

A Noticing Stockholder shall further update and supplement its notice of any nomination or other business proposed to be brought before a meeting, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.03 shall be true and correct (i) as of the record date for the meeting and (ii) as of the date that is 10 business days prior to the meeting or any adjournment, recess, rescheduling or postponement thereof and such update and supplement shall be delivered to the Secretary at the principal executive offices of the

Corporation not later than five business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date) and not later than seven business days prior to the date for the meeting, if practicable (or, if not practicable, on the first practicable date prior to the meeting), or any adjournment, recess, rescheduling or postponement thereof (in the case of the update and supplement required to be made as of 10 business days prior to the meeting or any adjournment, recess, rescheduling or postponement thereof).

Notwithstanding the foregoing provisions of this Section 2.03, unless otherwise required by law, if the Noticing Stockholder (or a qualified representative of the Noticing Stockholder) does not appear at the meeting of stockholders of the Corporation and present his or her proposed business or nomination(s), such proposed business will not be transacted and any such nomination will be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.03, to be considered a qualified representative of a stockholder of the Corporation, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder (or a reliable reproduction or electronic transmission of the writing) stating that such person is authorized to act for such stockholder as a proxy at the meeting of stockholders of the Corporation, and such person must produce proof that he or she is a duly authorized officer, manager or partner of such stockholder or such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, as well as valid government-issued photo identification, at the meeting of stockholders of the Corporation.

Notwithstanding anything to the contrary contained in these Bylaws, if the person whom the Noticing Stockholder proposes to nominate for election or re-election as a director pursuant to the notice procedures set forth in Sections 2.03(A)(2) and (A)(3) hereof becomes ineligible or unwilling to serve on the Board, the Noticing Stockholder may not, at the annual meeting for which its notice for nomination has previously been given, propose to nominate any substitute, successor or replacement nominee for election or re-election as a director, unless it gives a new timely notice pursuant to Section 2.03(A).

(d) For purposes of this section, "Ownership Information" means: (i) any option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole in or part from the value of any class or series of shares of the Corporation, whether or not the instrument or right is subject to settlement in the underlying class or series of shares of the Corporation or otherwise (a "Derivative Instrument") that is directly or indirectly owned beneficially by any Holder, Stockholder

Associated Person or proposed nominee and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of any security of the Corporation; (ii) any agreement, arrangement or understanding (including any contract to purchase or sell, acquisition or grant of any option, right or warrant to purchase or sell, swap or other instrument) between any Holder, Stockholder Associated Person, proposed nominee and/or any others acting in concert with any of the foregoing the intent or effect of which may be to transfer to or from any such person, in whole or in part, any of the economic consequences of ownership of any security of the Corporation or to increase or decrease the voting power of any such person or any of such person's affiliates or associates with respect to any security of the Corporation; (iii) any proxy, contract, arrangement, understanding or relationship pursuant to which any Holder, Stockholder Associated Person or proposed nominee has a right to vote or has granted a right to vote any shares of the Corporation; (iv) any short interest held by any Holder, Stockholder Associated Person or proposed nominee presently or within the last 12 months in any shares of the Corporation (for purposes of this Section 2.03, a Holder, Stockholder Associated Person or proposed nominee is deemed to hold a short interest in a security if such Holder, Stockholder Associated Person or proposed nominee, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security); (v) any right to dividends on shares of the Corporation owned beneficially by any Holder, Stockholder Associated Person or proposed nominee that is separated or separable from the underlying shares of the Corporation; (vi) any proportionate interest in shares of the Corporation; (vii) any Derivative Instrument held, directly or indirectly, by a general or limited partnership or limited liability company or similar entity in which any Holder, Stockholder Associated Person or proposed nominee is (a) a general partner or, directly or indirectly, beneficially owns any interest in a general partner, or (b) is the manager or managing member or, directly or indirectly, beneficially owns any interest in the manager or managing member of a limited liability company or similar entity; (vii) any performance-related fees (other than an asset-based fee) that any Holder, Stockholder Associated Person or proposed nominee is entitled to based on any increase or decrease in the value of shares of the Corporation or any Derivative Instrument; (viii) any direct or indirect legal, economic or financial interest (including short interest) of any Holder, Stockholder Associated Person or proposed nominee in the outcome of any vote to be taken at any annual or special meeting of stockholders of the Corporation or any other entity with respect to any matter that is substantially related, directly or indirectly, to any nomination or business proposed by any Holder under this Bylaw and; (ix) any arrangement, right or other interest described in the preceding clauses of this paragraph held by any member of the immediate family of any Holder, Stockholder Associated Person or proposed nominee that shares the same household with such Holder or Stockholder Associated Person. "Stockholder Associated Person" means as to any Holder (x) any person acting in concert with such Holder, (y) any person controlling, controlled by or under common control with such Holder or any of their respective affiliates and associates, or person acting in concert therewith and (z) any member of the immediate family of such Holder or an affiliate or associate of such Holder. As used in these Bylaws, the terms "affiliate(s)" and "associate(s)" shall have the meanings attributed to such terms in Rule 12b-2 under the Exchange Act and the rules and regulations promulgated thereunder.

(4) To be eligible to be a nominee for election or reelection as a director of the Corporation pursuant to this Section 2.03, a proposed nominee must deliver (in the case of nominee nominated by a stockholder of the Corporation pursuant to this Section 2.03, in accordance with the time periods and other requirements prescribed for delivery of notice under these Bylaws and applicable law) to the Secretary at the principal executive offices of the Corporation (i) a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (in the form to be provided by the Secretary upon written request of any stockholder of record identified by name within five Business Days of such written request) and (ii) a written representation and agreement (in the form to be provided by the Secretary upon written request of any stockholder of record identified by name within five Business Days of such written request) that such person (A) is not and will not become a party to (1) any agreement, arrangement or understanding (whether written or oral) with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote in such capacity on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (2) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law, (B) is not and will not become a party to any agreement, arrangement or understanding (whether written or oral) with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director of the Corporation that has not been disclosed to the Corporation, (C) if elected as director of the Corporation, intends to serve for a full term on the Board and (D) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable laws and all applicable rules of the U.S. exchanges upon which the securities of the Corporation are listed and all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and other guidelines of the Corporation duly adopted by the Board.

(B) Special Meetings of Stockholders of the Corporation. Only such business shall be conducted at a special meeting of stockholders of the Corporation as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders of the Corporation at which directors are to be elected pursuant to the Corporation's notice of meeting (1) by or at the direction of the Board or (2) provided that the Board has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is entitled to vote at the meeting, who (subject to Section 2.03(C)(4)) complies with the notice procedures set forth in this Section 2.03 and who is a stockholder of record at the time such notice is delivered to the Secretary at the principal executive offices of the Corporation, on the record date for the determination of stockholders of the Corporation entitled to vote at the special meeting and at the time of the special meeting. In the event that the Corporation calls a special meeting of stockholders of the Corporation for the purpose of electing one or more directors to the Board, unless otherwise required by the Stockholders Agreement, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting if the stockholder's notice as required, if such stockholder's notice for a special meeting were for an annual meeting, by Section 2.03(A)(2) hereof shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the Close of Business on the 120th day prior to such special meeting and not later than the Close of Business on the later of the 90th day prior to such special meeting or the 10th day following the day on which Public Announcement is first made of the date of such special meeting and of the nominees proposed by the Board to be elected at such meeting. In no event shall the adjournment or postponement of a special meeting (or the Public Announcement of the adjournment or postponement thereof) commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(C) General. (1) Except as provided in Section 2.03(C)(4) hereof, only such persons who are nominated in accordance with the procedures set forth in this Section 2.03 shall be eligible to serve as a director and only such business shall be conducted at an annual or special meeting of stockholders of the Corporation as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.03. Except as otherwise provided by law, the Second Amended and Restated Certificate of Incorporation or these Bylaws, the chairman of any meeting of stockholders of the Corporation shall, in addition to making any other determination that may be appropriate for the conduct of the meeting, have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposal or nomination shall be disregarded. The date and time of the opening and the closing of the polls for each matter upon which the stockholders of the Corporation will vote at a meeting shall be announced at the meeting by the chairman of the meeting. After the polls close, no ballots, proxies or votes or any revocations or changes thereto shall be accepted. The Board may adopt by resolution such rules, regulations and procedures for the conduct of the meeting of stockholders of the Corporation as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the chairman of the meeting shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairman of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present; (c) limitations on attendance at or participation in the meeting to stockholders of the Corporation entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; (e) limitations on the time allotted to questions or comments by participants; and (f) restricting the use of cell phones, audio or video recording devices and similar devices at the meeting. Notwithstanding the foregoing provisions of this Section 2.03, unless otherwise required by law, if the Noticing Stockholder (or a qualified representative of the Noticing Stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. Unless and to the extent determined by the Board or the chairman of the meeting, no meeting of stockholders of the Corporation shall be required to be held in accordance with the rules of parliamentary procedure.

(2) Whenever used in these Bylaws, (a) "Public Announcement" shall mean disclosure (i) in a press release issued by the Corporation, provided such press release is issued by the Corporation following its customary procedures, that is reported by the Dow Jones News Service, Associated Press or comparable national news service, or is generally available on internet news sites or (ii) in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder; (b) the "Close of Business" means 5:00 p.m. local time at the Corporation's principal executive offices, and if an applicable deadline falls on the "Close of Business" on a day that is not a Business Day, then the applicable deadline shall be deemed to be the Close of Business on the immediately preceding Business Day; and (c) "Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York City are authorized or obligated by law or executive order to close. Further, "delivery" of any notice or materials by a stockholder as required under this Section 2.03 shall be made by both (1) hand delivery, overnight courier service, or by certified or registered mail, return receipt required, in each case, to the Secretary at the principal executive offices of the Corporation, and (2) electronic mail to the Secretary at the principal executive offices of the Corporation or such other email address for the Secretary as may be specified in the Corporation's proxy statement for the annual meeting of stockholders immediately preceding such delivery of notice or materials.

(3) Notwithstanding the foregoing provisions of this Section 2.03, the Noticing Stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 2.03; *provided, however*, that, to the fullest extent permitted by law, any references in these Bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to these Bylaws (including Sections 2.03 (A)(1)(c) and (B) hereof), and compliance with this Section 2.03 shall be the exclusive means for a stockholder of the Corporation to make nominations or submit other business at any meeting of stockholders of the Corporation (other than business properly brought under and in compliance with Rule 14a-8 of the Exchange Act (or any successor provision)). Nothing in these Bylaws shall be deemed to affect

any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or the rights of the holders of any class or series of stock having a preference over the common stock of the Corporation as to dividends or upon liquidation to elect directors under specified circumstances (including any certificate of designation relating to any series of Preferred Stock (as defined in the Second Amended and Restated Certificate of Incorporation)).

(4) Notwithstanding anything to the contrary contained in this Section 2.03, prior to the Trigger Event, Sponsors (as defined in the Second Amended and Restated Certificate of Incorporation) shall not be subject to the notice procedures set forth in Sections 2.03(A)(2), (A)(3) or (B) hereof with respect to any annual or special meeting of stockholders of the Corporation.

SECTION 2.04 Notice of Meetings. Whenever stockholders of the Corporation are required or permitted to take any action at a meeting, a timely notice in writing or by electronic transmission, in the manner provided in Section 232 of the DGCL, of the meeting, which shall state the place, if any, date and time of the meeting, the means of remote communication, if any, by which stockholders of the Corporation and proxyholders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders of the Corporation entitled to vote at the meeting, if such date is different from the record date for determining stockholders of the Corporation entitled to notice of the meeting, and, in the case of a special meeting, the purposes for which the meeting is called, shall be mailed to or transmitted electronically by the Secretary to each stockholder of record entitled to vote thereat as of the record date for determining the stockholders of the Corporation entitled to notice of the meeting. Unless otherwise provided by law, the Second Amended and Restated Certificate of Incorporation or these Bylaws, the notice of any meeting shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder of the Corporation entitled to vote at such meeting as of the record date for determining the stockholders of the Corporation entitled to notice of the meeting.

SECTION 2.05 Quorum. Unless otherwise required by law, the Second Amended and Restated Certificate of Incorporation, that certain Amended and Restated Stockholders Agreement, to be dated on or about April 29, 2021, among the Corporation and certain of its stockholders (as amended, supplemented or otherwise modified from time to time, the "Stockholder Agreement") or the rules of any stock exchange upon which the Corporation's securities are listed, the holders of record of a majority of the voting power of the issued and outstanding shares of the Corporation entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of stockholders of the Corporation. Notwithstanding the foregoing, where a separate vote by a class or series or classes or series is required, unless otherwise required by the Stockholders Agreement, a majority in voting power of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on that matter. Once a quorum is present at any meeting, it shall not be broken by the subsequent withdrawal of any stockholder of the Corporation.

SECTION 2.06 Voting. Except as otherwise provided by or pursuant to the provisions of the Second Amended and Restated Certificate of Incorporation or the Stockholders Agreement, each stockholder entitled to vote at any meeting of stockholders of the Corporation shall be entitled to one vote for each share of Common Stock held by such stockholder that has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders of the Corporation or to express consent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy in any manner provided by applicable law, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder of the Corporation may revoke any proxy that is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary a written revocation of the proxy or a new proxy bearing a later date. Unless required by the Second Amended and Restated Certificate of Incorporation or applicable law, or determined by the chairman of the meeting to be advisable, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or by such stockholder's proxy, if there be such proxy. When a quorum is present or represented at any meeting, the vote of the holders of a majority of the voting power of the shares of the Corporation present in person or represented by proxy and entitled to vote on the subject matter shall decide any question brought before such meeting, unless the question is one upon which, by express provision of applicable law, of the rules or regulations of any stock exchange applicable to the Corporation, of any regulation applicable to the Corporation or its securities, of the Second Amended and Restated Certificate of Incorporation, of the Stockholders Agreement or of these Bylaws, a different vote is required, in which case such express provision shall govern and control the decision of such question. Notwithstanding anything to the contrary in these Bylaws and subject to the Second Amended and Restated Certificate of Incorporation and the Stockholders Agreement, all elections of directors shall be determined by a plurality of the votes cast in respect of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

SECTION 2.07 Chairman of Meetings. The Chairman of the Board, if one is elected, or, in his or her absence or disability, the CEO, or in the absence of the Chairman of the Board and the CEO, a person designated by the majority of the directors shall be the chairman of the meeting and, as such, shall preside at all meetings of the stockholders of the Corporation.

SECTION 2.08 Secretary of Meetings. The Secretary shall act as secretary at all meetings of the stockholders of the Corporation. In the absence or disability of the Secretary, the chairman of the meeting shall appoint a person to act as secretary at such meetings.

SECTION 2.09 Consent of Stockholders in Lieu of Meeting. Any action required or permitted to be taken at any meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote only in the manner provided in the Second Amended and Restated Certificate of Incorporation and the Stockholders Agreement and in accordance with applicable law.

SECTION 2.10 Adjournment. The chairman of any meeting of stockholders of the Corporation shall have the power to adjourn the meeting from time to time, whether or not a quorum is present. At any meeting of stockholders of the Corporation, if less than a quorum be present, the chairman of the meeting or stockholders of the Corporation holding a majority in voting power of the shares of stock of the Corporation, present in person or by proxy and entitled to vote thereat, shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present. Any business may be transacted at the adjourned meeting that might have been transacted at the meeting originally noticed. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders of the Corporation entitled to vote is fixed for the adjourned meeting, the Board shall fix as the record date for determining stockholders of the Corporation entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders of the Corporation entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date so fixed for notice of such adjourned meeting.

SECTION 2.11 Remote Communication. If authorized by the Board in its sole discretion, and subject to such rules, regulations and procedures as the Board may adopt, stockholders of the Corporation and proxyholders not physically present at a meeting of stockholders of the Corporation may, by means of remote communication:

(A) participate in a meeting of stockholders of the Corporation; and

(B) be deemed present in person and vote at a meeting of stockholders of the Corporation whether such meeting is to be held at a designated place or solely by means of remote communication; *provided*, *however*, that:

(1) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder of the Corporation or proxyholder;

(2) the Corporation shall implement reasonable measures to provide such stockholders of the Corporation and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders of the Corporation, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and

(3) if any stockholder of the Corporation or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

SECTION 2.12 Inspectors of Election. The Corporation may, and shall if required by law, in advance of any meeting of stockholders of the Corporation, appoint one or more inspectors of election, who may be employees of the Corporation, to act at the meeting or any adjournment thereof and to make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders of the Corporation, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (a) ascertain the number of shares of the Corporation outstanding and the voting power of each such share, (b) determine the shares of the Corporation represented at the meeting and the validity of proxies and ballots, (c) count all votes and ballots, (d) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors and (e) certify their determination of the number of shares of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

ARTICLE III

Board of Directors

SECTION 3.01 Powers. Except as otherwise provided in the Second Amended and Restated Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board. The Board may exercise all such authority and powers of the Corporation and do all such lawful acts and things as are not, by the DGCL or the Second Amended and Restated Certificate of Incorporation, directed or required to be exercised or done by the stockholders of the Corporation.

SECTION 3.02 Number and Term; Chairman. Subject to the Second Amended and Restated Certificate of Incorporation and the Stockholders Agreement, the number of directors shall be fixed exclusively by resolution of the Board. The term of each director elected to the Board shall be as set forth in the Second Amended and Restated Certificate of Incorporation. Directors need not be stockholders of the Corporation. The Board shall elect a Chairman of the Board, who shall have the powers and perform such duties as provided in these Bylaws and as the Board may from time to time prescribe. The Chairman of the Board shall preside at all meetings of the Board at which he or she is present. If the Chairman of the Board is not present at a meeting of the Board, the CEO (if the CEO is a director and is not also the Chairman of the Board) shall preside at such meeting, and, if the CEO is not present at such meeting or is not a director, a majority of the directors present at such meeting shall elect one of their members to preside.

SECTION 3.03 Resignations. Any director may resign at any time upon notice given in writing or by electronic transmission to the Board, the Chairman of the Board, the CEO or the Secretary. The resignation shall take effect at the time specified therein, and if no time is specified, at the time of its receipt. The acceptance of a resignation shall not be necessary to make it effective unless otherwise expressly provided in the resignation.

SECTION 3.04 Removal. Directors of the Corporation may be removed in the manner provided in the Second Amended and Restated Certificate of Incorporation, the Stockholders Agreement and applicable law.

SECTION 3.05 Vacancies and Newly-Created Directorships. Except as otherwise provided by applicable law, vacancies occurring in any directorship (whether by death, resignation, retirement, disqualification, removal or other cause) and newly-created directorships resulting from any increase in the number of directors shall be filled in accordance with the Second Amended and Restated Certificate of Incorporation and the Stockholders Agreement. Any director elected to fill a vacancy or newly-created directorship shall hold office until the next election of the class for which such director shall have been chosen and until his or her successor shall be elected and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal.

SECTION 3.06 Meetings. Regular meetings of the Board may be held at such places and times as shall be determined from time to time by the Board, either within or without the State of Delaware. Special meetings of the Board may be called by the CEO of the Corporation or the Chairman of the Board or as provided by the Second Amended and Restated Certificate of Incorporation, and shall be called by the CEO or the Secretary if directed by the Board and shall be at such places and times as they or he or she shall fix. Before the Trigger Event, special meetings of the Board may also be called by holders of 50% or more of the voting power of all the outstanding shares of Common Stock, and shall be at such places and times as such holders shall fix. Notice need not be given of regular meetings of the Board. At least 24 hours before each special meeting of the Board, written notice, notice by electronic transmission or oral notice (either in person or by telephone) of the time, date and place of the meeting shall be given to each director. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting of the Board.

SECTION 3.07 Quorum, Voting and Adjournment. Subject to the Stockholders Agreement, a majority of the total number of directors shall constitute a quorum for the transaction of business at a meeting of the Board. Except as otherwise provided by law, the Second Amended and Restated Certificate of Incorporation, the Stockholders Agreement or these Bylaws, the act of a majority of the directors present at a meeting of the Board at which a quorum is present shall be the act of the Board. In the absence of a quorum, a majority of the directors present thereat may adjourn such meeting to another time and place. Notice of such adjourned meeting need not be given if the time and place of such adjourned meeting are announced at the meeting so adjourned.

SECTION 3.08 Committees; Committee Rules. The Board may, by resolution passed by a majority of the directors, designate one or more committees, each such committee to consist of one or more of the directors of the Corporation. The meetings of any such committee shall be held in compliance with these Bylaws. The Board may designate one or more directors as alternate members of any committee to replace any absent or disqualified member at any meeting of the committee. Any such committee, to the extent provided in the resolution of the Board establishing such committee, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it. Notwithstanding the foregoing, no committee shall have the power or authority of the Board in reference to the following matters: (a) approving or adopting, or recommending to the stockholders of the Corporation, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders of the Corporation for approval or (b) adopting, amending or repealing any Bylaw of the Corporation. All committees of the Board shall keep minutes of their meetings and shall report their proceedings to the Board when requested or required by the Board. Each committee of the Board may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the Board designating such committee or the Stockholders Agreement. Unless otherwise provided in such a resolution or the Stockholders Agreement, (i) the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum for the transaction of business at a meeting of the committee unless the committee shall consist of one or two members, in which event one member shall constitute a quorum and (ii) all matters shall be determined by a majority vote of the members present at a meeting of the committee at which a quorum is present. In the absence of a quorum, a majority of the directors present may adjourn the meeting of the committee to another time and place. Notice of such adjourned meeting need not be given if the time and place of such adjourned meeting are announced at the meeting so adjourned. Unless otherwise provided in such a resolution or the Stockholders Agreement, in the event that a member and that member's alternate, if alternates are designated by the Board, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any such absent or disqualified member, to the extent permitted by applicable law.

SECTION 3.09 Action Without a Meeting. Unless otherwise restricted by the Second Amended and Restated Certificate of Incorporation or the Stockholders Agreement, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting if all members of the Board or any committee thereof, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed in the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form or shall be in electronic form if the minutes are maintained in electronic form.

SECTION 3.10 Remote Meeting. Unless otherwise restricted by the Second Amended and Restated Certificate of Incorporation or the Stockholders Agreement, members of the Board, or any committee designated by the Board, may participate in a meeting by means of conference telephone or other communications equipment in which all persons participating in the meeting can hear each other. Participation in a meeting by means of conference telephone or other communications equipment shall constitute presence in person at such meeting.

SECTION 3.11 Compensation. The Board shall have the authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity.

SECTION 3.12 Reliance on Books and Records. A member of the Board, or a member of any committee designated by the Board shall, in the performance of such person's duties, be fully protected in relying in good faith upon records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of the Corporation's officers or employees, or committees of the Board, or by any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation or the Board.

ARTICLE IV

Officers

SECTION 4.01 Number. Subject to the Stockholders Agreement, the officers of the Corporation shall include a CEO, a President and a Secretary, each of whom shall be elected by the Board and who shall hold office for such terms as shall be determined by the Board and until their successors are elected and qualify or until their earlier death, resignation or removal. In addition, subject to the Stockholders Agreement, the Board may elect one or more Vice Presidents, including one or more Executive Vice Presidents, Senior Vice Presidents, a Treasurer and one or more Assistant Treasurers and one or more Assistant Secretaries, who shall hold their office for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board. Any number of offices may be held by the same person.

SECTION 4.02 Other Officers and Agents. Subject to the Stockholders Agreement, the Board may appoint such other officers and agents as it deems advisable, who shall hold their office for such terms and shall exercise and perform such powers and duties as shall be determined from time to time by the Board. The Board may appoint one or more officers called a Vice Chairman, each of whom does not need to be a member of the Board.

SECTION 4.03 Chief Executive Officer. The CEO, who may also be the President, subject to the determination of the Board, shall have general executive charge, management, and control of the properties and operations of the Corporation in the ordinary course of its business, with all such powers with respect to such properties and operations as may be reasonably incident to such responsibilities. If the Board has not elected a Chairman of the Board or in the absence or inability to act as the Chairman of the Board, the CEO shall exercise all of the powers and discharge all of the duties of the Chairman of the Board, but only if the CEO is a director of the Corporation.

SECTION 4.04 President. The President of the Corporation shall, subject to the powers of the Board, the Chairman of the Board and the CEO, have general charge of the business, affairs and property of the Corporation, and control over its officers, agents and employees. The President shall see that all orders and resolutions of the Board are carried into effect. The President is authorized to execute bonds, mortgages and other contracts requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the Corporation. The President shall have such other powers and perform such other duties as may be prescribed by the Chairman of the Board, the CEO, the Board or as may be provided in these Bylaws. Unless otherwise determined by the Board, the CEO shall be the President of the Corporation.

SECTION 4.05 Vice Presidents. Each Vice President, if any are appointed, of whom one or more may be designated an Executive Vice President or Senior Vice President, shall have such powers and shall perform such duties as shall be assigned to him or her by the CEO or the Board.

SECTION 4.06 Treasurer. The Treasurer shall have custody of the corporate funds, securities, evidences of indebtedness and other valuables of the Corporation and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation. The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board or its designees selected for such purposes. The Treasurer shall disburse the funds of the Corporation, taking proper vouchers therefor. The Treasurer shall render to the CEO and the Board, upon their request, a report of the financial condition of the Corporation. If required by the Board, the Treasurer shall give the Corporation a bond for the faithful discharge of his or her duties in such amount and with such surety as the Board shall prescribe.

In addition, the Treasurer shall have such further powers and perform such other duties incident to the office of Treasurer as from time to time are assigned to him or her by the CEO or the Board.

SECTION 4.07 Secretary. The Secretary shall: (a) cause minutes of all meetings of the stockholders of the Corporation and directors to be recorded and kept properly; (b) cause all notices required by these Bylaws or otherwise to be given properly; (c) see that the minute books, stock books and other nonfinancial books, records and papers of the Corporation are kept properly; and (d) cause all reports, statements, returns, certificates and other documents to be prepared and filed when and as required. The Secretary shall have such further powers and perform such other duties as prescribed from time to time by the CEO or the Board.

SECTION 4.08 Assistant Treasurers and Assistant Secretaries. Each Assistant Treasurer and each Assistant Secretary, if any are appointed, shall be vested with all the powers and shall perform all the duties of the Treasurer and Secretary, respectively, in the absence or disability of such officer, unless or until the CEO or the Board shall otherwise determine. In addition, Assistant Treasurers and Assistant Secretaries shall have such powers and shall perform such duties as shall be assigned to them by the CEO or the Board.

SECTION 4.09 Corporate Funds and Checks. The funds of the Corporation shall be kept in such depositories as shall from time to time be prescribed by the Board or its designees selected for such purposes. All checks or other orders for the payment of money shall be signed by the CEO, a Vice President, the Treasurer or the Secretary or such other person or agent as may from time to time be authorized and with such countersignature, if any, as may be required by the Board.

SECTION 4.10 Contracts and Other Documents. Each of the CEO and the Secretary, or such other officer or officers as may from time to time be authorized by the Board or any other committee given specific authority in the premises by the Board during the intervals between the meetings of the Board, shall have power to sign and execute on behalf of the Corporation deeds, conveyances and contracts and any and all other documents requiring execution by the Corporation.

SECTION 4.11 Ownership of Stock of Another Corporation. Unless otherwise directed by the Board, the CEO, a Vice President, the Treasurer or the Secretary, or such other officer or agent as shall be authorized by the Board, shall have the power and authority, on behalf of the Corporation, to attend and to vote at any meeting of securityholders of any entity in which the Corporation holds securities or equity interests and may exercise, on behalf of the Corporation, any and all of the rights and powers incident to the ownership of such securities or equity interests at any such meeting, including the authority to execute and deliver proxies and consents on behalf of the Corporation.

SECTION 4.12 Delegation of Duties. In the absence, disability or refusal of any officer to exercise and perform his or her duties, the Board may delegate to another officer such powers or duties.

SECTION 4.13 Resignation and Removal. Subject to the Stockholders Agreement, any officer of the Corporation may be removed from office for or without cause at any time by the Board. Any officer may resign at any time in the same manner prescribed under Section 3.03 hereof.

SECTION 4.14 Vacancies. Subject to the Stockholders Agreement, the Board shall have the power to fill vacancies occurring in any office.

SECTION 4.15 Compensation Compensation of all executive officers shall be approved by the Board, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the Corporation; *provided*, *however*, that compensation of all executive officers may be determined by a committee established for that purpose if so authorized by the unanimous vote of the Board.

ARTICLE V

Stock

SECTION 5.01 Shares With Certificates. The shares of stock of the Corporation shall be represented by certificates; *provided*, *however*, that the Board may provide by resolution or resolutions that some or all of any or all classes or series of the Corporation’s stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock in the Corporation represented by certificates shall be entitled to have a certificate signed by, or in the name of the Corporation by, (a) the Chairman of the Board or the Vice Chairman of the Board or, the President or a Vice President and (b) the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary, certifying the number and class of shares of the Corporation owned by such holder. Any or all of the signatures on the certificate may be a facsimile. The Board shall have the power to appoint one or more transfer agents and/or registrars for the transfer or registration of certificates of stock of any class, and may require stock certificates to be countersigned or registered by one or more of such transfer agents and/or registrars.

SECTION 5.02 Shares Without Certificates. If the Board chooses to issue shares of stock without certificates, the Corporation, if required by the DGCL, shall, within a reasonable time after the issuance or transfer of shares without certificates, send the stockholder of the Corporation a written statement of the information required by the DGCL. The Corporation may adopt a system of issuance, recordation and transfer of its shares of stock by electronic or other means not involving the issuance of certificates; *provided*, *however*, that the use of such system by the Corporation is permitted by applicable law.

SECTION 5.03 Transfer of Shares. Shares of stock of the Corporation shall be transferable upon its books by the holders thereof, in person or by their duly authorized attorneys or legal representatives, in the manner prescribed by law, the Second Amended and Restated Certificate of Incorporation and the Stockholders Agreement and in these Bylaws, upon surrender to the Corporation by delivery thereof (to the extent evidenced by a physical stock certificate) to the person in charge of the stock and transfer books and ledgers. Certificates representing such shares, if any, shall be cancelled and new certificates, if the shares are to be certificated, shall thereupon be issued. Shares of the Corporation that are not represented by a certificate shall be transferred in accordance with applicable law. A record shall be made of each transfer. Whenever any transfer of shares shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer if, when the certificates are presented, both the transferor and transferee request the Corporation to do so. The Board shall have power and authority to make such rules and regulations as it may deem necessary or proper concerning the issuance, transfer and registration of certificates for shares of stock of the Corporation.

SECTION 5.04 Lost, Stolen, Destroyed or Mutilated Certificates. A new certificate of stock or uncertificated shares may be issued in the place of any certificate previously issued by the Corporation alleged to have been lost, stolen or destroyed, and the Corporation may, in its discretion, require the owner of such lost, stolen or destroyed certificate, or his or her legal representative, to give the Corporation a bond, in such sum as the Corporation may direct, in order to indemnify the Corporation against any claims that may be made against it in connection therewith. A new certificate or uncertificated shares of stock may be issued in the place of any certificate previously issued by the Corporation that has become mutilated upon the surrender by such owner of such mutilated certificate and, if required by the Corporation, the posting of a bond by such owner in an amount sufficient to indemnify the Corporation against any claim that may be made against it in connection therewith.

SECTION 5.05 List of Stockholders Entitled To Vote. The Corporation shall prepare and make, at least 10 days before every meeting of stockholders of the Corporation, a complete list of the stockholders of the Corporation entitled to vote at the meeting (*provided*, *however*, that if the record date for determining the stockholders of the Corporation entitled to vote is less than 10 days before the date of the meeting, the list shall reflect the stockholders of the Corporation entitled to vote as of the 10th day before the meeting date), arranged in alphabetical order and showing the address of each stockholder of the Corporation and the number of shares registered in the name of each such stockholder. Such list shall be open to the examination of any stockholder of the Corporation, for any purpose germane to the meeting at least 10 days prior to the meeting (a) on a reasonably accessible electronic network (*provided*, *however*, that the information required to gain access to such list is provided with the notice of meeting) or (b) during ordinary business hours at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation of the Corporation. If the meeting is to be held at a place, then a list of stockholders of the Corporation entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder of the Corporation who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder of the Corporation during the whole time of the meeting on a reasonably accessible electronic network and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders of the Corporation entitled to examine the list of stockholders of the Corporation required by this Section 5.05 or to vote in person or by proxy at any meeting of stockholders of the Corporation.

SECTION 5.06 Fixing Date for Determination of Stockholders of Record.

(A) In order that the Corporation may determine the stockholders of the Corporation entitled to notice of any meeting of stockholders of the Corporation or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than 60 nor less than 10 days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders of the Corporation entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders of the Corporation entitled to notice of or to vote at a meeting of stockholders of the Corporation shall be at the Close of Business on the day next preceding the day on which notice is given, or, if notice is waived, at the Close of Business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders of the Corporation shall apply to any adjournment of the meeting; *provided*, *however*, that the Board may fix a new record date for determination of stockholders of the Corporation entitled to vote at the adjourned meeting and in such case shall also fix as the record date for stockholders of the Corporation entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders of the Corporation entitled to vote in accordance herewith at the adjourned meeting.

(B) In order that the Corporation may determine the stockholders of the Corporation entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than 60 days prior to such action. If no such record date is fixed, the record date for determining stockholders of the Corporation for any such purpose shall be at the Close of Business on the day on which the Board adopts the resolution relating thereto.

(C) Unless otherwise restricted by the Second Amended and Restated Certificate of Incorporation or the Stockholders Agreement, in order that the Corporation may determine the stockholders of the Corporation entitled to express consent to corporate action in writing without a meeting, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board and which record date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board. Subject to the provisions of the Second Amended and Restated Certificate of Incorporation and the Stockholders Agreement, any stockholder of record seeking to have the stockholders of the Corporation authorize or take corporate action by written consent shall, by written notice to the Secretary, request that the Board fix a record date, which notice shall include the text of any proposed resolution. If no record date for determining stockholders of the Corporation entitled to express consent to corporate action in writing without a meeting is fixed by the Board, (a) when no prior action of the Board is required by law, the record date for such purpose shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law and (b) if prior action by the Board is required by law, the record date for such purpose shall be at the Close of Business on the day on which the Board adopts the resolution taking such prior action.

SECTION 5.07 Registered Stockholders. Prior to the surrender to the Corporation of the certificate or certificates for a share or shares of stock or notification to the Corporation of the transfer of uncertificated shares with a request to record the transfer of such share or shares, the Corporation may treat the registered owner of such share or shares as the person entitled to receive dividends, to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner of such share or shares. To the fullest extent permitted by law, the Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof.

ARTICLE VI

Notice and Waiver of Notice

SECTION 6.01 Notice. If mailed, notice to stockholders of the Corporation shall be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder of the Corporation at such stockholder’s address as it appears on the records of the Corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders of the Corporation, any notice to stockholders of the Corporation may be given by electronic transmission in the manner provided in Section 232 of the DGCL. Notice shall be deemed to have been given to all stockholders of record who share an address if notice is given in accordance with the “householding” rules set forth in Rule 14a-3(e) under the Exchange Act and Section 233 of the DGCL.

SECTION 6.02 Waiver of Notice. A written waiver of any notice, signed by a stockholder of the Corporation or director, or waiver by electronic transmission by such person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance at any meeting (in person or by remote communication) shall constitute waiver of notice except attendance for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VII

Indemnification

SECTION 7.01 Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (each a "proceeding"), by reason of the fact that he or she is or was a director or an officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, agent or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee, agent or trustee or in any other capacity while serving as a director, officer, employee, agent or trustee, shall be indemnified and held harmless by the Corporation to the fullest extent permitted by Delaware law, as the same exists or may hereafter be amended (but, in the case of any such amendment, if permitted, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; *provided*, *however*, that, except as provided in Section 7.03 hereof with respect to proceedings to enforce rights to indemnification or advancement of expenses or with respect to any compulsory counterclaim brought by such indemnitee, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board.

SECTION 7.02 Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 7.01 hereof, an indemnitee shall also have the right to be paid by the Corporation the expenses (including attorneys' fees) incurred in appearing at, participating in or defending any such proceeding in advance of its final disposition or in connection with a proceeding brought to establish or enforce a right to indemnification or advancement of expenses under this Article VII (which shall be governed by Section 7.03 hereof) (hereinafter an "advancement of expenses"); *provided*, *however*, that, if the DGCL requires or in the case of an advance made in a proceeding brought to establish or enforce a right to indemnification or advancement, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including service to an employee benefit plan) shall be made solely upon delivery to the Corporation of an undertaking (an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "final adjudication") that such indemnitee is not entitled to be indemnified or entitled to advancement of expenses under Sections 7.01 and 7.02 hereof or otherwise.

SECTION 7.03 Right of Indemnitee to Bring Suit. If a claim under Section 7.01 or 7.02 hereof is not paid in full by the Corporation within (a) 60 days after a written claim for indemnification has been received by the Corporation or (b) 20 days after a claim for an advancement of expenses has been received by the Corporation, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim or to obtain advancement of expenses, as applicable. To the fullest extent permitted by law, if successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking or otherwise, the indemnitee shall be entitled to be paid also the expense (including attorneys' fees) of prosecuting or defending such suit. In (a) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that the indemnitee has not met any applicable standard for indemnification set forth in the DGCL and (b) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking or otherwise, the Corporation shall be entitled to recover such expenses upon a final adjudication that the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking or otherwise, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VII or otherwise shall be on the Corporation.

SECTION 7.04 Indemnification Not Exclusive.

(A) The provision of indemnification to or the advancement of expenses and costs to any indemnitee under this Article VII, or the entitlement of any indemnitee to indemnification or advancement of expenses and costs under this Article VII, shall not limit or restrict in any way the power of the Corporation to indemnify or advance expenses and costs to such indemnitee in any other way permitted by law or be deemed exclusive of, or invalidate, any right to which any indemnitee seeking indemnification or advancement of expenses and costs may be entitled under any law, agreement, vote of stockholders of the Corporation or disinterested directors or otherwise, both as to action in such indemnitee's capacity as an officer, director, employee or agent of the Corporation and as to action in any other capacity.

(B) Given that certain jointly indemnifiable claims (as defined below) may arise due to the service of the indemnitee as a director and/or officer of the Corporation at the request of the indemnitee-related entities (as defined below), the Corporation shall be fully and primarily responsible for the payment to the indemnitee in respect of indemnification or advancement of all expenses judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of the Second Amended and Restated Certificate of Incorporation, the Stockholders Agreement or these Bylaws (or any other agreement between the Corporation and such persons) in connection with any such jointly indemnifiable claims, pursuant to and in accordance with the terms of this Article VII, irrespective of any right of recovery the indemnitee may have from the indemnitee-related entities. Any obligation on the part of any indemnitee-related entities to indemnify or advance expenses to any indemnitee shall be secondary to the Corporation's obligation and shall be reduced by any amount that the indemnitee may collect as indemnification or advancement from the Corporation. The Corporation irrevocably waives, relinquishes and releases the indemnitee-related entities from any and all claims against the indemnitee-related entities for contribution, subrogation or any other recovery of any kind in respect thereof. Under no circumstance shall the Corporation be entitled to any right of subrogation or contribution by the indemnitee-related entities and no right of advancement or recovery the indemnitee may have from the indemnitee-related entities shall reduce or otherwise alter the rights of the indemnitee or the obligations of the Corporation hereunder. In the event that any of the indemnitee-related entities shall make any payment to the indemnitee in respect of indemnification or advancement of expenses with respect to any jointly indemnifiable claim, the indemnitee-related entity making such payment shall be subrogated to the extent of such payment to all of the rights of recovery of the indemnitee against the Corporation and the indemnitee shall execute all papers reasonably required and shall do all things that may be reasonably necessary to secure such rights, including the execution of such documents as may be necessary to enable the indemnitee-related entities effectively to bring suit to enforce such rights. Each of the indemnitee-related entities shall be third-party beneficiaries with respect to this Section 7.04(B), entitled to enforce this Section 7.04(B).

For purposes of this Section 7.04(B), the following terms shall have the following meanings:

(1) The term "indemnitee-related entities" means any corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise (other than the Corporation or any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise for which the indemnitee has agreed, on behalf of the Corporation or at the Corporation's request, to serve as a director, officer, employee or agent and which service is covered by the indemnity described herein) from whom an indemnitee may be entitled to indemnification or advancement of expenses with respect to which, in whole or in part, the Corporation may also have an indemnification or advancement obligation.

(2) The term "jointly indemnifiable claims" shall be broadly construed and shall include, without limitation, any action, suit or proceeding for which the indemnitee shall be entitled to indemnification or advancement of expenses from both the indemnitee-related entities and the Corporation pursuant to Delaware law, the Stockholders Agreement, any agreement or Second Amended and Restated Certificate of Incorporation, bylaws, partnership agreement, operating agreement, certificate of formation, certificate of limited partnership or comparable organizational documents of the Corporation or the indemnitee-related entities, as applicable.

SECTION 7.05 Corporate Obligations; Reliance. The rights granted pursuant to the provisions of this Article VII shall vest at the time a person becomes a director or officer of the Corporation and shall be deemed to create a binding contractual obligation on the part of the Corporation to the persons who from time to time are elected as officers or directors of the Corporation and such persons in acting in their capacities as officers or directors of the Corporation or any subsidiary shall be entitled to rely on such provisions of this Article VII without giving notice thereof to the Corporation. Such rights shall continue as to an indemnitee who has ceased to be a director or officer and shall inure to the benefit of the indemnitee’s heirs, executors and administrators. Any amendment, alteration or repeal of this Article VII that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit, eliminate, or impair any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

SECTION 7.06 Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

SECTION 7.07 Indemnification of Employees and Agents of the Corporation. The Corporation may, to the extent authorized by the Board, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article VII with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

ARTICLE VIII

Miscellaneous

SECTION 8.01 Electronic Transmission. For purposes of these Bylaws, “electronic transmission” means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

SECTION 8.02 Corporate Seal. The Board may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary. If and when so directed by the Board or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary or Assistant Treasurer.

SECTION 8.03 Fiscal Year. The fiscal year of the Corporation shall end each year on December 31st of that year, or such other day as the Board may designate.

SECTION 8.04 Section Headings. Section headings in these Bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

SECTION 8.05 Inconsistent Provisions. These Bylaws are subject in all respects to the provisions of the Stockholders Agreement. In the event that any provision of these Bylaws is or becomes inconsistent with any provision of the Second Amended and Restated Certificate of Incorporation, Stockholders Agreement, the DGCL or any other applicable law, such provision of these Bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

SECTION 8.06 SeverabilitySECTION 8.07 . If any provision of these Bylaws shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provision in any other circumstance and of the remaining provisions of these Bylaws and the application of such provision to other persons or entities or circumstances shall not in any way be affected or impaired thereby.

ARTICLE IX

Amendments

SECTION 9.01 Amendments. The Board is authorized to make, repeal, alter, amend and rescind, in whole or in part, these Bylaws without the assent or vote of the stockholders of the Corporation in any manner not inconsistent with the laws of the State of Delaware, the Second Amended and Restated Certificate of Incorporation or the Stockholders Agreement. Before the Trigger Event, the affirmative vote of the holders of a majority in voting power of all the then-outstanding shares of Common Stock entitled to vote thereon shall be required in order for the stockholders of the Corporation to alter, amend, repeal or rescind, in whole or in part, any provision of the Bylaws or to adopt any provision inconsistent therewith; provided that no such alteration, amendment, repeal, rescindment or adoption shall be inconsistent with the provisions of the Stockholders Agreement. Notwithstanding any other provisions of these Bylaws or any provision of law that might otherwise permit a lesser vote of the stockholders of the Corporation, from and after the Trigger Event, in addition to any vote of the holders of any class or series of shares of the Corporation required by the Second Amended and Restated Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock), the Stockholders Agreement, these Bylaws or applicable law, the affirmative vote of the holders of at least 66⅔% in voting power of all the then-outstanding shares of Common Stock entitled to vote thereon shall be required in order for the stockholders of the Corporation to alter, amend, repeal or rescind, in whole or in part, any provision of these Bylaws (including this Section 9.01) or to adopt any provision inconsistent herewith.

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Exhibit 3.6

CERTIFICATE OF AMENDMENT
OF
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
AVEANNA HEALTHCARE HOLDINGS INC.

Aveanna Healthcare Holdings Inc., a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify that:

1. The certificate of incorporation of the Corporation is hereby amended by deleting Section 1 of Article Four in its entirety and replacing it with the following:

> Section 1. Authorized Shares. The Corporation shall have authority to issue a total of 1,012,113,636 shares, which shall be divided into three classes as follows: (i) 1,000,000,000 shares of common stock, par value of $0.01 per share ("Common Stock"), (ii) 7,113,636 shares of Class A Common Stock, par value $0.01 per share ("Class A Common Stock"), and (iii) 5,000,000 shares of initially undesignated Preferred Stock, no par value ("Preferred Stock").
>
> Immediately upon this Certificate of Amendment to Amended and Restated Certificate of Incorporation of the Corporation becoming effective pursuant to the General Corporation Law of the State of Delaware (the "Effective Time"), each share of Class A Common Stock issued and outstanding immediately prior to the Effective Time shall be automatically reclassified and converted into 20.5 shares of Common Stock, subject to the treatment of fractional share interests as described below (the "Reclassification"). Notwithstanding anything to the contrary contained in the Amended and Restated Certificate of Incorporation, no fractional shares of Common Stock shall be issued in connection with the Reclassification. Holders of Class A Common Stock who would otherwise be entitled to receive fractional shares of Common Stock because they hold a number of shares of Class A Common Stock not convertible into a whole number of shares of Common Stock in the Reclassification shall, in lieu of any fractional shares to which the holder would otherwise be entitled, be paid by the Corporation an amount of cash equal to such fraction multiplied by the then fair market value of a share of Common Stock, as determined by the Board of Directors. For such purpose, all shares of Class A Common Stock held by each holder of Class A Common Stock shall be aggregated, and any resulting fractional share of Common Stock shall be paid in cash. Any stock certificate that, immediately prior to the Effective Time, represented shares of Class A Common Stock shall, from and after the Effective Time, automatically and without the necessity of presenting the same for exchange, represent that number of shares of Common Stock as equals the product obtained by multiplying the number of shares of Class A Common Stock represented by such certificate immediately prior to the Effective Time by 20.5, subject to the treatment of fractional shares as described above.

2. The certificate of incorporation of the Corporation is hereby amended by deleting Section 3 of Article Four in its entirety.

3. The foregoing amendment was duly adopted in accordance with the provisions of Section 242 and 228 (by written consent of the stockholders) of the General Corporation Law of the State of Delaware.

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IN WITNESS WHEREOF, the undersigned has caused this Certificate of Amendment of Amended and Restated Certificate of Incorporation to be executed and acknowledged on this 19th day of April, 2021.

AVEANNA HEALTHCARE HOLDINGS INC.

By: /s/ Tony Strange
Name: Tony Strange
Title: Chief Executive Officer

Exhibit 4.4

AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT

THIS AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT (this "Agreement") is made as of [•], 2021 (the "Effective Date"), by and among (i) Aveanna Healthcare Holdings Inc., a Delaware corporation (the "Company"), (ii) each of the sponsors listed on the Schedule of Sponsors attached hereto, as such schedule may be updated from time to time in accordance with the terms of this Agreement (the "Sponsors"), (iii) each of the executives listed on the Schedule of Executives attached hereto, as such schedule may be updated from time to time in accordance with the terms of this Agreement (the "Executives") and (iv) each Person listed on the Schedule of Other Investors attached hereto, as such schedule may be updated from time to time in accordance with the terms of this Agreement (collectively, the "Other Investors"). The Sponsors, the Executives and the Other Investors are collectively referred to as the "Stockholders" and each individually as a "Stockholder." Except as otherwise specified herein, all capitalized terms used in this Agreement are defined in Section 1.

WHEREAS, the Company and the Stockholders are party to that certain Registration Rights Agreement, dated as of March 16, 2017 (as amended, the "Original Agreement");

WHEREAS, simultaneously with the execution of this agreement, the Company has conducted an underwritten IPO (as defined herein) of shares of Common Stock (as defined herein); and

WHEREAS, in accordance with and pursuant to Section 13(a) of the Original Agreement, the Company and the Stockholders desire to amend and restate the Original Agreement in its entirety pursuant to Section 13(a) of the Original Agreement for the purpose of providing for certain registration rights to the Stockholders upon and after the consummation of the IPO.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

Section 1. Definitions. Unless otherwise defined elsewhere in this Agreement, capitalized terms contained herein have the meanings set forth below.

"Acquired Shares" has the meaning set forth in Section 9.

"Affiliate" of any Person means any other Person controlled by, controlling or under common control with such Person and in the case of an individual, also includes any member of such individual's Family Group; provided that the Company and its Subsidiaries shall not be deemed to be Affiliates of any holder of Registrable Securities. As used in this definition, "control" (including, with its correlative meanings, "controlling," "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities, by contract or otherwise). With respect to any Person who is an individual, "Affiliates" shall also include, without limitation, any member of such individual's Family Group.

"Agreement" has the meaning set forth in the preamble.

"Applicable Approving Party" means (i) if both the Bain Holders and the Whitney Holders are participating in the applicable offering, the Majority Bain Holders and the Majority Whitney Holders, (ii) if only one Sponsor is participating in the applicable offering, such participating Sponsor, or (iii) if neither the Whitney Holders nor the Bain Holders are participating in the applicable offering, the holders of a majority of the Registrable Securities participating in the applicable offering.

"Automatic Shelf Registration Statement" has the meaning set forth in Section 2(a).

"Bain Holders" means (i) Bain Capital Fund XI, L.P., BCIP Associates IV (US), L.P., BCIP Associates IV-B (US), L.P., BCIP T Associates IV (US), L.P., BCIP T Associates IV-B (US), L.P., Randolph Street Investment Partners, L.P. – 2016 DIF, Squam Lake Investors XI, L.P., Bain & Company, Inc., Wayne DeVeydt and each of their affiliates and their Permitted Transferees that acquires Stockholder Shares and becomes a Stockholder under the Stockholders Agreement and (ii) any other Person advised, managed or sub-advised by Bain Capital Private Equity, LP that becomes a holder of Registrable Securities hereunder. Unless otherwise agreed by the Majority Bain Holders, any consent, approval, election or action taken or contemplated to be taken by the Bain Holders pursuant to this Agreement shall be taken by the Majority Bain Holders at such time.

"Block Trade" means any non-marketed underwritten takedown offering taking the form of a bought deal or block sale to a financial institution.

"Business Day" means a day that is not a Saturday or Sunday or a day on which banks in New York City are authorized or requested by law to close.

"Capital Stock" means (i) with respect to any Person that is a corporation, any and all shares, interests or equivalents in capital stock of such corporation (whether voting or nonvoting and whether common or preferred) and (ii) with respect to any Person that is not a corporation, individual or governmental entity, any and all partnership, membership, limited liability company or other equity interests of such Person that confer on the holder thereof the right to receive a share of the profits and losses of, or the distribution of assets of, the issuing Person, including in each case any and all warrants, rights (including conversion and exchange rights) or options to purchase any of the foregoing.

"Charitable Gifting Event" means any transfer by a Sponsor, or any subsequent transfer by such holder's members, partners or other employees, in connection with a bona fide gift to any Charitable Organization on the date of, but prior to, the execution of the underwriting agreement entered into in connection with any underwritten offering.

"Charitable Organization" means a charitable organization as described by Section 501(c)(3) of the Internal Revenue Code of 1986, as in effect from time to time.

"Common Stock" means the Company's Common Stock, par value $0.01 per share.

"Company" has the meaning set forth in the preamble to this Agreement and shall include its successor(s).

"Company-Paid Long-Form Registrations" has the meaning set forth in Section 2(b).

"Demand Registrations" has the meaning set forth in Section 2(a).

"End of Suspension Notice" has the meaning set forth in Section 2(g)(ii).

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, or any successor federal law then in force, together with all rules and regulations promulgated thereunder.

"Executive Registrable Securities" means (i) any Common Stock held as of the date hereof or purchased after the date hereof, or acquired hereafter through employee equity grants or the exercise of employee options or warrants to acquire such Common Stock or other securities convertible or exchangeable into such Common Stock, by the management employees of the Company and any Subsidiaries who are or become parties to this Agreement and (ii) any common Capital Stock of the Company or any Subsidiary of the Company issued or issuable with respect to the securities referred to in clause (i) above by way of dividend, distribution, split or combination of securities, or any recapitalization, merger, consolidation or other reorganization.

"Executives" has the meaning set forth in the preamble to this Agreement and means those officers, executives and employees of, and other service providers to, the Company and its subsidiaries who acquire or are granted shares of the Company's Common Stock and become a party to this Agreement.

"Family Group" means, with respect to a Person who is an individual, (i) such individual's spouse and descendants (whether natural or adopted) (collectively, for purposes of this definition, "relatives"), (ii) such individual's executor or personal representative, (iii) any trust, the trustee of which is such individual or such individual's executor or personal representative and which at all times is and remains solely for the benefit of such individual and/or such individual's relatives, (iv) any corporation, limited partnership, limited liability company or other tax flow-through entity the governing instruments of which provide that such individual or such individual's executor or personal representative shall have the exclusive, nontransferable power to direct the management and policies of such entity and of which the sole record and beneficial owners of stock, partnership interests, membership interests or any other equity interests are limited to such individual, such individual's relatives and/or the trusts described in clause (iii) above, and (v) any retirement plan for such individual.

"FINRA" means the Financial Industry Regulatory Authority.

"Follow-On Holdback Period" has the meaning set forth in Section 4(a)(ii).

"Free Writing Prospectus" means a free-writing prospectus, as defined in Rule 405.

"Holdback Period" has the meaning set forth in Section 4(a)(i).

"Indemnified Parties" has the meaning set forth in Section 7(a).

"Initiating Sponsor" has the meaning set forth in Section 2(e).

"IPO" means the initial underwritten Public Offering consummated by the Company that resulted in shares of Common Stock that were sold in such Public Offering being listed on the NASDAQ Stock Market.

"Investment Agreements" means those certain Subscription Agreements, by and between the Company, on the one hand, and the Sponsors on the other hand.

"Joinder" has the meaning set forth in Section 9.

"Long-Form Registrations" has the meaning set forth in Section 2(a).

"Major Sponsor" has the meaning set forth in the Stockholders Agreement.

"Majority Bain Holders" has the meaning set forth in Section 2(a).

"Majority Whitney Holders" has the meaning set forth in Section 2(a).

"Other Investor Registrable Securities" means, irrespective of which Person actually holds such securities, (i) any Common Stock issued or distributed (directly or indirectly and including deemed ownership as set forth in the definition of Registrable Securities) to the Other Investors or any of their respective Affiliates and (ii) any common Capital Stock of the Company or any Subsidiary of the Company issued or issuable with respect to the securities referred to in clause (i) above by way of dividend, distribution, split or combination of securities, or any recapitalization, merger, consolidation or other reorganization.

"Other Investors" has the meaning set forth in the preamble to this Agreement.

"Permitted Transferees" has the meaning set forth in the Stockholders Agreement.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Piggyback Registrations" has the meaning set forth in Section 3(a).

"Public Offering" means any sale or distribution by the Company, one of its Subsidiaries and/or holders of Registrable Securities to the public of Common Stock or other securities convertible into or exchangeable for Common Stock pursuant to an offering registered under the Securities Act.

"Registrable Securities" means Sponsor Registrable Securities, Executive Registrable Securities and Other Investor Registrable Securities. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when they have been (a) sold or distributed pursuant to a Public Offering, (b) sold in compliance with Rule 144 following the consummation of the IPO or (c) repurchased by the Company or a Subsidiary of the Company. For purposes of this Agreement, a Person shall be deemed to be a holder of Registrable Securities, and the Registrable Securities shall be deemed to be in existence, whenever such Person has the right to acquire, directly or indirectly, such Registrable Securities (upon redemption, exchange, conversion or exercise in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected, and such Person shall be entitled to exercise the rights of a holder of Registrable Securities hereunder; provided a holder of Registrable Securities may only request that Registrable Securities in the form of Common Stock be registered pursuant to this Agreement. Notwithstanding the foregoing, following the consummation of the IPO, any Registrable Securities (i) held by any Person (other than a Sponsor, its Affiliates or its Permitted Transferees) that may be sold under Rule 144 without volume limitations or other restrictions (as determined by the Company) and (ii) held by any Sponsor, its Affiliate or its Permitted Transferee who beneficially owns (collectively amongst such Sponsor and its Affiliates and Permitted Transferees) less than 1% of the outstanding Registrable Securities and whose Registrable Securities may be sold under Rule 144 without volume limitations or other restrictions (as determined by the Company) shall, in each case, not be deemed to be Registrable Securities.

"Registration Expenses" has the meaning set forth in Section 6(a).

"Resale Shelf Registration" has the meaning set forth in Section 2(d).

"Rule 144", "Rule 144A", "Rule 158", "Rule 405", "Rule 415", "Rule 430B", "Rule 462" and "Regulation S" mean, in each case, such rule promulgated under the Securities Act (or any successor provision) by the Securities and Exchange Commission, as the same shall be amended from time to time, or any successor rule then in force.

"Sale of the Company" has the meaning set forth in the Stockholders Agreement.

"Sale Transaction" has the meaning set forth in Section 4(a)(i).

"Securities" has the meaning set forth in Section 4(a)(i).

"Securities Act" means the Securities Act of 1933, as amended from time to time, or any successor federal law then in force, together with all rules and regulations promulgated thereunder.

"Shelf Participant" means any holder of Registrable Securities listed as a potential selling stockholder in connection with the Resale Shelf Registration or any other Shelf Registration or any such holder that could be added to such Resale Shelf Registration or other Shelf Registration without the need for a post-effective amendment thereto or added by means of an automatic post-effective amendment thereto.

"Shelf Registration" has the meaning set forth in Section 2(c).

"Short-Form Registrations" has the meaning set forth in Section 2(a).

"Sponsor Registrable Securities" means, irrespective of which Person actually holds such securities, (i) any Common Stock issued pursuant to the Investment Agreements or otherwise issued or distributed (directly or indirectly and including deemed ownership set forth in the definition of Registrable Securities) to the Sponsors or any of their respective Affiliates, (ii) any common Capital Stock of the Company or any Subsidiary of the Company issued or issuable with respect to the securities referred to in clause (i) above by way of dividend, distribution, split or combination of securities, or any recapitalization, merger, consolidation or other reorganization, and (iii) any other Common Stock held by Persons holding securities described in clauses (i) or (ii) above.

"Sponsors" has the meaning set forth in the preamble to this Agreement.

"Stockholder Shares" has the meaning set forth in the Stockholders Agreement.

"Stockholders Agreement" means the Amended and Restated Stockholders Agreement, dated as of [•], 2021, by and among the Company, the Sponsors and certain other stockholders of the Company signatory thereto, as it may be amended from time to time in accordance with its terms.

"Subsidiary" means, with respect to the Company, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by the Company or one or more of the other Subsidiaries of the Company or a combination thereof, or (ii) if a limited liability company, partnership, association or other business entity, a majority of the limited liability company, partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by the Company or one or more Subsidiaries of the Company or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control the managing director or general partner of such limited liability company, partnership, association or other business entity.

"Suspension Event" has the meaning set forth in Section 2(g)(ii).

"Suspension Notice" has the meaning set forth in Section 2(g)(ii).

"Suspension Period" has the meaning set forth in Section 2(g)(i).

"Takedown Demand" has the meaning set forth in Section 2(e).

"Violation" has the meaning set forth in Section 7(a).

"Whitney Holders" means J.H. Whitney VII, L.P., JHW Iliad Holdings II LLC, PSA Healthcare Investment Holding LLC, JHW Iliad Holdings LLC and PSA Iliad Holdings LLC (in each case of JHW Iliad Holdings II LLC, PSA Healthcare Investment Holding LLC, JHW Iliad Holdings LLC and PSA Iliad Holdings LLC, which shall at all times be controlled by funds and investment vehicles managed by J.H. Whitney Capital Partners, LLC) and each of their affiliates and their Permitted Transferees that acquires Stockholder Shares and becomes a Stockholder hereunder and (ii) any other Person advised, managed or sub-advised by J.H. Whitney Capital Partners, LLC that becomes a holder of Registrable Securities hereunder. Unless otherwise agreed by the Majority Whitney Holders, any consent, approval, election or action taken or contemplated to be taken by the Whitney Holders pursuant to this Agreement shall be taken by the Majority Whitney Holders at such time.

"WKSI" means a "well-known seasoned issuer" as defined under Rule 405.

Section 2. Demand Registrations.

(a) Requests for Registration. Each of (i) the holders of (x) a majority of the Registrable Securities held by the Whitney Holders at any time and from time to time (the "Majority Whitney Holders") or (y) a majority of the Registrable Securities held by the Bain Holders at any time and from time to time (the "Majority Bain Holders") may, in each case provided that the Sponsor making such request holds greater than 2% of the total Registrable Securities of the Company, request registration under the Securities Act of all or any portion of their Registrable Securities on Form S-1 or any similar long-form registration ("Long-Form Registrations"), and may request registration under the Securities Act of all or any portion of their Registrable Securities on Form S-3 (including pursuant to Rule 415) or any similar short-form registration statement, including an automatic shelf registration statement (as defined in Rule 405) (an "Automatic Shelf Registration Statement"), if available to the Company ("Short-Form Registrations"); provided that any Demand Registration (as defined below) initiated within the first two years immediately following the consummation of the IPO shall require the prior written consent of the Coordination Committee (as defined in the Stockholders Agreement). All registrations requested pursuant to this Section 2(a) are referred to herein as "Demand Registrations". Each request for a Demand Registration shall specify the approximate number or dollar value of Registrable Securities requested to be registered by the requesting Holders and (if known) the intended method of distribution; provided that no request for a Demand Registration may specify a number of Registrable Securities that is less than 2% of the total outstanding Registrable Securities of the Company as of such date. Within five days after receipt of any such request, the Company shall give written notice of the Demand Registration to all other holders of Registrable Securities and, subject to the terms of Section 2(f), shall include in such Demand Registration (and in all related registrations and qualifications under state blue sky laws and in any related underwriting) all Registrable Securities with respect to which the Company has received written requests for inclusion therein within five days after the receipt of the Company's notice; provided that, with the prior written consent of the Majority Whitney Holders and the Majority Bain Holders, the Company may provide notice of the Demand Registration to all other holders of Registrable Securities within three business days following the non-confidential filing of the registration statement with respect to the Demand Registration so long as such registration statement is not an Automatic Shelf Registration Statement. Each holder of Registrable Securities agrees that such holder shall treat as confidential the receipt of the notice of Demand Registration and shall not disclose or use the information contained in such notice of Demand Registration without the prior written consent of the Company until such time as the information contained therein is or becomes available to the public generally, other than as a result of disclosure by the holder in breach of the terms of this Agreement.

(b) Long-Form Registrations. (i) The Whitney Holders (collectively) shall be entitled to request pursuant to Section 2(a) an unlimited number of Long-Form Registrations in which the Company shall pay all Registration Expenses whether or not any such Long-Form Registration has become effective (each, a "Company-Paid Long-Form Registration") and (ii) the Bain Holders (collectively) shall be entitled to request pursuant to Section 2(a) an unlimited number of Company-Paid Long Form Registrations; provided that, the aggregate offering value of the Registrable Securities requested to be registered in any Long-Form Registration must equal at least $25,000,000. All Long-Form Registrations shall be underwritten registrations unless otherwise approved by the Applicable Approving Party.

(c) Short-Form Registrations. In addition to the Long-Form Registrations provided pursuant to Section 2(b), the Whitney Holders (collectively) and the Bain Holders (collectively) shall each be entitled to request pursuant to Section 2(a) an unlimited number of Short-Form Registrations in which the Company shall pay all Registration Expenses whether or not any such Short-Form Registration has become effective; provided that the aggregate offering value of the Registrable Securities requested to be registered in any Short-Form Registration must equal at least $25,000,000. Demand Registrations shall be Short-Form Registrations whenever the Company is permitted to use any applicable short form registration and if the managing underwriters (if any) agree to the use of a Short-Form Registration. After the Company has become subject to the reporting requirements of the Exchange Act, the Company shall use its reasonable best efforts to make Short-Form Registrations available for the offer and sale of Registrable Securities and to remain qualified so that Short-Form Registrations continue to be available for such offer and sale. If the Majority Whitney Holders and the Majority Bain Holders request that a Short-Form Registration be filed pursuant to Rule 415 (a "Shelf Registration") and the Company is eligible to do so, the Company shall use its reasonable best efforts to cause the Shelf Registration to be declared effective under the Securities Act as soon as practicable after filing, and, if the Company is a WKSI at the time of any such request, to cause such Shelf Registration to be an Automatic Shelf Registration Statement, and once effective, the Company shall cause the Shelf Registration to remain effective (including by filing a new Shelf Registration, if necessary) for a period ending on the earlier of (i) the date on which all Registrable Securities included in such registration have been sold or distributed pursuant to the Shelf Registration, (ii) the date as of which there are no longer in existence any Registrable Securities covered by the Shelf Registration and (iii) an earlier date agreed to in writing by both the Majority Whitney Holders and the Majority Bain Holders. If for any reason the Company ceases to be a WKSI or becomes ineligible to utilize Form S-3, the Company shall prepare and file with the Securities and Exchange Commission a registration statement or registration statements on such form that is available for the sale of Registrable Securities.

(d) Resale Shelf Registration. Unless the Major Sponsors instruct the Company otherwise in writing prior to such registration statement becoming effective, on the first day of the calendar month immediately following the first anniversary of the consummation of the IPO, or as promptly as practicable thereafter, so long as the Company is then-eligible to use any applicable short-form registration, the Company shall use its reasonable best efforts to cause a registration statement for the sale or distribution by the Sponsors and other holders of Registrable Securities approved by the Majority Whitney Holders and the Majority Bain Holders of all of the Registrable Securities held by such holders on a delayed or continuous basis pursuant to Rule 415, including by way of an underwritten offering, block sale or other distribution plan (the "Resale Shelf Registration"), to be filed and declared effective under the Securities Act, and, if the Company is a WKSI at the time of such Resale Shelf Registration, to cause that such Resale Shelf Registration to be an Automatic Shelf Registration Statement, and once effective, the Company shall cause the Resale Shelf Registration to remain effective (including by filing a new Resale Shelf Registration, if necessary) for a period ending on the earlier of (i) the date on which all Registrable Securities included in such registration have been sold or distributed pursuant to the Resale Shelf Registration, (ii) the date as of which there are no longer in existence any Registrable Securities covered by the Shelf Registration and (iii) an earlier date agreed to in writing by both the Majority Whitney Holders and the Majority Bain Holders. The Company shall pay all Registration Expenses in connection with the Resale Shelf Registration whether or not it has become effective. For the avoidance of doubt, nothing set forth herein shall require the Company to file the Resale Shelf Registration or any Shelf Registration or to keep effective the Resale Shelf Registration or any Shelf Registration at any time during which the Company is ineligible to use any applicable short-form registration; provided that at such time, pursuant to Section 2(c), the Company shall use its reasonable best efforts to become and remain eligible to use Short-Form Registrations and, upon the request of the Majority Whitney Holders or the Majority Bain Holders pursuant to this Section 2, the Company shall prepare and file with the Securities and Exchange Commission a registration statement or registration statements on such form that is available for the sale of the Registrable Securities that were to be otherwise sold or distributed under such Resale Shelf Registration or Shelf Registration.

(e) Shelf Takedowns. At any time when the Resale Shelf Registration or a Shelf Registration is effective and its use has not been otherwise suspended by the Company in accordance with the terms of Section 2(c) or Section 2(d) above, upon a written demand (a "Takedown Demand") by any Whitney Sponsor or Bain Sponsor that is a Shelf Participant holding Registrable Securities at such time (the "Initiating Sponsor"), the Company will facilitate in the manner described in this Agreement a "takedown" of Registrable Securities off of such Resale Shelf Registration or Shelf Registration and the Company shall pay all Registration Expenses in connection therewith; provided that the Company will provide (x) in connection with any non-marketed underwritten takedown offering (other than a Block Trade) or non-underwritten takedown offering, at least two (2) Business Days' notice of such Takedown Demand to each Whitney Sponsor and Bain Sponsor (other than the Initiating Sponsor) and Executives that are a Shelf Participant, (y) in connection with any Block Trade, notice of such Takedown Demand to each Whitney Sponsor and Bain Sponsor (other than the Initiating Sponsor) and Executives that are a Shelf Participant no later than noon Eastern time on the Business Day prior to the requested Takedown Demand and (z) in connection with any marketed underwritten takedown offering, at least five (5) Business Days' notice of such Takedown Demand to each holder of Registrable Securities (other than the Initiating Sponsor) that is a Shelf Participant. In connection with (x) any non-marketed underwritten takedown offering or non-underwritten takedown offering and (y) any marketed underwritten takedown offering, if any Shelf Participants entitled to receive a notice pursuant to the preceding sentence request inclusion of their Registrable Securities (by notice to the Company, which notice must be received by the Company no later than (A) in the case of a non-marketed underwritten takedown offering (other than a Block Trade) or a non-underwritten takedown offering, the Business Day following the date notice is given to such participant, (B) in the case of a Block Trade, by 10:00 p.m. Eastern time on the date notice is given to such participant and (C) in the case of a marketed underwritten takedown offering, three (3) Business Days following the date notice is given to such participant), the Initiating Sponsor and the other Shelf Participants that request inclusion of their Registrable Securities shall be entitled to sell their Registrable Securities in such offering (x) in connection with any non-underwritten takedown offering, on a pro rata basis based on the amount of Registrable Securities owned by all such Shelf Participants requesting to include Registrable Securities in such non-underwritten takedown offering as of the date the Company provided notice of the Takedown Demand to the Shelf Participants pursuant to this Section 2(e) and (y) in connection with any underwritten takedown offering, subject to Section 2(f) below. Each holder of Registrable Securities that is a Shelf Participant agrees that such holder shall treat as confidential the receipt of the notice of a Takedown Demand and shall not disclose or use the information contained in such notice without the prior written consent of the Company until such time as the information contained therein is or becomes available to the public generally, other than as a result of disclosure by the holder in breach of the terms of this Agreement.

(f) Priority on Demand Registrations and Takedown Offerings. The Company shall not include in any Demand Registration any securities which are not Registrable Securities without the prior written consent of the Applicable Approving Party. If a Demand Registration or a takedown offering is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such offering exceeds the number of Registrable Securities and other securities, if any, which can be sold therein without adversely affecting the marketability, proposed offering price, timing or method of distribution of the offering, the Company shall include in such offering prior to the inclusion of any securities which are not Registrable Securities (i) first, the number of Sponsor Registrable Securities and Executive Registrable Securities requested to be included which, in the opinion of such underwriters, can be sold, without any such adverse effect, pro rata among the respective holders thereof on the basis of the amount of Registrable Securities owned by each such holder relative to the total number of Registrable Securities held by all such holders of Sponsor Registrable Securities and Executive Registrable Securities requesting to include Registrable Securities in such Demand Registration or takedown offering as of the date the Company provided written notice of the Demand Registration or Takedown Demand to the holders of Registrable Securities, without distinguishing between holders based on who initially requested such Demand Registration or Takedown Demand or otherwise, and (ii) second, the number of Other Investor Registrable Securities requested to be included which, in the opinion of such underwriters, can be sold, without any such adverse effect, pro rata among the respective holders thereof on the basis of the amount of Registrable Securities owned by each such holder relative to the total number of Registrable Securities held by all such holders of Other Investor Registrable Securities requesting to include Registrable Securities in such Demand Registration or takedown offering as of the date the Company provided written notice of the Demand Registration or Takedown Demand to the holders of Registrable Securities.

(g) Restrictions on Demand Registrations and Takedown Offerings. Any demand for the filing of a registration statement or for a registered offering (including a takedown offering) hereunder will be subject to the constraints of any applicable lock-up arrangements, and any such demand must be deferred until such lock-up arrangements no longer apply.

(i) The Company shall not be obligated to effect any Demand Registration within 120 days after the effective date of a previous Demand Registration or a previous registration in which Registrable Securities were included pursuant to Section 3. The Company may postpone, for up to 60 days from the date of the request (the "Suspension Period"), the filing or the effectiveness of a registration statement for a Demand Registration or suspend the use of a prospectus that is part of the Resale Shelf Registration or any Shelf Registration (and therefore suspend sales of the Registrable Securities included therein) by providing written notice to the holders of Registrable Securities if the Company and the Applicable Approving Party agree that the offer or sale of Registrable Securities (i) would reasonably be expected to have a material adverse effect on any proposal or plan by the Company or any Subsidiary to engage in any material acquisition or disposition of assets or stock (other than in the ordinary course of business) or any material merger, consolidation, tender offer, recapitalization, reorganization, financing or similar transaction involving the Company or (ii) would require the Company to disclose any material nonpublic information which would reasonably be likely to be detrimental to the Company and its Subsidiaries; provided that in such event, the holders of Registrable Securities initially requesting such Demand Registration or Takedown Demand shall be entitled to withdraw such request. The Company may delay or suspend the effectiveness of a Demand Registration or takedown offering pursuant to this Section 2(g)(i) only once in any twelve-month period; provided that, for the avoidance of doubt, the Company may in any event delay or suspend the effectiveness of Demand Registration or takedown offering in the case of an event described under Section 5(a)(vi) to enable it to comply with its obligations set forth in Section 5(a)(vi). The Company may extend the Suspension Period for an additional consecutive 60 days with the consent of the Applicable Approving Party, which consent shall not be unreasonably withheld.

(ii) In the case of an event that causes the Company to suspend the use of the Resale Shelf Registration or any Shelf Registration as set forth in Section 2(g)(i) or pursuant to Section 5(a)(vi) (a "Suspension Event"), the Company shall give a notice to the holders of Registrable Securities registered pursuant to such Resale Shelf Registration or Shelf Registration (a "Suspension Notice") to suspend sales of the Registrable Securities and such notice shall state generally the basis for the notice and that such suspension shall continue only for so long as the Suspension Event or its effect is continuing. A holder of Registrable Securities shall not effect any sales of the Registrable Securities pursuant to such Resale Shelf Registration or Shelf Registration (or such filings) at any time after it has received a Suspension Notice from the Company and prior to receipt of an End of Suspension Notice (as defined below). Each holder of Registrable Securities agrees that such holder shall treat as confidential the receipt of the Suspension Notice and shall not disclose or use the information contained in such Suspension Notice without the prior written consent of the Company until such time as the information contained therein is or becomes available to the public generally, other than as a result of disclosure by such holder in breach of the terms of this Agreement. The holders of Registrable Securities may recommence effecting sales of the Registrable Securities pursuant to the Resale Shelf Registration or Shelf Registration (or such filings) following further written notice to such effect (an "End of Suspension Notice") from the Company, which End of Suspension Notice shall be given by the Company to the holders of Registrable Securities and to such holders' counsel, if any, promptly following the conclusion of any Suspension Event.

(iii) Notwithstanding any provision herein to the contrary, if the Company shall give a Suspension Notice with respect to the Resale Shelf Registration or any Shelf Registration pursuant to this Section 2(g), the Company agrees that it shall extend the period of time during which such Resale Shelf Registration or Shelf Registration shall be maintained effective pursuant to this Agreement by the number of days during the period from the date of receipt by the holders of the Suspension Notice to and including the date of receipt by the holders of the End of Suspension Notice and provide copies of the supplemented or amended prospectus necessary to resume sales, with respect to each Suspension Event; provided that such period of time shall not be extended beyond the date that Common Stock covered by such Resale Shelf Registration or Shelf Registration are no longer Registrable Securities.

(h) Selection of Underwriters. In connection with any Demand Registration, the Applicable Approving Party shall have the right to select the investment banker(s) and manager(s) to administer the offering. If any takedown offering is an underwritten offering, the Applicable Approving Party shall have the right to select the investment banker(s) and manager(s) to administer such takedown offering. In each case, the Applicable Approving Party shall have the right to approve the underwriting arrangements with such investment banker(s) and manager(s) on behalf of all holders of Registrable Securities participating in such offering.

(i) Other Registration Rights. The Company represents and warrants that other than the Stockholders Agreement, it is not a party to, or otherwise subject to, any other agreement granting registration rights to any other Person with respect to any securities of the Company. Except as provided in this Agreement, the Company shall not grant to any Persons the right to request the Company or any Subsidiary to register any Capital Stock of the Company or any Subsidiary, or any securities convertible or exchangeable into or exercisable for such securities, without the prior written consent of the Major Sponsors.

(j) Revocation of Demand Notice or Takedown Notice. At any time prior to the effective date of the Registration Statement relating to a Demand Registration or the "pricing" of any offering relating to a Takedown Demand, the holders of Registrable Securities that requested such Demand Registration or takedown offering may revoke such request for a Demand Registration or takedown offering on behalf of all holders of Registrable Securities participating in such Demand Registration or takedown offering without liability to such holders of Registrable Securities, in each case by providing written notice to the Company; provided that if both Sponsors are participating in such Demand Registration or takedown offering and the non-requesting Sponsor otherwise has the right to make a Demand Registration or takedown offering pursuant to Section 2 and desires to continue to participate in such Demand Registration or takedown offering, then the revocation shall only apply to the requesting Sponsor.

Section 3. Piggyback Registrations.

(a) Right to Piggyback. Whenever the Company proposes to register any of its securities under the Securities Act (other than (i) pursuant to a Demand Registration, in which case the ability of a holder of Registrable Securities to participate in such Demand Registration is addressed by Section 2(a), (ii) pursuant to a Takedown Demand, in which case the ability of a holder of Registrable Securities to participate in such takedown offering is addressed by Section 2(e), (iii) in connection with registrations on Form S-4 or S-8 promulgated by the Securities and Exchange Commission (or any successor or similar forms), (iv) in connection with a registration the primary purpose of which is to register debt securities, or (v) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of Registrable Securities) and the registration form to be used may be used for the registration of Registrable Securities (a "Piggyback Registration"), the Company shall give prompt written notice (and in any event within three Business Days after the public filing of the registration statement relating to the Piggyback Registration) to all holders of Registrable Securities of its intention to effect such Piggyback Registration and, subject to the terms of Section 3(c) and Section 3(d), shall include in such Piggyback Registration (and in all related registrations or qualifications under blue sky laws and in any related underwriting) all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 20 days after delivery of the Company's notice; provided that any such other holder may withdraw its request for inclusion at any time prior to executing the underwriting agreement or, if none, prior to the applicable registration statement becoming effective.

(b) Piggyback Expenses. The Registration Expenses of the holders of Registrable Securities shall be paid by the Company in all Piggyback Registrations, whether or not any such registration became effective.

(c) Priority on Primary Registrations. If a Piggyback Registration is an underwritten primary registration on behalf of the Company, and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without adversely affecting the marketability, proposed offering price, timing or method of distribution of the offering, the Company shall include in such registration (i) first, the securities the Company proposes to sell, (ii) second, the number of Sponsor Registrable Securities and Executive Registrable Securities requested to be included which, in the opinion of such underwriters, can be sold, without any such adverse effect, pro rata among the respective holders thereof on the basis of the amount of Registrable Securities owned by each such holder relative to the total number of Registrable Securities held by all such holders of Sponsor Registrable Securities and Executive Registrable Securities requesting to include Registrable Securities in such registration as of the date the Company provided written notice of the Piggyback Registration to the holders of Registrable Securities, (iii) third, the number of Other Investor Registrable Securities requested to be included which, in the opinion of such underwriters, can be sold, without any such adverse effect, pro rata among the respective holders thereof on the basis of the amount of Registrable Securities owned by each such holder relative to the total number of Registrable Securities held by all such holders of Other Investor Registrable Securities requesting to include Registrable Securities in such registration as of the date the Company provided written notice of the Piggyback Registration to the holders of Registrable Securities, and (iv) fourth, other securities requested to be included in such registration which, in the opinion of the underwriters, can be sold without any such adverse effect.

(d) Priority on Secondary Registrations. If a Piggyback Registration is an underwritten secondary registration on behalf of holders of the Company's securities (it being understood that Demand Registrations and Shelf Registrations (including any related takedown offerings) by or on behalf of holders of Registrable Securities are addressed in Section 2 rather than in this Section 3(d)), and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without adversely affecting the marketability, proposed offering price, timing or method of distribution of the offering, the Company shall include in such registration (i) first, the securities requested to be included therein by the holders initially requesting such registration and the number of Sponsor Registrable Securities and Executive Registrable Securities requested to be included which, in the opinion of such underwriters, can be sold, without any such adverse effect, pro rata among the respective holders thereof on the basis of the amount of securities owned by each such holder relative to the total number of securities held by all such holders initially requesting such registration and holders of Sponsor Registrable Securities and Executive Registrable Securities requesting to include Registrable Securities in such registration as of the date the Company provided written notice of the Piggyback Registration to the holders of Registrable Securities, (ii) second, the number of Other Investor Registrable Securities requested to be included which, in the opinion of such underwriters, can be sold, without any such adverse effect, pro rata among the respective holders thereof on the basis of the amount of Registrable Securities owned by each such holder relative to the total number of Registrable Securities held by all such holders of Other Investor Registrable Securities requesting to include Registrable Securities in such registration as of the date the Company provided written notice of the Piggyback Registration to the holders of Registrable Securities, and (iii) third, other securities requested to be included in such registration which, in the opinion of the underwriters, can be sold without any such adverse effect.

Section 4. Holdback Agreements.

(a) Holders of Registrable Securities. If required by the Applicable Approving Party, each holder of Registrable Securities (in the case of any underwritten Public Offering) shall enter into lock-up agreements with the managing underwriter(s) of such underwritten Public Offering in such form as agreed to by the Applicable Approving Party. In the absence of any such lock-up agreement:

(i) each holder of Registrable Securities agrees that in connection with the Company's IPO, such Person shall not (A) offer, sell, contract to sell, pledge or otherwise dispose of (including sales pursuant to Rule 144), directly or indirectly, any Capital Stock of the Company (including Capital Stock of the Company that may be deemed to be owned beneficially by such Person in accordance with the rules and regulations of the Securities and Exchange Commission) (collectively, "Securities"), (B) enter into a transaction which would have the same effect as described in clause (A) above, (C) enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences or ownership of any Securities, whether such transaction is to be settled by delivery of such Securities, in cash or otherwise (each of (A), (B) and (C) above, a "Sale Transaction"), or (D) publicly disclose the intention to enter into any Sale Transaction, from the date on which the Company gives notice to the holders of Registrable Securities that a preliminary prospectus has been circulated for such IPO to the date that is 180 days following the date of the final prospectus for such IPO (the "Holdback Period"), unless the Applicable Approving Party and the underwriters managing the IPO otherwise agree in writing;

(ii) each holder of Registrable Securities agrees that in connection with all other underwritten Public Offerings other than the IPO, such Person shall not effect any Sale Transaction from the date on which the Company gives notice to the holders of Registrable Securities of the circulation of a preliminary or final prospectus for such Public Offering to the date that is 90 days following the date of the final prospectus for such Public Offering ("Follow-On Holdback Period"), unless, if an underwritten Public Offering, the Applicable Approving Party and the underwriters managing such Public Offering otherwise agree in writing.

The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the restrictions set forth in this Section 4(a) until the end of such period.

(b) The Company. The Company (i) shall not file any registration statement for a Public Offering or cause any such registration statement to become effective, or effect any public sale or distribution of its equity securities, or any securities, options or rights convertible into or exchangeable or exercisable for such securities during any Holdback Period or Follow-On Holdback Period, and (ii) shall use its reasonable best efforts to cause (A) each holder of at least 1% (on a fully-diluted basis) of its Common Stock, or any securities convertible into or exchangeable or exercisable for Common Stock, purchased from the Company at any time after the date of this Agreement (other than in a Public Offering) and (B) each of its directors and executive officers to agree not to effect any Sale Transaction or publicly disclose the intention to enter into any Sale Transaction during any Holdback Period or Follow-On Holdback Period, except as part of such underwritten registration, if otherwise permitted, unless the underwriters managing the Public Offering otherwise agree in writing.

Section 5. Registration Procedures.

(a) Whenever the holders of Registrable Securities have requested that any Registrable Securities be registered pursuant to this Agreement or have initiated a takedown offering, the Company shall use its reasonable best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof, and pursuant thereto the Company shall as expeditiously as possible:

(i) in accordance with the Securities Act and all applicable rules and regulations promulgated thereunder, prepare and file with the Securities and Exchange Commission a registration statement, and all amendments and supplements thereto and related prospectuses, with respect to such Registrable Securities and use its reasonable best efforts to cause such registration statement to become effective (provided that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company shall furnish to the counsel selected by the Applicable Approving Party copies of all such documents proposed to be filed, which documents shall be subject to the review and comment of such counsel);

(ii) notify each holder of Registrable Securities of (A) the issuance by the Securities and Exchange Commission of any stop order suspending the effectiveness of any registration statement or the initiation of any proceedings for that purpose, (B) the receipt by the Company or its counsel of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, and (C) the effectiveness of each registration statement filed hereunder;

(iii) prepare and file with the Securities and Exchange Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period ending when all of the securities covered by such registration statement have been disposed of in accordance with the intended methods of distribution by the sellers thereof set forth in such registration statement (but not in any event before the expiration of any longer period required under the Securities Act or, if such registration statement relates to an underwritten Public Offering, such longer period as in the opinion of counsel for the underwriters a prospectus is required by law to be delivered in connection with sale of Registrable Securities by an underwriter or dealer) and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(iv) furnish, without charge, to each seller of Registrable Securities thereunder and each underwriter, if any, such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus) (in each case including all exhibits and documents incorporated by reference therein), each amendment and supplement thereto, each Free Writing Prospectus and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller (the Company hereby consenting to the use in accordance with all applicable laws of each such registration statement, each such amendment and supplement thereto and each such prospectus (or preliminary prospectus or supplement thereto) or Free Writing Prospectus by each such seller of Registrable Securities and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such registration statement or prospectus);

(v) use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as the lead underwriter or the Applicable Approving Party reasonably request and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller (provided that the Company shall not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subparagraph or (B) consent to general service of process in any such jurisdiction or (C) subject itself to taxation in any such jurisdiction);

(vi) notify in writing each seller of such Registrable Securities (A) promptly after it receives notice thereof, of the date and time when such registration statement and each post-effective amendment thereto has become effective or a prospectus or supplement to any prospectus relating to a registration statement has been filed and when any registration or qualification has become effective under a state securities or blue sky law or any exemption thereunder has been obtained, (B) promptly after receipt thereof, of any request by the Securities and Exchange Commission for the amendment or supplementing of such registration statement or prospectus or for additional information, (C) at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event or of any information or circumstances as a result of which the prospectus included in such registration statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading, and, subject to Section 2(g), at the request of any such seller, the Company shall use its reasonable best efforts to prepare a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading and (D) if at any time the representations and warranties of the Company in any underwriting agreement, securities sale agreement or other similar agreement, relating to the offering shall cease to be true and correct;

(vii) (A) use reasonable best efforts to cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed and, if not so listed, to be listed on a securities exchange and, without limiting the generality of the foregoing, to arrange for at least two market makers to register as such with respect to such Registrable Securities with FINRA and (B) comply (and continue to comply) with the requirements of any self-regulatory organization applicable to the Company, including, without limitation, all corporate governance requirements;

(viii) use reasonable best efforts to provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement;

(ix) enter into and perform such customary agreements (including, as applicable, underwriting agreements in customary form) and take all such other actions as the Applicable Approving Party or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including, without limitation, effecting a stock split, combination of shares, recapitalization or reorganization);

(x) make available for inspection by any seller of Registrable Securities, any underwriter participating in any disposition or sale pursuant to such registration statement and any attorney, accountant or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate and business documents and properties of the Company as shall be necessary to enable them to exercise their due diligence responsibility, and cause the Company's officers, directors, employees, agents, representatives and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement and the disposition of such Registrable Securities pursuant thereto and participate in any due diligence discussions reasonably requested by any selling holder or any underwriter;

(xi) take all reasonable actions to ensure that any Free-Writing Prospectus utilized in connection with any Demand Registration (including any Shelf Registration) or Piggyback Registration hereunder complies in all material respects with the Securities Act, is filed in accordance with the Securities Act to the extent required thereby, is retained in accordance with the Securities Act to the extent required thereby and, when taken together with the related prospectus, prospectus supplement and related documents, shall not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(xii) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the Securities and Exchange Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months beginning with the first day of the Company's first full calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(xiii) permit any holder of Registrable Securities which holder, in its sole and exclusive judgment, might be deemed to be an underwriter or a controlling person of the Company, to participate in the preparation of such registration or comparable statement and to allow such holder to provide language for insertion therein, in form and substance satisfactory to the Company, which in the reasonable judgment of such holder and its counsel should be included;

(xiv) use its reasonable best efforts to (A) make Short-Form registration available for the sale of Registrable Securities and (B) prevent the issuance of any stop order suspending the effectiveness of a registration statement, or the issuance of any order suspending or preventing the use of any related prospectus or suspending the qualification of any Common Stock included in such registration statement for sale in any jurisdiction, and, in the event any such order is issued, use reasonable best efforts to obtain promptly the withdrawal of such order;

(xv) use its reasonable best efforts to cause such Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the sellers thereof to consummate the disposition of such Registrable Securities;

(xvi) cooperate with the holders of Registrable Securities covered by the registration statement and the managing underwriter or agent, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing securities to be sold under the registration statement, or the removal of any restrictive legends associated with any account at which such securities are held, and enable such securities to be in such denominations and registered in such names as the managing underwriter, or agent, if any, or such holders may request;

(xvii) cooperate with each holder of Registrable Securities covered by the registration statement and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with (A) the preparation and filing of applications, notices, registrations and responses to requests for additional information with FINRA, the New York Stock Exchange, Nasdaq or any other national securities exchange on which the shares of common Stock are or are to be listed, (B) any other filings required to be made with FINRA and (C) the performance of any due diligence investigation by any underwriter that is required to be undertaken in accordance with the rules and regulation of FINRA;

(xviii) use its reasonable best efforts to, to the extent required by the rules and regulations of FINRA, retain a Qualified Independent Underwriter (as such term is defined in FINRA Rule 5121(f)(12)) acceptable to the managing underwriter;

(xix) have appropriate officers of the Company prepare and make presentations before rating agencies and take other actions to obtain ratings for any Registrable Securities (if they are eligible to be rated);

(xx) if requested by any underwriter or the Applicable Approving Party, agree, and cause the Company and any directors or officers of the Company to agree, to be bound by customary “lock-up” agreements restricting the ability to dispose of Company securities and file or cause the filing of any registration statement under the Securities Act;

(xxi) if requested by any managing underwriter, include in any prospectus or prospectus supplement updated financial or business information for the Company’s most recent period or current quarterly period (including estimated results or ranges of results) if required for purposes of marketing the offering in the view of the managing underwriter;

(xxii) use its reasonable best efforts to make available the executive officers of the Company to participate with the holders of Registrable Securities and any underwriters in any “road shows,” investor presentations, marketing events and other selling efforts that may be reasonably requested by the holders in connection with the methods of distribution for the Registrable Securities;

(xxiii) in the case of any underwritten offering, use its reasonable best efforts to obtain, and deliver to the underwriter(s), in the manner and to the extent provided for in the applicable underwriting agreement, one or more comfort letters from the Company’s independent public accountants in customary form and covering such matters of the type customarily covered by comfort letters as the Applicable Approving Party reasonably requests;

(xxiv) use its reasonable best efforts to provide (A) a legal opinion of the Company’s outside counsel, dated the effective date of such registration statement addressed to the Company, (B) on the date that such Registrable Securities are delivered to the underwriters for sale in connection with a Demand Registration or Takedown Demand, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the closing date of the applicable sale, (1) one or more legal opinions of the Company’s outside counsel, dated such date, in form and substance as customarily given to underwriters in an underwritten public offering or, in the case of a non-underwritten offering, to the broker, placement agent or other agent of the holders assisting in the sale of the Registrable Securities, (2) one or more "negative assurances letters" of the Company's outside counsel, dated such date, in form and substance as is customarily given to underwriters in an underwritten public offering or, in the case of a non-underwritten offering, to the broker, placement agent or other agent of the holders assisting in the sale of the Registrable Securities, in each case, addressed to the underwriters, if any, or, if requested, in the case of a non-underwritten offering, to the broker, placement agent or other agent of the holders assisting in the sale of the Registrable Securities and (3) customary certificates executed by authorized officers of the Company as may be requested by any holder or any underwriter of such Registrable Securities;

(xxv) cause any officer of the Company to participate fully in the sale process in a manner customary for persons in like positions and consistent with his or her other duties with the Company, including the preparation of the registration statement and the preparation and presentation of any road shows and other investor meetings;

(xxvi) take no direct or indirect action prohibited by Regulation M under the Exchange Act; provided, however, that to the extent that any prohibition is applicable to the Company, the Company will take such action as is necessary to make any such prohibition inapplicable;

(xxvii) if the Company files an Automatic Shelf Registration Statement covering any Registrable Securities, use its reasonable best efforts to remain a WKSI (and not become an ineligible issuer (as defined in Rule 405)) during the period during which such Automatic Shelf Registration Statement is required to remain effective;

(xxviii) if the Company does not pay the filing fee covering the Registrable Securities at the time an Automatic Shelf Registration Statement is filed, pay such fee at such time or times as the Registrable Securities are to be sold;

(xxix) subject to the terms of Section 2(c) and Section 2(d), if an Automatic Shelf Registration Statement has been outstanding for at least three years, at the end of the third year, refile a new Automatic Shelf Registration Statement covering the Registrable Securities, and, if at any time when the Company is required to re-evaluate its WKSI status the Company determines that it is not a WKSI, use its reasonable best efforts to refile the registration statement on Form S-3 and keep such registration statement effective (including by filing a new Resale Shelf Registration or Shelf Registration, if necessary) during the period throughout which such registration statement is required to be kept effective;

(xxx) If requested by the Applicable Approving Party, cooperate with such Applicable Approving Party and with the managing underwriter or agent, if any, on reasonable notice to facilitate any Charitable Gifting Event and to prepare and file with the Securities and Exchange Commission such amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to permit any such recipient Charitable Organization to sell in the underwritten offering it is so elects; and

(xxxi) use reasonable best efforts to take any action requested by the selling holders, including any action described in clauses (i) through (xxx) above to prepare for and facilitate any "over-night deal" or other proposed sale of Registrable Securities over a limited timeframe.

(b) The Company shall not undertake any voluntary act that could be reasonably expected to cause a Violation or result in delay or suspension under Section 5(a)(vi). During any Suspension Period, and as may be extended hereunder, the Company shall use its reasonable best efforts to correct or update any disclosure causing the Company to provide notice of the Suspension Period and to file and cause to become effective or terminate the suspension of use or effectiveness, as the case may be, of the subject registration statement.

(c) If the Company files any Automatic Shelf Registration Statement for the benefit of the holders of any of its securities other than the holders of Registrable Securities, and the Whitney Holders or the Bain Holders do not request that their Registrable Securities be included in such Shelf Registration, the Company agrees that, at the request of the Majority Whitney Holders and/or the Majority Bain Holders, it shall include in such Automatic Shelf Registration Statement such disclosures as may be required by Rule 430B in order to ensure that the Whitney Holders and/or the Bain Holders may be added to such Shelf Registration at a later time through the filing of a prospectus supplement rather than a post-effective amendment. If the Company has filed any Automatic Shelf Registration Statement for the benefit of the holders of any of its securities other than the holders of Registrable Securities, the Company shall, at the request of the Majority Whitney Holders and/or the Majority Bain Holders, file any post-effective amendments necessary to include therein all disclosure and language necessary to ensure that the holders of Registrable Securities may be added to such Shelf Registration.

(d) The Company may require each seller of Registrable Securities as to which any registration is being effected to furnish the Company such information regarding such seller and the distribution of such securities as the Company may from time to time reasonably request in writing.

Section 6. Registration Expenses.

(a) The Company's Obligation. All expenses incident to the Company's performance of or compliance with this Agreement (including, without limitation, all registration, qualification and filing fees, fees and expenses of compliance with securities or blue sky laws, printing expenses, messenger and delivery expenses, fees and disbursements of custodians, and fees and disbursements of counsel for the Company and all independent certified public accountants, underwriters (excluding underwriting discounts and commissions) and other Persons retained by the Company) (all such expenses being herein called "Registration Expenses"), shall be borne by the Company, and, for the avoidance of doubt, the Company shall pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit or quarterly review, the expense of any liability insurance and the expenses and fees for listing the securities to be registered on each securities exchange on which similar securities issued by the Company are then listed. Each Person that sells securities pursuant to a Demand Registration, a Takedown Demand or Piggyback Registration hereunder shall bear and pay all underwriting discounts and commissions and transfer taxes applicable to the securities sold for such Person's account.

(b) Counsel Fees and Disbursements. In connection with each Demand Registration, each Piggyback Registration and each takedown offering that is an underwritten offering in which Whitney Holders and/or Bain Holders participate, the Company shall reimburse each of the Whitney Holders and/or Bain Holders (as applicable) participating in such registration for the reasonable fees and disbursements of one separate counsel and one separate local counsel (if necessary) chosen by each of the Majority Whitney Holders and the Majority Bain Holders (as applicable). In connection with each registration in which neither the Whitney Holders nor the Bain Holders participate, the Company shall reimburse the holders of Registrable Securities included in such registration for the reasonable fees and disbursements of one counsel and one local counsel (if necessary) chosen by the holders of a majority of the Registrable Securities included in such registration for the purpose of rendering a legal opinion on behalf of such holders in connection with any underwritten Demand Registration, takedown offering or Piggyback Registration.

(c) Security Holders. To the extent Registration Expenses are not required to be paid by the Company, each holder of securities included in any registration hereunder shall pay those Registration Expenses allocable to the registration of such holder's securities so included, and any Registration Expenses not so allocable shall be borne by all sellers of securities included in such registration in proportion to the aggregate selling price of the securities to be so registered.

Section 7. Indemnification and Contribution.

(a) By the Company. The Company shall indemnify and hold harmless, to the fullest extent permitted by law and without limitation as to time, each holder of Registrable Securities, such holder's officers, directors employees, agents, fiduciaries, stockholders, managers, partners, members, affiliates, direct and indirect equityholders, consultants and representatives, and any successors and assigns thereof, and each Person who controls such holder (within the meaning of the Securities Act) (the "Indemnified Parties") against all losses, claims, actions, damages, liabilities and expenses (including with respect to actions or proceedings, whether commenced or threatened, and including reasonable attorney fees and expenses) (collectively, "Losses") caused by, resulting from, arising out of, based upon or related to any of the following statements, omissions or violations (each a "Violation") by the Company: (i) any untrue or alleged untrue statement of material fact contained in (A) any registration statement, prospectus, preliminary prospectus or Free-Writing Prospectus, or any amendment thereof or supplement thereto or (B) any application or other document or communication (in this Section 7, collectively called an "application") executed by or on behalf of the Company or based upon written information furnished by or on behalf of the Company filed in any jurisdiction in order to qualify any securities covered by such registration under the "blue sky" or securities laws thereof, (ii) any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading or (iii) any violation or alleged violation by the Company of the Securities Act or any other similar federal or state securities laws or any rule or regulation promulgated thereunder applicable to the Company and relating to action or inaction required of the Company in connection with any such registration, qualification or compliance. In addition, the Company will reimburse such Indemnified Party for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such Losses. Notwithstanding the foregoing, the Company shall not be liable in any such case to the extent that any such Losses result from, arise out of, are based upon, or relate to an untrue statement or alleged untrue statement, or omission or alleged omission, made in such registration statement, any such prospectus, preliminary prospectus or Free-Writing Prospectus or any amendment or supplement thereto, or in any application, in reliance upon, and in conformity with, written information prepared and furnished in writing to the Company by such Indemnified Party expressly for use therein or by such Indemnified Party's failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after the Company has furnished such Indemnified Party with a sufficient number of copies of the same. In connection with an underwritten offering, the Company shall indemnify such underwriters, their officers and directors, and each Person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the Indemnified Parties or as otherwise agreed to in the underwriting agreement executed in connection with such underwritten offering. Such indemnity and reimbursement of expenses shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party and shall survive the transfer of such securities by such seller.

(b) By Each Security Holder. In connection with any registration statement in which a holder of Registrable Securities is participating, each such holder shall furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, shall indemnify the Company, its officers, directors, employees, agents and representatives, and each Person who controls the Company (within the meaning of the Securities Act) against any Losses resulting from any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished in writing by such holder expressly for use therein; provided that the obligation to indemnify shall be individual, not joint and several, for each holder and shall be limited to the net amount of proceeds actually received by such holder from the sale of Registrable Securities pursuant to such registration statement.

(c) Claim Procedure. Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall impair any Person's right to indemnification hereunder only to the extent such failure has prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld, conditioned or delayed). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim. In such instance, the conflicted indemnified parties shall have a right to retain one separate counsel, chosen by the holders of a majority of the Registrable Securities included in the registration if such holders are indemnified parties, at the expense of the indemnifying party.

(d) Contribution. If the indemnification provided for in this Section 7 is held by a court of competent jurisdiction to be unavailable to, or is insufficient to hold harmless, an indemnified party or is otherwise unenforceable with respect to any Loss referred to herein, then the indemnifying party shall contribute to the amounts paid or payable by such indemnified party as a result of such Loss (i) in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of the indemnified party on the other hand in connection with the statements or omissions which resulted in such Loss as well as any other relevant equitable considerations or (ii) if the allocation provided by clause (i) of this Section 7(d) is not permitted by applicable law, then in such proportion as is appropriate to reflect not only such relative fault but also the relative benefit of the Company on the one hand and of the sellers of Registrable Securities and any other sellers participating in the registration statement on the other hand in connection with the statement or omissions which resulted in such Losses, as well as any other relevant equitable considerations; provided that the maximum amount of liability in respect of such contribution shall be limited, in the case of each seller of Registrable Securities, to an amount equal to the net proceeds actually received by such seller from the sale of Registrable Securities effected pursuant to such registration. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just or equitable if the contribution pursuant to this Section 7(d) were to be determined by pro rata allocation or by any other method of allocation that does not take into account such equitable considerations. The amount paid or payable by an indemnified party as a result of the Losses referred to herein shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending against any action or claim which is the subject hereof. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who is not guilty of such fraudulent misrepresentation.

(e) Release. No indemnifying party shall, except with the consent of the indemnified party, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof a release of such indemnified party by the claimant or plaintiff from all liability in respect to such claim or litigation.

(f) Non-exclusive Remedy; Survival. The indemnification and contribution provided for under this Agreement shall be in addition to any other rights to indemnification or contribution that any indemnified party may have pursuant to law or contract (and the Company and its Subsidiaries shall be considered the indemnitors of first resort in all such circumstances to which this Section 7 applies) and shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and shall survive the transfer of Registrable Securities and the termination or expiration of this Agreement.

Section 8. Underwritten Registrations. No Person may participate in any registration hereunder which is underwritten unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements (including, without limitation, pursuant to any over-allotment or "green shoe" option requested by the underwriters; provided that no holder of Registrable Securities shall be required to sell more than the number of Registrable Securities such holder has requested to include) and (ii) completes and executes all questionnaires, powers of attorney, custody agreements, stock powers, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements. Each holder of Registrable Securities shall execute and deliver such other agreements as may be reasonably requested by the Company and the lead managing underwriter(s) that are consistent with such holder's obligations under Section 4, Section 5 and this Section 8 or that are necessary to give further effect thereto. To the extent that any such agreement is entered into pursuant to, and consistent with, Section 4 and this Section 8, the respective rights and obligations created under such agreement shall supersede the respective rights and obligations of the holders, the Company and the underwriters created pursuant to this Section 8.

Section 9. Additional Parties; Joinder.

(a) Subject to the prior written consent of the Majority Whitney Holders and the Majority Bain Holders, the Company may permit any Person who acquires Common Stock or rights to acquire Common Stock from the Company after the date hereof to become a party to this Agreement and to succeed to all of the rights and obligations of a "holder of Registrable Securities" under this Agreement by obtaining an executed joinder to this Agreement from such Person in the form of Exhibit A attached hereto (a "Joinder"). Upon the execution and delivery of a Joinder by such Person, the Common Stock acquired by such Person (the "Acquired Shares") shall be Sponsor Registrable Securities, Executive Registrable Securities or Other Investor Registrable Securities, as determined by the Major Sponsors, such Person shall be a "holder of Registrable Securities" under this Agreement with respect to the Acquired Shares, and the Company shall add such Person's name and address to the appropriate schedule hereto and circulate such information to the parties to this Agreement.

(b) Notwithstanding anything to the contrary contained herein, except in the case of (i) a transfer to the Company, (ii) a transfer by any Sponsor to its limited partners or members following which such limited partners or members will not hold Registrable Securities, (iii) a Public Offering, (iv) a sale pursuant to Rule 144 after the closing of the IPO or (v) a transfer in connection with a Sale of the Company, prior to transferring any Registrable Securities to any Person (including, without limitation, by operation of law), the transferring holder shall cause the prospective transferee to execute and deliver to the Company a Joinder agreeing to be bound by the terms of this Agreement. Any transfer or attempted transfer of any Registrable Securities in violation of any provision of this Agreement or the Stockholders Agreement shall be void, and the Company shall not record such transfer on its books or treat any purported transferee of such Registrable Securities as the owner thereof for any purpose.

Section 10. Current Public Information. The Company covenants that it will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Securities and Exchange Commission thereunder (or, if the Company is not required to file such reports, it will, upon the reasonable request of the Whitney Holders or the Bain Holders, make publicly available such necessary information for so long as necessary to permit sales pursuant to Rule 144, Rule 144A or Regulation S under the Securities Act, as such rules may be amended from time to time), and it will take such further action as the Whitney Holders or the Bain Holders may reasonably request, all to the extent required from time to time to enable the Whitney Holders or the Bain Holders to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144, Rule 144A or Regulation S under the Securities Act, as such rules may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the Securities and Exchange Commission. Upon the reasonable request of any holder of Registrable Securities, the Company will deliver to such holder a written statement as to whether it has complied with such requirements and, if not, the specifics thereof.

Section 11. Trading Windows. The Company shall (i) use its reasonable best efforts to notify the Whitney Holders and the Bain Holders of each "closing" and "opening" date under the trading windows established by the Company's insider trading policy, in each case, at least two Business Days prior to each such date and (ii), at the request of the Whitney Holders or the Bain Holders, confirm to the Whitney Holders and the Bain Holders whether a trading window is open at such time.

Section 12. Subsidiary Public Offering. If, after an initial public offering of the Capital Stock of one of its Subsidiaries, the Company distributes securities of such Subsidiary to its equity holders, then the rights and obligations of the Company pursuant to this Agreement shall apply, *mutatis mutandis*, to such Subsidiary, and the Company shall cause such Subsidiary to comply with such Subsidiary's obligations under this Agreement.

Section 13. Legend. Each certificate evidencing any Registrable Securities and each certificate issued in exchange for or upon the transfer of any Registrable Securities (unless such Registrable Securities would no longer be Registrable Securities after such transfer) shall be stamped or otherwise imprinted with a legend in substantially the following form:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND OTHER PROVISIONS SET FORTH IN AN AMENDED AND RESTATED REGISTRATION RIGHTS AGREEMENT DATED AS OF [•], 2021 AMONG THE ISSUER OF SUCH SECURITIES (THE "COMPANY") AND CERTAIN OF THE COMPANY'S STOCKHOLDERS, AS AMENDED. A COPY OF SUCH REGISTRATION RIGHTS AGREEMENT WILL BE FURNISHED WITHOUT CHARGE BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST."

The Company shall imprint such legend on certificates evidencing Registrable Securities outstanding prior to the date hereof. The legend set forth above shall be removed from the certificates evidencing any securities that have ceased to be Registrable Securities.

Section 14. General Provisions.

(a) Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may be amended, modified or waived only with the prior written consent of each Sponsor holding at least 1% of the outstanding shares of voting Common Stock on a fully-diluted basis; provided that no such amendment, modification or waiver that by its terms would materially and adversely affect a holder or group of holders of Registrable Securities in a manner materially different than any other holder or group of holders of Registrable Securities shall be effective against such holder or group of holders of Registrable Securities without the consent of the holders of a majority of the Registrable Securities that are held by the group of holders that is materially and adversely affected thereby. The failure or delay of any Person to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such Person thereafter to enforce each and every provision of this Agreement in accordance with its terms. A waiver or consent to or of any breach or default by any Person in the performance by that Person of his, her or its obligations under this Agreement shall not be deemed to be a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person under this Agreement. Notwithstanding anything to the contrary herein, no amendment to this Agreement in connection with an additional investment or a new investor shall be deemed to adversely affect any class of Registrable Securities merely because of the addition of such new investor or amendments to account for the addition of such new investor or the terms of such investment, and, for the avoidance of doubt, differences resulting from Stockholders holding different amounts or classes of Registrable Securities will not be deemed disproportionate for any purposes under this Agreement.

(b) Remedies. The parties to this Agreement shall be entitled to enforce their rights under this Agreement by specific performance, injunctive relief and other equitable remedies (without posting a bond or other security or proving insufficiency of damages), to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights existing in their favor. The parties agree and acknowledge that (i) the Company and the Registrable Securities are unique, (ii) a breach of this Agreement would cause substantial and irreparable harm to the Company and the non-breaching parties, (iii) money damages would not be an adequate remedy for any such breach and (iv) in addition to any other rights and remedies existing hereunder, any party shall be entitled to specific performance, other injunctive relief and other equitable remedies from any court of law or equity of competent jurisdiction (without posting any bond or other security or proving insufficiency of damages) in order to enforce or prevent any violation of the provisions of this Agreement.

(c) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited, invalid, illegal or unenforceable in any respect and to any extent under any applicable law or regulation in any jurisdiction, (i) the application of that provision to another Person or circumstances shall not be affected thereby and that provision shall be enforced to the greatest extent permitted by law and (ii) such prohibition, invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement in such jurisdiction or in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such prohibited, invalid, illegal or unenforceable provision had never been contained herein.

(d) Entire Agreement. Except as otherwise provided herein and in the Stockholders Agreement, this Agreement (including all schedules, exhibits and annexes hereto) contains the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties hereto, written or oral, which may have related to the subject matter hereof in any way.

(e) Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Company and its successors and permitted assigns and the holders of Registrable Securities and their respective successors and permitted assigns (whether so expressed or not), so long as such Persons hold Registrable Securities. Except as otherwise set forth herein, the provisions of this Agreement which are for the benefit of purchasers or holders of Registrable Securities are also for the benefit of, and enforceable by, any subsequent holder of Registrable Securities.

(f) Notices. Any notice, demand or other communication to be given under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (i) when delivered personally to the recipient, (ii) when sent to the recipient by confirmed electronic mail or facsimile if sent during normal business hours of the recipient on a Business Day, but if not, then on the next Business Day, (iii) one Business Day after it is sent to the recipient by reputable overnight courier service (charges prepaid) or (iv) 3 Business Days after it is deposited in the U.S. Mail, addressed to the recipient, first-class mail, return receipt requested. Such notices, demands and other communications shall be sent to the Company at the address specified below and to any holder of Registrable Securities or to any other party subject to this Agreement at such address as indicated on Schedule of Sponsors hereto, or at such address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party. Any party may change such party's address for receipt of notice by giving written notice of the change to the sending party as provided herein.

To the Company:

Aveanna Healthcare Holdings Inc.
400 Interstate North Parkway SE
Atlanta, GA 30339
Attention: General Counsel and Chief Legal Officer
Facsimile No.: [•]

with copies (which shall not constitute notice) to the Whitney Holders and the Bain Holders and to:

Greenberg Traurig, P.A.
333 S.E. 2nd Avenue
Suite 4400
Miami, FL 33131
Attention: Drew M. Altman
Facsimile No.: (305) 961-5589
Email: altmand@gtlaw.com

To any Whitney Sponsor:

c/o J.H. Whitney Capital Partners, LLC
130 Main Street
New Canaan, CT 06840
Attention: Robert M. Williams, Jr.
Facsimile No.: (203) 716-6217
Email: rwilliams@whitney.com and
dzatlukal@whitney.com

with a copy (which shall not constitute notice) to:

Dechert LLP
1095 Avenue of the Americas
New York, NY 10036-6797
Attention: Markus Bolsinger
Facsimile No.: (212) 698-3599
Email: markus.bolsinger@dechert.com

To any Bain Sponsor:

c/o Bain Capital Private Equity, LP
200 Clarendon Street
Boston, MA 02116
Attention: Christopher Gordon, Devin O'Reilly, Paul Moskowitz and David Hutchins
Facsimile No.: (617) 516-2010
Email: cgordon@baincapital.com, DOReilly@baincapital.com, pmoskowitz@baincapital.com and dhutchins@baincapital.com

with a copy (which shall not constitute notice) to:

Kirkland & Ellis LLP
300 North LaSalle
Chicago, IL 60654
Attention: Matthew H. O'Brien, P.C. and Christopher R. Elder
Facsimile No.: (312) 862-2200
Email: obrienm@kirkland.com and christopher.elder@kirkland.com

To any other Stockholder:

To the address set forth on the applicable schedule hereto or, if no address is set forth thereon, to the address on file with the Company for such Stockholder,

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party in accordance herewith.

(g) Business Days. If any time period for giving notice or taking action hereunder expires on a day that is not a Business Day, the time period shall automatically be extended to the Business Day immediately following such Saturday, Sunday or legal holiday.

(h) Governing Law. The corporate law of the State of Delaware will govern all issues and questions concerning the relative rights of the Company and its equityholders. All other issues and questions concerning the construction, validity, interpretation and enforcement of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. In furtherance of the foregoing, the internal law of the State of Delaware shall control the interpretation and construction of this Agreement (and all schedules and exhibits hereto), even though under that jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

(i) MUTUAL WAIVER OF JURY TRIAL. AS A SPECIFICALLY BARGAINED FOR INDUCEMENT FOR EACH OF THE PARTIES HERETO TO ENTER INTO THIS AGREEMENT (AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL), EACH PARTY HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY.

(j) CONSENT TO JURISDICTION AND SERVICE OF PROCESS.

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE COURT OF CHANCERY OF THE STATE OF DELAWARE (OR, IF (AND ONLY IF) THE COURT OF CHANCERY OF THE STATE OF DELAWARE DECLINES TO ACCEPT OR DOES NOT HAVE JURISDICTION OVER A PARTICULAR MATTER, THE SUPERIOR COURT OF THE STATE OF DELAWARE OR ANY FEDERAL COURT SITTING IN THE STATE OF DELAWARE) OVER ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT BY ANY PARTY ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS WITH RESPECT TO ANY SUCH SUIT, ACTION OR OTHER PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH COURTS. EACH OF THE PARTIES HERETO FURTHER AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY U.S. REGISTERED MAIL TO SUCH PARTY’S RESPECTIVE ADDRESS SET FORTH IN SECTION 13(F) OR ON THE SCHEDULES HERETO SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING WITH RESPECT TO ANY MATTERS TO WHICH IT HAS SUBMITTED TO JURISDICTION IN THIS SECTION. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT BY ANY PARTY ARISING OUT OF OR RELATING TO THIS AGREEMENT IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE (OR, IF (AND ONLY IF) THE COURT OF CHANCERY OF THE STATE OF DELAWARE DECLINES TO ACCEPT OR DOES NOT HAVE JURISDICTION OVER A PARTICULAR MATTER, THE SUPERIOR COURT OF THE STATE OF DELAWARE OR ANY FEDERAL COURT SITTING IN THE STATE OF DELAWARE) AND HEREBY AND THEREBY FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION, OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(k) No Recourse. Notwithstanding anything to the contrary in this Agreement, the Company and each holder of Registrable Securities agrees and acknowledges that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement, shall be had against any current or future director, officer, employee, agent, general or limited partner or member of any holder of Registrable Securities or of any Affiliate or assignee thereof, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any current or future director, officer, employee, agent, general or limited partner or member of any holder of Registrable Securities or of any Affiliate or assignee thereof, as such, for any obligation of any holder of Registrable Securities under this Agreement or any documents or instruments delivered in connection with this Agreement for any claim based on, in respect of or by reason of such obligations or their creation.

(l) Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The use of the word “including” in this Agreement shall be by way of example rather than by limitation.

(m) No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

(n) Counterparts. This Agreement may be executed in multiple counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same agreement.

(o) Electronic Delivery. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent executed and delivered by means of a photographic, photostatic, facsimile or similar reproduction of such signed writing using a facsimile machine or electronic mail shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or electronic mail to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or electronic mail as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

(p) Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each holder of Registrable Securities shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and the transactions contemplated hereby.

(q) No Inconsistent Agreements. The Company shall not hereafter enter into any agreement with respect to its securities which violates the rights granted to, or is inconsistent with the rights or obligations of, the holders of Registrable Securities in this Agreement.

(r) Dividends, Recapitalizations, Etc. If at any time or from time to time there is any change in the capital structure of the Company by way of a stock split, stock dividend, combination or reclassification, or through a merger, consolidation, reorganization or recapitalization, or by any other means, appropriate adjustment will be made in the provisions hereof so that the rights and privileges granted hereby will continue.

(s) No Third Party Beneficiaries. This Agreement shall be binding on each party hereto solely for the benefit of each other party hereto and nothing set forth in this Agreement, express or implied, shall be construed to confer, directly or indirectly, upon or give to any Person other than the parties hereto from time to time any benefits, rights or remedies under or by reason of, or any rights to enforce or cause the parties hereto to enforce, any provisions of this Agreement.

* * * * *

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

COMPANY:

AVEANNA HEALTHCARE HOLDINGS INC.

By: ____
Name:
Title:

WHITNEY HOLDERS:

PSA HEALTHCARE HOLDING LLC

By: ____________________________________
Name:
Its:

J.H. WHITNEY VII, L.P.

By: ____________________________________
Name:
Its:

JHW ILIAD HOLDINGS LLC

By: ____________________________________
Name:
Its:

PSA ILIAD HOLDINGS LLC

By: ____________________________________
Name:
Its:

BAIN HOLDERS:

BAIN CAPITAL FUND XI, L.P.

By: Bain Capital Investors, LLC
Its: General Partner

By: ____________________________________
Name:
Title:

BCIP ASSOCIATES IV (US), L.P.

By: Bain Capital Investors, LLC
Its: General Partner

By: ____________________________________
Name:
Title:

BCIP ASSOCIATES IV-B (US), L.P.

By: Bain Capital Investors, LLC
Its: General Partner

By: ____________________________________
Name:
Title:

BCIP-T ASSOCIATES IV (US), L.P.

By: Bain Capital Investors, LLC
Its: General Partner

By: ____________________________________
Name:
Title:

BCIP-T ASSOCIATES IV-B (US), L.P.

By: Bain Capital Investors, LLC
Its: General Partner

By: ______________________________
Name:
Title:

RANDOLPH STREET INVESTMENT PARTNERS, L.P. – 2016 DIF

By: Randolph Street Investment Management, LLC
Its: General Partner

By: ______________________________
Name:
Title: General Partner's Manager

SQUAM LAKE INVESTORS XI, L.P.

By: BGPI, Inc., its general partner

By: ______________________________
Name: Bill Doherty
Title: Vice President

BAIN & COMPANY, INC.

By: ______________________________
Name: James P. Spoto
Title: Director, Global Accounting

____
Wayne DeVeydt

SCHEDULE OF SPONSORS

Name and Address

PSA HEALTHCARE HOLDING LLC
JHW ILIAD HOLDINGS LLC
PSA ILIAD HOLDINGS LLC
J.H. WHITNEY VII, L.P.

c/o J.H. Whitney Capital Partners, LLC
130 Main Street
New Canaan, CT 06840
Attention: Robert M. Williams, Jr.
Facsimile No.: (203) 716-6217
Email: rwilliams@whitney.com and
dzatlukal@whitney.com

with a copy (which shall not constitute notice) to:

Dechert LLP
1095 Avenue of the Americas
New York, NY 10036-6797
Attention: Markus Bolsinger
Facsimile No.: (212) 698-3599
Email: markus.bolsinger@dechert.com

BAIN CAPITAL FUND XI, L.P.
BCIP ASSOCIATES IV (US), L.P.
BCIP ASSOCIATES IV-B (US), L.P.
BCIP-T ASSOCIATES IV (US), L.P.
BCIP-T ASSOCIATES IV-B (US), L.P.
RANDOLPH STREET INVESTMENT PARTNERS, L.P. - 2016 DIF

c/o Bain Capital Private Equity, LP
200 Clarendon Street
Boston, MA 02116
Attention: Christopher Gordon, Devin O’Reilly, Paul Moskowitz and David Hutchins
Facsimile No.: (617) 516-2010

with a copy (which shall not constitute notice) to:

Kirkland & Ellis LLP
300 North LaSalle
Chicago, IL 60654
Attention: Matthew H. O’Brien, P.C. and Christopher R. Elder
Facsimile No.: (312) 862-2200

SQUAM LAKE INVESTORS XI, L.P.

c/o Bain & Company, Inc.
131 Dartmouth Street
Boston, MA 02116
Attention: Bill Doherty, Global Investment Services
Facsimile No.: (617) 572-2150

BAIN & COMPANY, INC.

c/o Bain & Company, Inc.
131 Dartmouth Street
Boston, MA 02116
Attention: James Spoto, Global Accounting
Facsimile No.: (617) 572-3172

WAYNE DEVEYDT

9910 Cumberland Road
Fishers, IN 46037

SCHEDULE OF EXECUTIVES

Name and Address

SCHEDULE OF OTHER INVESTORS

Name and Address

EXHIBIT A

REGISTRATION RIGHTS AGREEMENT

JOINDER

The undersigned is executing and delivering this Joinder pursuant to the Amended and Restated Registration Rights Agreement dated as of __________________ (as the same may hereafter be amended, the "Registration Rights Agreement"), among Aveanna Healthcare Holdings Inc., a Delaware corporation (the "Company"), and the other person named as parties therein. Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Registration Rights Agreement.

By executing and delivering this Joinder to the Company, the undersigned hereby agrees to become a party to, to be bound by, and to comply with the provisions of the Registration Rights Agreement as a holder of [Sponsor // Executive // Other Investor] Registrable Securities in the same manner as if the undersigned were an original signatory to the Registration Rights Agreement, and the undersigned's ____ shares of Common Stock shall be included as [Sponsor // Executive // Other Investor] Registrable Securities under the Registration Rights Agreement.

Accordingly, the undersigned has executed and delivered this Joinder as of the ___ day of ____________, ____.

____
Signature of Stockholder

____
Print Name of Stockholder

Address: ________________________
____
____

Agreed and Accepted as of

_____________________.

AVEANNA HEALTHCARE HOLDINGS INC.

By: ______________________

Its: ______________________

Exhibit 4.5

AVEANNA HEALTHCARE HOLDINGS INC.

AMENDED AND RESTATED STOCKHOLDERS AGREEMENT

THIS AMENDED AND RESTATED STOCKHOLDERS AGREEMENT (this "Agreement") is made as of [ ], 2021 (the "Effective Date"), by and among (i) Aveanna Healthcare Holdings Inc., a Delaware corporation (the "Company"), (ii) each of the Sponsors listed on the Schedule of Sponsors attached hereto, as such schedule may be updated from time to time in accordance with the terms of this Agreement, (iii) each of the executives listed on the Schedule of Executives attached hereto, as such schedule may be updated from time to time in accordance with the terms of this Agreement (the "Executives") and (iv) each Person listed on the Schedule of Other Investors attached hereto, as such schedule may be updated from time to time in accordance with the terms of this Agreement (collectively, the "Other Investors"). The Sponsors, the Executives and the Other Investors are collectively referred to as the "Stockholders" and each individually as a "Stockholder." Except as otherwise specified herein, all capitalized terms used herein are defined in Section 1.

WHEREAS, certain of the parties hereto previously entered into that certain Stockholders Agreement, dated March 16, 2017 (as amended pursuant to that certain First Amendment to Stockholders Agreement, dated April 18, 2018, the "Original Agreement") in order to, among other things, establish the composition of the Board and to provide for certain rights and obligations of the stockholders of the Company;

WHEREAS, simultaneously with the execution of this agreement, the Company has conducted an underwritten IPO (as defined herein) of shares of Common Stock (as defined herein);

WHEREAS, in accordance with and pursuant to Section 18(b) of the Original Agreement, the Company and the Sponsors desire to amend and restate the Original Agreement in its entirety to, among other things, provide for certain governance rights and other matters contemporaneously with the consummation of the IPO.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

Section 1. Definitions. Unless otherwise defined elsewhere in this Agreement, capitalized terms contained herein have the meanings set forth below.

"Acquired Shares" has the meaning set forth in Section 7.

"Affiliate" of any Person means any other Person controlled by, controlling or under common control with such Person; provided that the Company and its subsidiaries shall not be deemed to be Affiliates of any Stockholder. As used in this definition, "control" (including, with its correlative meanings, "controlling," "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities, by contract or otherwise). With respect to any Person who is an individual, "Affiliates" shall also include, without limitation, any member of such individual's Family Group.

"Agreement" has the meaning set forth in the preamble.

"Bain Directors" has the meaning set forth in Section 2(a)(ii)(A).

"Bain Employee Director" has the meaning set forth in Section 2(a)(ii)(A).

"Bain Independent Director" has the meaning set forth in Section 2(a)(ii)(A).

"Bain Sponsors" means Bain Capital Fund XI, L.P., BCIP Associates IV (US), L.P., BCIP Associates IV-B (US), L.P., BCIP T Associates IV (US), L.P., BCIP T Associates IV-B (US), L.P., Randolph Street Investment Partners, L.P. – 2016 DIF, Squam Lake Investors XI, L.P., Bain & Company, Inc., Wayne DeVeydt and each of their Permitted Transferees that acquires Stockholder Shares and becomes a Stockholder hereunder and each of their Affiliates that acquires Stockholder Shares and becomes a Sponsor hereunder in accordance with the terms hereof. Unless otherwise agreed by the holder(s) of a majority of the Stockholder Shares collectively held by the Bain Sponsors, any consent, approval, election or action taken or contemplated to be taken by the Bain Sponsors pursuant to this Agreement shall be taken by the holder(s) of a majority of the Stockholder Shares collectively held by the Bain Sponsors at such time.

"Bain XI VCOC" has the meaning set forth in Section 2(a)(ii)(A).

"Bain XI VCOC Director" has the meaning set forth in Section 2(a)(ii)(A).

"Board" has the meaning set forth in the recitals to this Agreement.

"Business Day" means any day that is not a Saturday or Sunday or a legal holiday in the state in which the Company's chief executive office is located or in New York, New York.

"Capital Stock" means (i) with respect to any Person that is a corporation, any and all shares, interests or equivalents in capital stock of such corporation (whether voting or nonvoting and whether common or preferred) and (ii) with respect to any Person that is not a corporation, individual or governmental entity, any and all partnership, membership, limited liability company or other equity interests of such Person that confer on the holder thereof the right to receive a share of the profits and losses of, and/or the distribution of assets of, the issuing Person, including in each case any and all warrants, rights or options to purchase any of the foregoing.

"CEO Director" has the meaning set forth in Section 2(a)(ii)(C).

"Certificate of Incorporation" means that certain Second Amended and Restated Certificate of Incorporation of the Company, dated as of the April 19, 2021, as amended from time to time in accordance with its terms and the terms of this Agreement.

"Common Stock" means the Company's Common Stock, par value $0.01 per share.

"Company" has the meaning set forth in the preamble to this Agreement.

"Company Capital Stock" means the Company's Capital Stock.

"Company Repurchase" means the repurchase of shares of Company Capital Stock by the Company from any officer, director, employee, consultant or other service provider of the Company and/or its subsidiaries upon the termination of employment or service or other event pursuant to the terms of any approved equity incentive plan or any grant agreement thereunder.

"Competitor" means any Person that the Board in good faith determines is a competitor; provided that a financial sponsor who does not have a portfolio company involved in the same or similar business to the Company shall not be a competitor.

"Confidential Information" means confidential and proprietary information and trade secrets of the Company and its subsidiaries; provided, however, that the term "Confidential Information" does not include information that (i) is already in a Person's possession, provided that such information is not subject to another confidentiality agreement with or other obligation of secrecy to any Person, (ii) is or becomes generally available to the public other than as a result of a disclosure, directly or indirectly, by a party or a party's representatives in violation of this Agreement or another confidentiality agreement with or obligation of secrecy to any Person or (iii) is or become available to a party on a non-confidential basis from a source other than any of the parties hereto or any of their respective representatives; provided, that such source is not known by such party to be bound by a confidentiality agreement with or other obligation of secrecy to any Person.

"Coordination Committee" has the meaning set forth in Section 8.

"Coordination Period" shall mean the first 2 years following the consummation of the IPO.

"Credit Facilities" means (i) that certain First Lien Credit Agreement, dated as of March 16, 2017 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Aveanna Healthcare Intermediate Holdings LLC (f/k/a BCPE Eagle Intermediate Holdings, LLC), a Delaware limited liability company, Aveanna Healthcare LLC (f/k/a BCPE Eagle Buyer LLC), a Delaware limited liability company, the lending institutions from time to time party thereto, Barclays Bank PLC, as the Administrative Agent, the Collateral Agent, a Letter of Credit Issuer and a Lender and (ii) that certain Second Lien Credit Agreement, dated as of March 16, 2017 (as amended, restated, amended and restated, extended, supplemented or otherwise modified from time to time), among Aveanna Healthcare Intermediate Holdings LLC (f/k/a BCPE Eagle Intermediate Holding, LLC), a Delaware limited liability company, Aveanna Healthcare LLC (f/k/a BCPE Eagle Buyer LLC), a Delaware limited liability company, the Lenders from time to time party thereto and Royal Bank of Canada, as the Administrative Agent and the Collateral Agent, and the other parties party thereto.

"Director Indemnification Agreements" has the meaning set forth in Section 2(d)(ii).

"Effective Date" has the meaning set forth in the preamble of this Agreement.

"Executives" has the meaning set forth in the preamble to this Agreement and means those officers, executives and employees of, and other service providers to, the Company and its subsidiaries who acquire or are granted shares of the Company's Common Stock and become a party to this Agreement.

"Executive Chairman Director" has the meaning set forth in Section 2(a)(ii)(D).

"Family Group" means, with respect to a Person who is an individual, (i) such individual's spouse and descendants (whether natural or adopted) (collectively, for purposes of this definition, "relatives"), (ii) such individual's executor or personal representative, (iii) any trust, the trustee of which is such individual or such individual's executor or personal representative and which at all times is and remains solely for the benefit of such individual and/or such individual's relatives, (iv) any corporation, limited partnership, limited liability company or other tax flow-through entity the governing instruments of which provide that such individual or such individual's executor or personal representative shall have the exclusive, nontransferable power to direct the management and policies of such entity and of which the sole record and beneficial owners of stock, partnership interests, membership interests or any other equity interests are limited to such individual, such individual's relatives and/or the trusts described in clause (iii) above, and (v) any retirement plan for such individual.

"Independent Director" has the meaning set forth in Section 2(a)(ii)(E).

“Independent Third Party” means any Person that, immediately prior to the contemplated transaction, (i) does not own in excess of 10% of the voting Company Capital Stock on a fully-diluted basis (a “10% Owner”), and (ii) is not an Affiliate of or acting in concert with a 10% Owner and (iii) is not part of the Family Group of a 10% Owner.

“IPO” means the initial underwritten Public Offering consummated by the Company that resulted in shares of Common Stock that were sold in such Public Offering being listed on the NASDAQ Stock Market.

“Joinder” has the meaning set forth in Section 7.

“Major Sponsor” means a Sponsor whose Ownership Percentage is at least 25% of such Sponsor’s Original Ownership Percentage. Any consent, approval, election or action taken or contemplated to be taken by the “Major Sponsors” or “each of the Major Sponsors” pursuant to this Agreement shall require the approval of each of (i) the Bain Sponsors and (ii) the Whitney Sponsors (unless and until either or both have ceased to be a Major Sponsor pursuant to the preceding sentence).

“Material Holder” means each Stockholder who holds at least 3% of the issued and outstanding shares of voting Company Capital Stock on a fully diluted basis; provided, that for purposes of this definition, (i) the entities comprising the Bain Sponsors shall be aggregated for purposes of determining whether the Bain Sponsors collectively constitute a Material Holder and (ii) the entities comprising the Whitney Sponsors shall be aggregated for purposes of determining whether the Whitney Sponsors collectively constitute a Material Holder.

“Material Holder Sponsor” means a Sponsor who is a Material Holder.

“Original Ownership Percentage” means a Stockholder’s Ownership Percentage as of the Effective Date after giving effect to the PSA Healthcare Holding Distribution.

“Other Investors” has the meaning set forth in the preamble to this Agreement.

“Other Stockholder” has the meaning set forth in Section 2(f).

“Ownership Percentage” means, at such specified time, a fraction (expressed as a percentage) (i) the numerator of which is the aggregate number of shares of Company Capital Stock owned by such Stockholder and its Affiliates and (ii) the denominator of which is the aggregate number of shares of Company Capital Stock owned by all Stockholders.

“Permitted Transferees” means (i) with respect to Transfers by any Sponsor, to (x) any private equity fund affiliated with or managed by such Sponsor or its Affiliates (and any investment vehicles wholly owned by such fund) and/or (y) any entity directly or indirectly wholly owned by any Person specified in clause (x) or (if applicable) any direct or indirect general partner, managing member or similar control Person of any Person specified in clause (x) and (ii) with respect to Transfers by any Other Stockholder to an Affiliate of such Other Stockholder so long as such Affiliate is either (A) wholly owned by such Other Stockholder, (B) directly or indirectly wholly owns such Other Stockholder, or (C) is a member of such Other Stockholder’s Family Group, so long as such Other Stockholder retains all rights to vote, control and dispose of such Other Stockholder’s transferred Stockholder Shares.

“Person” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Principal Sponsor" means, as of any time of determination, a Sponsor whose Ownership Percentage is at least 50% of such Sponsor's Original Ownership Percentage. Any consent, approval, election or action taken or contemplated to be taken by the "Principal Sponsors" or "each of the Principal Sponsors" pursuant to this Agreement shall require the approval of each of (i) the Bain Sponsors and (ii) the Whitney Sponsors (unless and until either or both have ceased to be a Principal Sponsor pursuant to the preceding sentence).

"PSA Healthcare Holding" means PSA Healthcare Holding LLC, a Delaware limited liability company.

"PSA Healthcare Holding Distribution" means the distribution by PSA Healthcare Holding, made as of the date hereof, of 100% of its Common Stock to its equityholders.

"Public Offering" means any sale of Common Stock by the Company to the public pursuant to an offering registered under the Securities Act.

"Public Sale" means any sale of Stockholder Shares to the public pursuant to an offering registered under the Securities Act or to the public through a broker, dealer or market maker on a securities exchange or in the over-the-counter market pursuant to the provisions of Rule 144 adopted under the Securities Act.

"Registration Rights Agreement" has the meaning set forth in Section 4.

"Relative Ownership Percentage" has the meaning set forth in Section 3(a)(iii).

"Requisite Sponsor" means a Sponsor whose Ownership Percentage is at least 10% of such Sponsor's Original Ownership Percentage. Any consent, approval, election or action taken or contemplated to be taken by the "Requisite Sponsors" or "each of the Requisite Sponsors" pursuant to this Agreement shall require the approval of each of (i) the Bain Sponsors and (ii) the Whitney Sponsors (unless and until either or both have ceased to be a Requisite Sponsor pursuant to the preceding sentence).

"Rule 144" means such rule promulgated under the Securities Act by the Securities and Exchange Commission, as the same shall be amended from time to time, or any successor rule then in force.

"Rule 144 Sale" means any sale of Stockholder Shares to the public through a broker, dealer or market maker on a securities exchange or in the over-the-counter market pursuant to the provisions of Rule 144 adopted under the Securities Act.

"Sale of the Company" means any transaction or series of transactions pursuant to which any Independent Third Party or group of Independent Third Parties in the aggregate acquires (i) Company Capital Stock or Capital Stock of the surviving entity in a merger involving the Company, in each case, entitled to vote (other than voting rights accruing only in the event of a default, breach, event of noncompliance or other contingency) to elect directors or managers with a majority of the voting power of the Company's or the surviving entity's board of directors or managers (whether by merger, consolidation, reorganization, combination, sale or transfer of the Company's Capital Stock) or (ii) all or substantially all of the Company's assets determined on a consolidated basis; provided that a Public Offering shall not constitute a Sale of the Company.

"Securities Act" means the Securities Act of 1933, as amended from time to time, or any successor federal law then in force, together with all rules and regulations promulgated thereunder.

"Sponsors" means each of the Bain Sponsors, collectively, and the Whitney Sponsors, collectively. References herein to ownership percentages and/or number of Stockholder Shares held by a Sponsor as of any time or date shall be deemed to be references to the collective ownership percentage and/or number of Stockholder Shares held by all Persons constituting such Sponsor pursuant to the definition thereof as of such time or date; provided, for the avoidance of doubt, that any direct equity ownership in the Company by Rodney Windley, Tony Strange, Ed Reisz, Jeffrey Shaner and any other Executives shall not be deemed to be owned by either the Bain Sponsors or the Whitney Sponsors. Any consent, approval, election or action taken or contemplated to be taken by "the Sponsors" or "each of the Sponsors" pursuant to this Agreement shall require the approval of each of (i) the Bain Sponsors and (ii) the Whitney Sponsors.

"Sponsor Business" has the meaning set forth in Section 10.

"Sponsor Director" means each Whitney Director and each Bain Director.

"Sponsor Group" has the meaning set forth in Section 10.

"Stockholder Shares" means (i) any Company Capital Stock purchased or otherwise acquired by or issued to any Stockholder and (ii) any Company Capital Stock issued or issuable with respect to the securities referred to in clause (i) above by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization. As to any particular Stockholder Shares, such shares shall continue to be Stockholder Shares in the hands of transferees, except that such shares shall cease to be Stockholder Shares when they have been disposed of pursuant to a Public Sale, a Sale of the Company or a Company Repurchase.

"Stockholders" has the meaning set forth in the preamble of this Agreement.

"Transfer" has the meaning set forth in Section 3(a)(i)

"Whitney Directors" has the meaning set forth in Section 2(a)(ii)(B).

"Whitney Independent Director" has the meaning set forth in Section 2(a)(ii)(B).

"Whitney VII" has the meaning set forth in Section 2(a)(ii)(B).

"Whitney VII VCOC Director" has the meaning set forth in Section 2(a)(ii)(B).

"Whitney Employee/Designee Director" has the meaning set forth in Section 2(a)(ii)(B).

"Whitney Sponsors" means J.H. Whitney VII, L.P., PSA Healthcare Investment Holding LLC, PSA Iliad Holdings LLC, JHW Iliad Holdings LLC and JHW Iliad Holdings II LLC (in the case of each of PSA Healthcare Investment Holding LLC, PSA Iliad Holdings LLC, JHW Iliad Holdings LLC and JHW Iliad Holdings II LLC which shall at all times be controlled by funds and investment vehicles managed by J.H. Whitney Capital Partners, LLC) and each of their Permitted Transferees that acquires Stockholder Shares and becomes a Stockholder hereunder and each of their Affiliates that acquires Stockholder Shares and becomes a Sponsor hereunder in accordance with the terms hereof. Unless otherwise agreed by the holder(s) of a majority of the Stockholder Shares collectively held by the Whitney Sponsors, any consent, approval, election or action taken or contemplated to be taken by the Whitney Sponsors pursuant to this Agreement shall be taken by the holder(s) of a majority of the Stockholder Shares collectively held by the Whitney Sponsors at such time.

Section 2. Board of Directors.

(a) Election of Directors. From and after the Effective Date and until the provisions of this Section 2(a) cease to be effective in accordance with Section 2(e), each holder of Stockholder Shares shall vote all of such holder's Stockholder Shares that are voting shares and any other voting securities of the Company over which such holder has voting control and shall take all other necessary or desirable actions within such holder's control reasonably requested in good faith by the Material Holder Sponsors (whether in such holder's capacity as a stockholder, director, member of a Board committee or officer of the Company or otherwise, and including, without limitation, attendance at meetings in person or by proxy for purposes of obtaining a quorum and execution of written consents in lieu of meetings) and the Company shall take, and shall cause its subsidiaries to take, all necessary or desirable actions within its control reasonably requested in good faith by the Material Holder Sponsors (including, without limitation, calling special Board and stockholders meetings), so that, subject to Section 2(c) below:

(i) the authorized number of directors on the Board shall be eleven (11) directors (or such greater or lesser number of directors as jointly determined from time to time by the Sponsors);

(ii) subject to Section 2(c) below, the following individuals shall be elected to the Board:

(A) 4 directors designated by the Bain Sponsors, of which one (the "Bain XI VCOC Director") will be an employee of the Bain Sponsors or their Affiliates and designated by Bain Capital Fund XI, L.P. (the "Bain XI VCOC"), who shall be initially Christopher Gordon, one (the "Bain Employee Director") will be an employee of the Bain Sponsors or their Affiliates and designated by the Bain Sponsors, who shall be initially Devin O'Reilly, and two (the "Bain Independent Directors") will be independent directors designated by the Bain Sponsors, one of whom will initially be Richard C. Zoretic with the other Bain Independent Director position to remain vacant as of the Effective Date (collectively with their respective successors as the Bain Sponsors may appoint from time to time in accordance with the terms and conditions of this Agreement, the "Bain Directors");

(B) 4 directors designated by the Whitney Sponsors, of which one (the "Whitney VII VCOC Director") will be an employee of the Whitney Sponsors or their Affiliates and designated by J.H. Whitney VII, L.P. ("Whitney VII"), who shall be initially Robert M. Williams, Jr., one (the "Whitney Employee/Designee Director") will be an employee or other designee of the Whitney Sponsors or their Affiliates and designated by Whitney VII, who shall be initially Steven Rodgers, and two (the "Whitney Independent Directors") will be independent directors designated by the Whitney Sponsors, one of whom shall initially be Sheldon Retchin with the other Whitney Independent Director position to remain vacant as of the Effective Date (collectively with their respective successors as Whitney VII and the Whitney Sponsors, as applicable, may appoint from time to time in accordance with the terms and conditions of this Agreement, the "Whitney Directors");

(C) the Chief Executive Officer of the Company, for so long as such person remains the Chief Executive Officer of the Company (the "CEO Director");

(D) the Executive Chairman of the Company, for so long as such person remains the Executive Chairman of the Company (the "Executive Chairman Director"); and

(E) 1 independent director designated jointly by the Requisite Sponsors, the CEO Director and the Executive Chairman Director (the "Independent Director"), who shall not be deemed to be a designee of either Sponsor, who shall be initially Victor Ganzi.

(iii) unless otherwise agreed in writing by the Requisite Sponsors, (A) any committees of the Board shall be created only upon the approval of the Board (including, for so long as a Sponsor is a Requisite Sponsor, approval by at least one director appointed by such Sponsor (other than the Bain Independent Directors and Whitney Independent Directors, as applicable)) and (B) the composition of, and voting rights with respect to, each such committee shall be proportionately equivalent to that of the Board;

(iv) unless otherwise agreed in writing by the Requisite Sponsors, the composition of, and voting rights with respect to, the board of directors or other governing body of each of the Company's subsidiaries, including any committees thereof, shall be proportionately equivalent to that of the Board;

(v) subject to Section 2(a)(ix) and Section 2(c), the removal from the Board (with or without cause) of (A) the Bain XI VCOC Director shall be at the Bain XI VCOC's written direction and (B) any of the other Bain Directors shall be at the Bain Sponsors' written direction, but only upon such written direction and under no other circumstances;

(vi) subject to Section 2(a)(ix) and Section 2(c), the removal from the Board (with or without cause) of (A) the Whitney VII VCOC Director shall be at Whitney VII's written direction, (B) of the Whitney Employee/Designee Director shall be at Whitney VII's written direction and (C) of the Whitney Independent Directors shall be at the Whitney Sponsors' written direction, but, in each case, only upon such written direction and under no other circumstances;

(vii) the CEO Director shall automatically be removed from the Board in connection with the cessation or termination of his or her employment with the Company, and such individual shall be replaced by the subsequent Chief Executive Officer of the Company unless otherwise jointly determined by the Requisite Sponsors;

(viii) the Executive Chairman Director shall automatically be removed from the Board in connection with the cessation or termination of his or her service as Executive Chairman of the Company, and such individual shall be replaced by the subsequent Executive Chairman of the Company unless otherwise jointly determined by the Requisite Sponsors;

(ix) to the extent that, pursuant to Section 2(c), a Sponsor loses its rights to designate one or more Sponsor Directors to the Board, then such Sponsor shall also lose the corresponding rights to designate representatives to committees of the Board and to the boards and similar governing bodies of the Company's subsidiaries as provided in Section 2(a)(iv) and Section 2(a)(v); and

(x) subject to Section 2(a)(ix), Section 2(b)(i) and Section 2(c), in the event that any director designated hereunder ceases to serve as a member of the Board during his or her term of office, the resulting vacancy on the Board shall be filled by a representative designated by the Bain XI VCOC, the Bain Sponsors, the Whitney Sponsors, Whitney VII or jointly by the Requisite Sponsors, the CEO Director and the Executive Chairman Director, as applicable, as provided hereunder and subject to the limitations contained herein (including with respect to the Sponsors' right to appoint directors hereunder).

(b) Board Composition; Quorum; Voting.

(i) Board Composition. Except as expressly set forth herein, the composition of the Board may be changed only upon the written agreement of the Principal Sponsors (provided that Board appointment rights expressly granted pursuant to Section 2(a)(ii), except as set forth in Section 2(c), may only be modified upon the written agreement of the Requisite Sponsors). Unless otherwise agreed in writing by the Principal Sponsors, if the number of directors on the Board that a Sponsor is entitled to appoint is decreased as described in Section 2(c) below, the size of the Board shall be automatically decreased by the same number of directors that such Sponsor is no longer entitled to appoint.

(ii) Classes of Directors.

(A) The name of the persons who are to serve as directors in each class effective as of the date of the Certificate of Incorporation and until their successors are elected and qualified are as follows:

Name	Position, Director Class	Expiration of Initial Term
Devin O'Reilly	Class I Director	2022
Robert M. Williams, Jr.	Class I Director	2022
Victor Ganzi	Class I Director	2022
Christopher Gordon	Class II Director	2023
Steven Rodgers	Class II Director	2023
Rodney Windley	Class II Director	2023
Other Bain Independent Director (vacant as of the Effective Date)	Class II Director	2023
Richard Zoretic	Class III Director	2024
Shelden Retchin	Class III Director	2024
H. Anthony Strange	Class III Director	2024
Other Whitney Independent Director (vacant as of the Effective Date)	Class III Director	2024

(iii) Quorum. At every meeting of the Board or a committee thereof, a quorum shall require the attendance, whether in person, telephonically or in any other manner permitted by applicable law and the Certificate of Incorporation, of (i) the number of directors representing a majority of the voting power of the Board or such committee and (ii) at least one director designated by each of the Requisite Sponsors (other than the Bain Independent Directors and Whitney Independent Directors, as applicable).

(iv) Voting. Board and Board committee action at a meeting at which a quorum is established shall require approval by a majority of the directors. Each member of the Board or such committee will have one vote. The Board or any committee thereof may also take action without a meeting by unanimous written consent, as more fully set forth in the Certificate of Incorporation.

(c) Limitation on Board Appointment Rights. The right of the Sponsors to designate any directors pursuant to Section 2(a)(ii) shall be subject to the following; provided that, for purposes of calculating the relative Ownership Percentages below, the effects of (x) any recapitalization or exchange or conversion of Stockholder Shares, (y) any redemption or repurchase of Stockholder Shares or (z) any subdivision (by stock split or otherwise) or any combination (by reverse stock split or otherwise) of any outstanding Stockholder Shares, in each case, which occurs between the Effective Date and the date of such calculation and which is *pro rata* in effect shall not be taken into account in such calculation; provided further that, for so long as the Bain Sponsors hold a number of Stockholder Shares equal to or greater than the number of Stockholder Shares held by the Whitney Sponsors, there shall not be fewer Bain Directors than Whitney Directors:

(i) each Principal Sponsor shall have the right to designate 4 directors pursuant to Section 2(a)(ii) above (or such other number as determined in accordance with Section 2(b)(i) above) for appointment to the Board until such time as such Principal Sponsor ceases to be a Principal Sponsor, at which time such Sponsor will lose the right to appoint one director to the Board; provided that, such appointment right so lost shall be with respect to one Bain Independent Director or one Whitney Independent Director, as applicable;

(ii) each Major Sponsor shall have the right to designate 3 directors pursuant to Section 2(a)(ii) above (or such other number as determined in accordance with Section 2(b)(i) above) for appointment to the Board until such time as such Major Sponsor ceases to be a Major Sponsor, at which time such Sponsor will lose the right to appoint the second Bain Independent Director or the second Whitney Independent Director, as applicable;

(iii) each Requisite Sponsor shall have the right to designate 2 directors pursuant to Section 2(a)(ii) above (or such other number as determined in accordance with Section 2(b)(i) above) for appointment to the Board until such time as such Requisite Sponsor ceases to be a Requisite Sponsor, at which time such Sponsor will lose the right to appoint the Bain Employee Director or the Whitney Employee/Designee Director, as applicable;

(iv) each Material Holder Sponsor shall have the right to designate 1 director pursuant to Section 2(a)(ii) above (or such other number as determined in accordance with Section 2(b)(i) above) for appointment to the Board until such time as such Material Holder Sponsor ceases to be a Material Holder Sponsor, at which time such Sponsor will not have the right to appoint any directors to the Board.

(d) Director Expenses, Indemnification.

(i) The Company shall pay the reasonable out-of-pocket expenses incurred by each director in connection with attending the meetings of the Board and any committee thereof.

(ii) So long as any Sponsor Director serves on the Board, the Company shall maintain directors' and officers' indemnity insurance coverage reasonably satisfactory to each of the Requisite Sponsors, the Company's Certificate of Incorporation and bylaws shall provide for indemnification and exculpation of directors to the fullest extent permitted under applicable law and each Sponsor Director shall be offered an indemnification agreement with the Company (a "Director Indemnification Agreement") that is substantively the same as the indemnification agreements that the other Sponsor Directors have been offered with the Company.

(e) Termination. The provisions of Section 2(a)–(d)(i) shall terminate automatically and be of no further force and effect upon the first to occur of (i) a Sale of the Company and (ii) when neither Sponsor is a Material Holder Sponsor.

(f) Voting of Shares; Proxy. From and after the date hereof, each Executive and each Other Investor (each, an "Other Stockholder") hereby agrees to cast (or cause to be cast) all votes (if any) to which such Other Stockholder is entitled in respect of its Stockholder Shares, at any annual or special meeting, by written consent or otherwise, and shall take all other necessary or desirable actions (including attendance at meetings in person or by proxy for purposes of obtaining a quorum, execution of written consents in lieu of meetings and approval of amendments and/or restatements of the Company's certificate of incorporation or by-laws), in each case to effectuate any corporate action on the part of the Company or any of its subsidiaries that has been approved by the Board and/or the Major Sponsors in accordance with the terms of this Agreement and the Company's or such subsidiaries' organizational documents. Without limiting the generality of the foregoing, each Other Stockholder agrees as follows:

(i) Certificate of Incorporation Amendments. Any amendments or modifications to the Certificate of Incorporation before the Trigger Event (as defined in the Certificate of Incorporation) shall require the consent of the Major Sponsors. Each Other Stockholder agrees to cast all votes (if any) to which such Other Stockholder is entitled in respect of its Stockholder Shares, whether at any annual or special meeting, by written consent or otherwise, in such manner as the Board or the Major Sponsors may instruct by written notice to approve any amendment to the Certificate of Incorporation that is approved by the Board and the Major Sponsors in accordance with (and subject to the terms and conditions of) this Agreement, the Certificate of Incorporation and Delaware law.

(ii) Proxy. In order to secure the obligations of each Other Stockholder to vote such Other Stockholder's voting Stockholder Shares in accordance with the provisions of this Agreement, each Other Stockholder hereby irrevocably grants to and appoints the Major Sponsors, acting jointly through one or more representatives of such Major Sponsors, such Other Stockholder's proxy and attorney-in-fact, with full power of substitution, for and in the name, place and stead of such Other Stockholder, to vote or act by written consent with respect to such Other Stockholder's voting Stockholder Shares, in each case in accordance with this Agreement. The power and authority to exercise the proxy granted hereby shall be exercised if and only if the matter to be voted on or with respect to which other stockholder action is to be taken has been approved by the Board (including at least one director appointed by each Major Sponsor (other than the Bain Independent Directors and Whitney Independent Directors, as applicable)) and shall be exercised on terms consistent with such approval. Each Other Stockholder agrees that the irrevocable proxy set forth in this Section 2(f) shall survive the death, incompetency, disability, dissolution or bankruptcy of such Other Stockholder and the subsequent holders of such voting Stockholder Shares. Each Other Stockholder hereby further agrees and affirms that the proxy granted hereunder is irrevocable and coupled with an interest sufficient at law to support an irrevocable proxy.

Section 3. Restrictions on Transfer of Stockholder Shares.

(a) Transfer of Stockholder Shares.

(i) Public Transfers. Following the consummation of the IPO, any Stockholder may, subject to the terms of the Registration Rights Agreement, sell, transfer, assign, pledge or otherwise directly or indirectly dispose of, whether with or without consideration and whether voluntarily or involuntarily or by operation of law ("Transfer" or, if used as a noun, a "Transfer") any or all of such Stockholder's Stockholder Shares without the consent of any other Person in a Public Sale; provided, that (x) in the case of an Other Stockholder, such Other Stockholder may only Transfer to the extent such Transfer would not result in the Relative Ownership Percentage of such Other Stockholder immediately following such Transfer being less than the Relative Ownership Percentage of the Sponsors immediately following such Transfer and (y) if, due to this Agreement, the Registration Rights Agreement or any other agreement, any Stockholders are deemed to constitute a single group for purposes of Rule 144 during any volume limit measurement period thereunder, such Stockholders will not be permitted to Transfer pursuant to Rule 144 during such measurement period more than their pro rata portion (determined, as of the commencement of such measurement period, as the percentage equal to (1) such Stockholder's aggregate number of Stockholder Shares divided by (2) the applicable Stockholders' aggregate number of Stockholder Shares) of the aggregate number of Stockholder Shares that may be Transferred by such Stockholders within the constraints of such volume limit during such measurement period and (y) any Transfer by a Sponsor pursuant to this paragraph occurring during the Coordination Period shall not be made without Coordination Committee approval in accordance with Section 8. For the purposes of this Section 3(a)(i), "Relative Ownership Percentage" shall mean (A) with respect to the Stockholder Shares held by an Other Stockholder, a fraction (expressed as a percentage) (i) the numerator of which is the number of Stockholder Shares owned by such Other Stockholder immediately following the effective time of a Transfer and (ii) the denominator of which is the aggregate number of Stockholder Shares owned by such Other Stockholder at the time of the consummation of the IPO and (B) with respect to the Stockholder Shares held by the Sponsors, a fraction (expressed as a percentage) (i) the numerator of which is the aggregate number of Stockholder Shares owned by all of the Sponsors immediately following the effective time of such Transfer and (ii) the denominator of which is the aggregate number of Stockholder Shares owned by all of the Sponsors at the time of the consummation of the IPO.

(ii) Cooperation. In connection with a proposed Transfer of Stockholder Shares by a Sponsor (after having received any approval of the Coordination Committee to the extent required under Section 8), the Company will provide, and will cause its controlled Affiliates to provide, such cooperation as may be reasonably requested by such Sponsor in connection with the prospective purchaser's due diligence investigation of the Company and its controlled Affiliates, including providing such proposed purchaser with reasonable access to the material contracts, properties, books and records of the Company and its controlled Affiliates and reasonable access to management on reasonable notice, subject to any such prospective purchaser entering into a customary confidentiality agreement in favor of the Company.

(b) Permitted Transfers. The restrictions set forth in this Section 3 shall not apply with respect to Transfers by any Sponsor to a Permitted Transferee; provided, however, that in no event shall any of the following Transfers of shares of Capital Stock be a Transfer to a Permitted Transferee: (1) any direct or indirect Transfer of shares of Company Capital Stock (or beneficial or economic interest in any shares of Company Capital Stock) to a co-investment or similar vehicle and/or (2) any direct or indirect Transfer of any shares of Capital Stock (or beneficial or economic interest in any shares of Company Capital Stock) to any successor private equity fund affiliated with, or sponsored or managed by, a transferring Sponsor or any of its Affiliates or ultimate controlling persons; provided, further, that, in each case, any Transfer to such Permitted Transferees shall be conditioned on the receipt of an undertaking by such Permitted Transferee to Transfer such Stockholder Shares back to the transferor if such Permitted Transferee ceases to otherwise qualify as a Permitted Transferee. In addition, no Permitted Transferee may be a Competitor of the Company. The restrictions contained in this Section 3 shall continue to be applicable to the Stockholder Shares after any Transfer thereof, and the transferees of such Stockholder Shares must, as a condition to such Transfer thereof, agree in writing to be bound by the provisions of this Agreement affecting the Stockholder Shares so Transferred. Notwithstanding the foregoing, no party hereto shall avoid the provisions of this Agreement by (x) making one or more Transfers to one or more Permitted Transferees and then disposing of all or any portion of such party's interest in any such Permitted Transferee or (y) any Transfer of the securities of, or the merger or consolidation of, any entity holding (directly or indirectly) Stockholder Shares. For the avoidance of doubt, it is understood that, (i) with respect to the Whitney Sponsors and the Bain Sponsors, a bona fide direct or indirect transfer of limited partnership interests in a limited partnership private equity fund affiliated with or managed by Bain Capital Private Equity, LP or J.H. Whitney Capital Partners, LLC or their respective Affiliates, as the case may be, or of any Person that holds a direct or indirect interest in such private equity fund, to another partner or to a third party shall not be deemed a Transfer and (ii) with respect to Hamilton Lane Co-Investment Fund III Holdings-2 LP, PEA

Washington Holdings LP, Penfund Fund V Equity Holding Limited Partnership, PSA Holding LP and NB SOF III Holdings LP, (A) a bona fide direct or indirect transfer of limited partnership interests in a limited partnership private equity fund affiliated with or managed by an Affiliate of such holder shall not be deemed a Transfer and (B) a bona fide transfer of equity interests in a Sponsor by a holder thereof to an Affiliate of such holder shall not be deemed a Transfer, provided that, in each case of clauses (i) and (ii), no Person may make any such Transfer to the extent such transaction has the result and effect of a Stockholder hereunder avoiding the restrictions on Transfers in this Agreement.

(c) Newco Transfers. Each Sponsor (or holding entity thereof) that is formed for the purpose of making an investment in the Company or for which the ownership interest in the Company constitutes a substantial portion of the assets of such Sponsor (or holding entity thereof) (each of PSA Investment Healthcare Holding, PSA Iliad Holdings LLC, JHW Iliad Holdings LLC, JHW Iliad Holdings II LLC and any other such Sponsor (or holding entity thereof), a "Newco Sponsor") shall not permit any Transfer of Capital Stock of such Newco Sponsor or the issuance of Capital Stock in such Newco Sponsor to the extent such Transfer has the effect of avoiding the restrictions on Transfers in this Agreement (it being understood that the purpose of this Section 3(c) is to prohibit the Transfer of Capital Stock of such Newco Sponsor or issuance of Capital Stock in such Newco Sponsor that has the result and effect that the Newco Sponsor has indirectly made a Transfer or issuance that would not have been directly permitted as a Transfer under this Agreement).

(d) Termination of Restrictions. The restrictions on the Transfer of Stockholder Shares set forth in this Section 3 shall continue with respect to each Stockholder Share until the date on which such Stockholder Share has been Transferred in a Public Sale or pursuant to a Sale of the Company.

Section 4. Registration Rights. Concurrently with the execution of this Agreement, each Stockholder has entered into the amended and restated registration rights agreement in the form attached hereto as Exhibit B (the "Registration Rights Agreement").

Section 5. Legend. Each certificate or book entry evidencing Stockholder Shares and each certificate issued in exchange for or upon the Transfer of any Stockholder Shares (if such shares remain Stockholder Shares as defined herein after such Transfer) shall be stamped, imprinted or otherwise notated with a legend in substantially the following form:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO AN AMENDED AND RESTATED STOCKHOLDERS AGREEMENT DATED AS OF [_____], 2021, AS AMENDED FROM TIME TO TIME, AMONG THE ISSUER OF SUCH SECURITIES (THE "COMPANY") AND CERTAIN OF THE COMPANY'S STOCKHOLDERS. A COPY OF SUCH AMENDED AND RESTATED STOCKHOLDERS AGREEMENT AS AMENDED FROM TIME TO TIME WILL BE FURNISHED WITHOUT CHARGE BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST."

Upon the Transfer of any Stockholder Shares, the restrictive legend set forth above shall be removed from the certificate or book entry representing such shares if such shares cease to be Stockholder Shares as provided in the definition of such term in Section 1.

Section 6. Transfers in Violation of Agreement. Any Transfer or attempted Transfer of any Stockholder Shares in violation of any provision of this Agreement shall be null and void ab initio, and the Company shall not record such Transfer on its books or treat any purported transferee of such Stockholder Shares as the owner of such shares for any purpose.

Section 7. Additional Parties; Joinder. As a condition to any Transfer of Stockholder Shares after which Transfer such shares remain Stockholder Shares as provided in the definition of such term in Section 1, the Company shall require such Person, if not already a party to this Agreement, to become a party to this Agreement and to succeed to and become bound by all of the rights and obligations of a "Stockholder" and a "holder of Stockholder Shares" under this Agreement by executing a joinder to this Agreement from such Person in the form of Exhibit A attached hereto (a "Joinder"). The Company Capital Stock acquired by such Person (the "Acquired Shares") shall be included as Stockholder Shares hereunder, such Person shall be a "Sponsor", an "Executive" or an "Other Investor", as designated on such Joinder, and a "holder of Stockholder Shares" under this Agreement with respect to the Acquired Shares, and the Company shall add such Person's name and address to the appropriate schedule hereto.

Section 8. Coordination Committee. The Requisite Sponsors will form a coordination committee (the "Coordination Committee") in connection with the closing of the IPO and will thereafter maintain such committee until the end of the Coordination Period. Unless otherwise agreed in writing by the Requisite Sponsors, the Coordination Committee shall be composed of the Bain Employee Director, the Bain XI VCOC Director, the Whitney VII VCOC Director and the Whitney Employee/Designee Director. The Coordination Committee shall determine, from time to time, the procedures which govern the conduct of the Coordination Committee. In connection with the IPO and during the Coordination Period, no Sponsor shall directly or indirectly Transfer any Shares to any Person (other than a Permitted Transferee), without the prior approval of each of the members of the Coordination Committee. No Requisite Sponsor shall agree to or be granted any waiver or release from the Transfer restriction in the foregoing sentence (whether imposed by underwriters, the Coordination Committee or otherwise) unless such waiver or release is provided to the other Requisite Sponsors in the same form and proportion.

Section 9. Confidentiality.

(a) Each Sponsor Director is hereby authorized by the Company to share information regarding the Company and its subsidiaries obtained in connection with such individual's service as a Sponsor Director with the agents, advisors, representatives and investment professionals employed or engaged by the Sponsor designating such Sponsor Director (or by any of such Sponsor's Affiliates). The designating Sponsor shall be responsible for maintaining the confidentiality of such information given to such agents, advisors, representatives and investment professionals. Each Sponsor is hereby authorized by the Company to provide summary financial information regarding the Company and its subsidiaries as part of such Sponsor's (or its Affiliates') normal reporting, rating or review procedure (including normal credit rating and pricing process), or in connection with such Sponsor's (or its Affiliates') normal fund raising, marketing, informational or reporting activities. In addition, no Sponsor Director shall be required to disclose to the Board or the Company any confidential information regarding the Sponsor Director's designating Sponsor or its Affiliates.

(b) Without limiting the Sponsor Directors' rights under Section 9(a), each Stockholder agrees that it will keep confidential and will not disclose, divulge or use for any purpose, other than to monitor its investment in the Company or in the good faith performance of such Stockholder's duties to the Company, any Confidential Information; provided, however, that a Stockholder may disclose Confidential Information: (A) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (B) to any Affiliate, partner or member of such Stockholder in the ordinary course of business; (C) upon the written consent of the Board; or (D) as may otherwise be required by law; provided, that such party takes reasonable steps to minimize the extent of any such required disclosure; provided, further, that the acts and omissions of any Person to whom such Stockholder may disclose Confidential Information pursuant to clauses (A) and (B) of the preceding proviso shall be attributable to such Stockholder for purposes of determining such party's compliance with this Section 9.

(c) Notwithstanding the foregoing, the Company and each Stockholder acknowledges that, (x) in the ordinary course of business of each member of the Sponsor Group, the members of the Sponsor Group evaluate, pursue, acquire, sell, manage, advise and serve on the boards of other Persons, (y) the review of the Confidential Information by each of the Sponsors and the members of the Sponsor Group may inevitably enhance such Persons' or their respective Affiliates' knowledge and understanding of the industries in which the Company and its subsidiaries operate in a way that cannot be separated from such Persons' or their respective Affiliates' other knowledge, and the Company and each Stockholder agrees that this Section 9 shall not restrict such Persons' or their respective Affiliates' use of such general industry knowledge and understanding, including in connection with investments in other companies (including in the same or similar industries) and (z) none of the Sponsors or any member of the Sponsor Group shall be deemed to have used any Confidential Information in contravention of this Section 9 solely because of the fact of its evaluation, pursuit, acquisition, sale or management of, provision of advice to, or service on the board of any such other investment. In addition, no Sponsor Director shall be required to disclose to the Board or the Company any confidential information regarding the Sponsor Director's designating Sponsor or its Affiliates or any of such Sponsor Director's employer, investment firm or other enterprise.

Section 10. Corporate Opportunity Waiver. Each Stockholder acknowledges and agrees that: (a) the Sponsors and their respective Affiliates, investment funds and vehicles, equityholders, directors, director designees (and such designees' employers, investment firms or other enterprises), officers, controlling persons, partners, managers, members and employees (collectively, the "Sponsor Group") (i) have investments or other business relationships with entities engaged in other businesses (including those which may compete with the business of the Company and its subsidiaries or areas in which the Company and its subsidiaries may in the future engage in businesses) and in related businesses other than through the Company and its subsidiaries (each, a "Sponsor Business"), (ii) may develop a strategic relationship with businesses that are or may be competitive with the Company and its subsidiaries and (iii) will not be prohibited by virtue of its investment in the Company and its subsidiaries, or its service on the Board or any board of directors, board of managers or similar governing body of any subsidiary of the Company, or right to appoint any person to serve on the Board or any other such board or similar governing body, from pursuing and engaging in any such activities; (b) neither the Company or its subsidiaries nor any other Stockholder shall have any right in or to such other ventures or activities or to the income or proceeds derived therefrom; and (c) no member of the Sponsor Group shall have any duty (fiduciary, contractual or otherwise) or otherwise be obligated to present any particular investment or business opportunity to the Company or its subsidiaries even if such opportunity is of a character which, if presented to the Company or its subsidiaries, could be undertaken by the Company or its subsidiaries, and each member of the Sponsor Group shall have the right to undertake any such opportunity for itself for its own account or on behalf of another or to recommend any such opportunity to other Persons; provided, that none of the foregoing clauses (a) through (c) shall apply to any Person who is a full-time employee of the Company or any of its Subsidiaries or otherwise limit or amend any obligations under any agreement to which a Stockholder or any of its Affiliates is a party. Each of the Company, on behalf of itself and its subsidiaries, and each Stockholder hereby waives, to the fullest extent permitted by applicable law, any claims and rights that such person may otherwise have in connection with the matters described in this Section 10.

Section 11. General Provisions.

(a) Amendments and Waivers; Termination. Except as otherwise provided herein, the provisions of this Agreement may be amended, modified or waived only with the prior written consent of each Sponsor holding at least 1% of the outstanding shares of voting Company Capital Stock on a fully-diluted basis; provided that no such amendment, modification or waiver that by its terms would materially and adversely affect a holder or group of holders of Stockholder Shares in a manner materially different than any other holder or group of holders of Stockholder Shares shall be effective against such holder or group of holders of Stockholder Shares without the consent of the holders of a majority of the Stockholder Shares that are held by the group of holders that is materially and adversely affected thereby. The failure or delay of any Person to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such Person thereafter to enforce each and every provision of this Agreement in accordance with its terms. A waiver or consent to or of any breach or default by any Person in the performance by that Person of his, her or its obligations under this Agreement shall not be deemed to be a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person under this Agreement. Notwithstanding anything to the contrary herein, (i) no amendment to this Agreement in connection with an additional investment or a new investor shall be deemed to adversely affect any class of Company Capital Stock merely because of the addition of such new investor or amendments to account for the addition of such new investor or the terms of such investment, and, for the avoidance of doubt, differences resulting from Stockholders holding different amounts or classes of Company Capital Stock will not be deemed materially different for any purposes under this Agreement and (ii) this Agreement shall terminate upon a Sale of the Company, subject to compliance with the terms of this Agreement in connection with such Sale of the Company.

(b) Remedies. The parties to this Agreement shall be entitled to enforce their rights under this Agreement by specific performance, injunctive relief and other equitable remedies (without posting a bond or other security or proving insufficiency of damages), to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights existing in their favor. The parties agree and acknowledge that (i) the Company and the Stockholder Shares are unique, (ii) a breach of this Agreement would cause substantial and irreparable harm to the Company and the non-breaching parties, (iii) money damages would not be an adequate remedy for any such breach and (iv) in addition to any other rights and remedies existing hereunder, any party shall be entitled to specific performance, other injunctive relief and other equitable remedies from any court of law or equity of competent jurisdiction (without posting any bond or other security or proving insufficiency of damages) in order to enforce or prevent any violation of the provisions of this Agreement.

(c) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited, invalid, illegal or unenforceable in any respect under any applicable law or regulation in any jurisdiction, such prohibition, invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Agreement in such jurisdiction or in any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such prohibited, invalid, illegal or unenforceable provision had never been contained herein.

(d) Entire Agreement. Except as otherwise provided herein and in the Certificate of Incorporation, the Company's bylaws, the Registration Rights Agreement, this Agreement (including all schedules, exhibits and annexes hereto) contains the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties hereto, written or oral, which may have related to the subject matter hereof in any way.

(e) Successors and Assigns. Except as otherwise provided herein, this Agreement shall bind and inure to the benefit of and be enforceable by the Company and its successors and permitted assigns and the holders of Stockholder Shares and their respective successors and permitted assigns (whether so expressed or not), so long as such Persons hold Stockholder Shares. Neither the Company nor any Stockholder may assign this Agreement, any interest herein or any right or obligation hereunder without the prior written consent of each of the Sponsors, except in a Transfer pursuant to Section 3(a)(i). Except as otherwise set forth herein, the provisions of this Agreement which are for the benefit of purchasers or holders of Stockholder Shares are also for the benefit of, and enforceable by, any subsequent holder of Stockholder Shares.

(f) Notices. Any notice, demand or other communication to be given under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given (i) when delivered personally to the recipient, (ii) when sent to the recipient by confirmed electronic mail or facsimile if sent during normal business hours of the recipient on a Business Day, but if not, then on the next Business Day, (iii) one Business Day after it is sent to the recipient by reputable overnight courier service (charges prepaid) or (iv) 3 Business Days after it is deposited in the U.S. Mail, postage pre-paid, addressed to the recipient, first-class mail, return receipt requested. Such notices, demands and other communications shall be sent to the Company at the address specified below and to any holder of Stockholder Shares or to any other party subject to this Agreement at such address as indicated on the applicable schedule hereto, or at such address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party. Any party may change such party's address for receipt of notice by giving written notice of the change to the sending party as provided herein.

To the Company:

Six Concourse Parkway
Suite 1100
Atlanta, GA 30328
Attention: Chief Executive Officer
Facsimile No.: (770) 248-8192

with copies (which shall not constitute notice) to the Whitney Sponsors and the Bain Sponsors.

To any Whitney Sponsor:

c/o J.H. Whitney Capital Partners, LLC
130 Main Street
New Canaan, CT 06840
Attention: Robert M. Williams, Jr.
Facsimile No.: (203) 716-6217
Email: rwilliams@whitney.com and
dzatlukal@whitney.com

with a copy (which shall not constitute notice) to:

Dechert LLP
1095 Avenue of the Americas
New York, NY 10036-6797
Attention: Markus Bolsinger
Facsimile No.: (212) 698-3599
Email: markus.bolsinger@dechert.com

To any Bain Sponsor:

c/o Bain Capital Private Equity, LP
200 Clarendon Street
Boston, MA 02116
Attention: Christopher Gordon, Devin O’Reilly, Paul Moskowitz and David Hutchins
Facsimile No.: (617) 516-2010
Email: cgordon@baincapital.com, DOReilly@baincapital.com, pmoskowitz@baincapital.com and dhutchins@baincapital.com

with a copy (which shall not constitute notice) to:

Kirkland & Ellis LLP
300 North LaSalle
Chicago, IL 60654
Attention: Matthew H. O’Brien, P.C. and Christopher R. Elder
Facsimile No.: (312) 862-2200
Email: obrienm@kirkland.com and christopher.elder@kirkland.com

To any other Stockholder:

To the address set forth on the applicable schedule hereto or, if no address is set forth thereon, to the address on file with the Company for such Stockholder,

or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party in accordance herewith.

(g) Business Days. If any time period for giving notice or taking action hereunder expires on a day that is not a Business Day, the time period shall automatically be extended to the Business Day immediately following such Saturday, Sunday or legal holiday. If any time period for giving notice or taking action hereunder begins after 5:00 p.m. (New York City time), such time period shall automatically be deemed to begin on the Business Day immediately following such day. In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” mean “to but excluding” and the word “through” means “to and including.”

(h) Governing Law. All issues and questions concerning the construction, validity, interpretation and enforcement of this Agreement and the exhibits and schedules hereto shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. In furtherance of the foregoing, the internal law of the State of Delaware shall control the interpretation and construction of this Agreement (and all schedules and exhibits hereto), even though under that jurisdiction’s choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

(i) MUTUAL WAIVER OF JURY TRIAL. AS A SPECIFICALLY BARGAINED FOR INDUCEMENT FOR EACH OF THE PARTIES HERETO TO ENTER INTO THIS AGREEMENT (AFTER HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL), EACH PARTY HERETO EXPRESSLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THIS AGREEMENT OR THE MATTERS CONTEMPLATED HEREBY.

(j) CONSENT TO JURISDICTION AND SERVICE OF PROCESS. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE COURT OF CHANCERY OF THE STATE OF DELAWARE (OR, IF (AND ONLY IF) THE COURT OF CHANCERY OF THE STATE OF DELAWARE DECLINES TO ACCEPT OR DOES NOT HAVE JURISDICTION OVER A PARTICULAR MATTER, THE SUPERIOR COURT OF THE STATE OF DELAWARE OR ANY FEDERAL COURT SITTING IN THE STATE OF DELAWARE) OVER ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT BY ANY PARTY ARISING OUT OF OR RELATING TO THIS AGREEMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS WITH RESPECT TO ANY SUCH SUIT, ACTION OR OTHER PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH COURTS. EACH OF THE PARTIES HERETO FURTHER AGREES THAT SERVICE OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT BY U.S. REGISTERED MAIL TO SUCH PARTY’S RESPECTIVE ADDRESS SET FORTH IN SECTION 11(f) OR ON THE SCHEDULES HERETO SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING WITH RESPECT TO ANY MATTERS TO WHICH IT HAS SUBMITTED TO JURISDICTION IN THIS SECTION. EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT BY ANY PARTY ARISING OUT OF OR RELATING TO THIS AGREEMENT IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE (OR, IF (AND ONLY IF) THE COURT OF CHANCERY OF THE STATE OF DELAWARE DECLINES TO ACCEPT OR DOES NOT HAVE JURISDICTION OVER A PARTICULAR MATTER, THE SUPERIOR COURT OF THE STATE OF DELAWARE OR ANY FEDERAL COURT SITTING IN THE STATE OF DELAWARE) AND HEREBY AND THEREBY FURTHER IRREVOCABLY AND UNCONDITIONALLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION, OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(k) Descriptive Headings; Interpretation. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement. The use of the word “including” in this Agreement shall be by way of example rather than by limitation.

(l) No Strict Construction. The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and no rule of strict construction shall be applied against any party.

(m) Counterparts. This Agreement may be executed in multiple counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together shall constitute one and the same agreement.

(n) Electronic Delivery. This Agreement, the agreements referred to herein and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent executed and delivered by means of a photographic, photostatic, facsimile or similar reproduction of such signed writing using a facsimile machine or electronic mail shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or electronic mail to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or electronic mail as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

(o) Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each holder of Stockholder Shares shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and the transactions contemplated hereby.

(p) No Inconsistent Agreements. The Company shall not hereafter enter into any agreement with respect to Company Capital Stock which violates the rights granted to, or is inconsistent with the rights or obligations of, the holders of Stockholder Shares in this Agreement.

(q) No Third Party Beneficiaries. This Agreement shall be binding on each party hereto solely for the benefit of each other party hereto and nothing set forth in this Agreement, express or implied, shall be construed to confer, directly or indirectly, upon or give to any Person other than the parties hereto from time to time any benefits, rights or remedies under or by reason of, or any rights to enforce or cause the parties hereto to enforce, any provisions of this Agreement; provided, however, that (i) the directors and Sponsor Directors are express intended third party beneficiaries of Section 2(d), (ii) the Sponsor Directors are express intended third party beneficiaries of Section 9(a) and Section 9(c) (iii) the members of the Sponsor Group are express intended third party beneficiaries of Section 9(c) and Section 10.

* * * * *

IN WITNESS WHEREOF, the parties have executed this Stockholders Agreement as of the date first written above.

AVEANNA HEALTHCARE HOLDINGS INC.

By: ______________________________
Its:

[•]

SCHEDULE OF SPONSORS

Name and Address	Common Stock
Bain Capital Fund XI, L.P. c/o Bain Capital Partners, LLC 200 Clarendon Avenue Boston, MA 02116	[ ]
BCIP Associates IV (US), L.P. c/o Bain Capital Partners, LLC 200 Clarendon Avenue Boston, MA 02116	[ ]
BCIP Associates IV-B (US), L.P. c/o Bain Capital Partners, LLC 200 Clarendon Avenue Boston, MA 02116	[ ]
BCIP T Associates IV (US), L.P c/o Bain Capital Partners, LLC 200 Clarendon Avenue Boston, MA 02116	[ ]
BCIP T Associates IV-B (US), L.P. c/o Bain Capital Partners, LLC 200 Clarendon Avenue Boston, MA 02116	[ ]
Randolph Street Investment Partners, L.P. – 2016 DIF 300 N LaSalle Chicago, IL 60654	[ ]
Squam Lake Investors XI, L.P. c/o Bain & Company, Inc. 131 Dartmouth Street Boston, MA 02116	[ ]
Bain & Company, Inc. 131 Dartmouth Street Boston, MA 02116	[ ]
Wayne DeVeydt 9910 Cumberland Road Fishers, IN 46037	[ ]
PSA Healthcare Investment Holding LLC c/o J.H. Whitney Capital Partners, LLC 130 Main Street New Canaan, CT 06840	[ ]

JHW Iliad Holdings LLC c/o J.H. Whitney Capital Partners, LLC 130 Main Street New Canaan, CT 06840	[ ]
JHW Iliad Holdings II LLC c/o J.H. Whitney Capital Partners, LLC 130 Main Street New Canaan, CT 06840	[ ]
PSA Iliad Holdings LLC c/o J.H. Whitney Capital Partners, LLC 130 Main Street New Canaan, CT 06840	[ ]
J.H. Whitney VII, L.P. c/o J.H. Whitney Capital Partners, LLC 130 Main Street New Canaan, CT 06840	[ ]

SCHEDULE OF EXECUTIVES

Name and Address	Number and Class of Stockholder Shares
[.]	[.]

SCHEDULE OF OTHER INVESTORS

Name and Address	Number and Class of Stockholder Shares
[.]	[.]

EXHIBIT A

JOINDER TO AMENDED AND RESTATED STOCKHOLDERS AGREEMENT

The undersigned is executing and delivering this Joinder pursuant to the Amended and Restated Stockholders Agreement of Aveanna Healthcare Holdings Inc. (the "Company") dated [ ], 2021 (as the same may hereafter be amended, the "Stockholders Agreement"), among the Company and certain of the Company's stockholders.

By executing and delivering this Joinder to the Company, the undersigned hereby agrees to become a party to, to be bound by, and to comply with the provisions of the Stockholders Agreement as a **[Sponsor / Executive / Other Investor]** owning **[•]** Stockholder Shares as of the Effective Date in the same manner as if the undersigned were an original signatory to the Stockholders Agreement, and the undersigned's shares of **[•]** shall be included as Stockholder Shares under the Stockholders Agreement.

Accordingly, the undersigned has executed and delivered this Joinder as of **[•]**.

[ENTITY NAME**][if applicable]**

By: ______________________________
Name:
[Title:**]** **[if applicable]**

Exhibit 5.1

GT GreenbergTraurig

April 20, 2021

Aveanna Healthcare Holdings Inc.
400 Interstate North Parkway SE
Atlanta, Georgia 30339

Re: Aveanna Healthcare Holdings Inc.
Registration Statement on Form S-1

Ladies and Gentlemen:

We have acted as counsel to Aveanna Healthcare Holdings Inc., a Delaware corporation (the "Company"), in connection with the preparation and filing with the U.S. Securities and Exchange Commission of the Company's Registration Statement on Form S-1 (Registration No. 333-254981), as amended (the "Registration Statement"), under the Securities Act of 1933, as amended (the "Act"), relating to an initial public offering (the "Offering") of 38,236,000 shares of the Company's common stock, par value $0.01 per share (the "Common Stock"), together with up to an additional 5,735,400 shares (collectively, the "Shares") that may be purchased by the underwriters pursuant to the option granted to them by the Company pursuant to an underwriting agreement among the Company and the several underwriters named therein (the "Underwriting Agreement").

For the purpose of rendering this opinion, we (i) examined copies of such corporate records, organizational documents, agreements, documents and other instruments of the Company and other certificates and documents of officials of the Company, public officials, and others, as we have deemed appropriate for purposes of this letter, (ii) examined and relied as to factual matters upon, and have assumed the accuracy of, the statements made in the certificates of public officials, officers and representatives of the Company and others delivered to us and (iii) made such investigations of law as we have deemed appropriate as a basis for such opinion.

In conducting our investigation, we assumed, without independent investigation, (i) the genuineness of all signatures, (ii) the legal capacity of all natural persons, (iii) the authenticity of all documents submitted to us as originals, and (iv) the conformity to authentic original documents of all copies submitted to us as conformed, certified, or reproduced copies.

Based upon the foregoing, and subject to the assumptions, exceptions, qualifications, and limitations stated herein, we are of the opinion that the Shares, when issued and sold as contemplated in the Registration Statement and the Underwriting Agreement, and upon payment and delivery therefor in accordance with the Underwriting Agreement, will be validly issued, fully paid and non-assessable.

The opinion and other matters in this letter are qualified in their entirety and subject to the following:

A. We express no opinion as to the laws of any jurisdiction other than the General Corporation Law of the State of Delaware.

B. The matters expressed in this letter are subject to and qualified and limited by (i) applicable bankruptcy, insolvency, fraudulent transfer and conveyance, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally; and (ii) general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief (regardless of whether considered in a proceeding in equity or at law).

C. This opinion letter is limited to the matters expressly stated herein and no opinion is to be inferred or implied beyond the opinions expressly set forth herein. We undertake no, and hereby disclaim any, obligation to make any inquiry after the date hereof or to advise you of any changes in any matter set forth herein, whether based on a change in the law, a change in any fact relating to the Company or any other person or any other circumstance.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement, and to the reference to us under the caption “Legal Matters” in the prospectus comprising a part of the Registration Statement. In giving this consent, we do not thereby admit that we are included within the category of persons whose consent is required by Section 7 of the Act and the rules and regulations promulgated thereunder.

Very truly yours,

/s/ Greenberg Traurig, LLP

GREENBERG TRAURIG, LLP

Exhibit 10.8

AMENDED AND RESTATED
AVEANNA HEALTHCARE HOLDINGS INC. 2017 STOCK INCENTIVE PLAN

ARTICLE I
ESTABLISHMENT AND PURPOSE; ADMINISTRATION

1.1 Establishment. Aveanna Healthcare Holdings Inc., a Delaware corporation (the "Company"), hereby establishes a stock incentive plan to be known as the "Aveanna Healthcare Holdings Inc. 2017 Stock Incentive Plan" (the "Plan"). The Plan became effective as of the date (the "Effective Date") of its adoption by the Company's board of directors (the "Board") and was amended and restated on April 19, 2021.

1.2 Purpose. The Plan is intended to promote the long-term growth and profitability of the Company and its Subsidiaries by providing those persons who are or will be involved in the Company's and its Subsidiaries' growth with an opportunity to acquire an ownership interest in the Company, thereby encouraging such persons to contribute to and participate in the success of the Company and its Subsidiaries. Under the Plan, the Company may make Awards to such present and future officers, directors, employees, consultants and advisors of the Company or its Subsidiaries as may be selected in the sole discretion of the Board (collectively, the "Participants").

1.3 Administration. The Board shall have the power and authority to prescribe, amend and rescind rules and procedures governing the administration of the Plan, including, but not limited to, the full power and authority: (a) to interpret the terms of the Plan, the terms of any Awards made under the Plan, and the rules and procedures established by the Board governing any such Awards, (b) to determine the rights of any person under the Plan, or the meaning of requirements imposed by the terms of the Plan or any rule or procedure established by the Board, (c) to select the Participants to receive Awards under the Plan, (d) to set the exercise price of any Awards granted under the Plan, (e) to establish performance and vesting standards, (f) to impose such limitations, restrictions and conditions upon such Awards as it shall deem appropriate, (g) to adopt, amend, and rescind administrative guidelines and other rules and regulations relating to the Plan, (h) to correct any defect or omission or reconcile any inconsistency in the Plan, (i) to adopt procedures regarding the exercise and settlement of Awards, including establishing "black out" or other periods during which Awards may not be exercised or settled, and (j) to make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Plan, subject to such limitations as may be imposed by the Code or other applicable law. Each action of the Board (including each determination of the Board) shall be final, binding and conclusive on all Participants and all other Persons. The Board may, to the extent permissible by law, delegate any of its authority hereunder to any duly authorized committee of the Board or any other persons as it deems appropriate.

ARTICLE II
DEFINITIONS

As used in the Plan, the following terms shall have the meanings set forth below:

"Affiliate" of any Person means any other Person controlled by, controlling or under common control with such Person; provided that the Company and its Subsidiaries shall not be deemed to be Affiliates of any Stockholder (as defined in the Stockholders Agreement). As used in this definition, "control" (including, with its correlative meanings, "controlling," "controlled by" and "under common control with") means possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities, by contract or otherwise). With respect to any Person who is an individual, "Affiliates" also includes, without limitation, any member of such individual's Family Group (as defined in the Stockholders Agreement).

"Aggregate Spread" of any Option as of any particular date means (a) the aggregate Fair Market Value of the securities for which such Option is exercisable, minus (b) the aggregate exercise price payable by the holder of such Option in order to acquire such securities.

"Aggregate Spread Per Share" means (a) the Aggregate Spread of the applicable Option, divided by (b) the total number of securities for which such Option is exercisable.

"Awards" means Options and Deferred RSUs.

"Award Agreement" means a written agreement between the Company and a Participant setting forth the terms, conditions, and limitations applicable to an Award; provided that, unless expressly set forth in an Award Agreement and approved by the Board, all Award Agreements shall be deemed to include all of the terms and conditions of the Plan.

"Award Stock" means, for any Participant, any Common Stock issued to such Participant upon exercise or settlement of any Award granted hereunder. For all purposes of the Plan, Award Stock will continue to be Award Stock in the hands of any holder (including any Permitted Transferee) except for the Company, the Sponsors and purchasers pursuant to a Public Sale, and each such other holder of Award Stock will succeed to all rights and obligations attributable to such Participant as a holder of Award Stock hereunder. Award Stock will also include shares of the capital stock issued with respect to shares of Award Stock by way of a merger, stock split, stock dividend or other recapitalization.

"Cause" means (a) in the case where there is no employment, consulting or similar agreement in effect between the Company or a Subsidiary and the Participant as of the Participant's Termination Date (or where there is such an agreement but it does not define "cause"), that such Participant has: (i) failed or refused to comply with a material directive from the Board or, if applicable, the board of directors of any Subsidiary or the Participant's supervisor; (ii) received a confirmed positive illegal drug test result; (iii) abused alcohol in a manner that impairs the Participant's ability to perform the Participant's duties; (iv) violated a material written policy of the Company or its Subsidiaries; (v) engaged in misconduct that could be injurious to the business of the Company or any Affiliate; or (vi) committed a felony or any crime involving moral turpitude; or (b) in the case where there is an employment, consulting or similar agreement in effect between the Company or a Subsidiary and the Participant as of the Participant's Termination Date that defines "cause," "cause" as defined under such agreement.

"Code" means the Internal Revenue Code of 1986, as it may be amended from time to time.

"Common Stock" means the Company's Common Stock, par value $0.01 per share, or, in the event that the outstanding shares of Common Stock are hereafter recapitalized, converted into or exchanged for different stock or securities of the Company or its Affiliates, such other stock or securities.

"Company Group" means the Company and its Subsidiaries.

"Confidential Information" means any and all data and information relating to the Company Group, its activities, business, or clients that (a) is disclosed to a Participant or of which a Participant becomes aware as a consequence of his or her employment and/or service with the Company Group; (b) has value to the Company Group; and (c) is not generally known outside of the Company Group. "Confidential Information" shall include, but is not limited to the following types of information regarding, related to, or concerning the Company Group: trade secrets (as defined by O.C.G.A. § 10-1-761); financial information and projections, strategic plans, business plans, organizational plans, markets, sales, pricing policies, operational methods, customer lists, referral source lists, compensation or benefits paid to employees or other service providers; terms or conditions of employment; human resources information or business related information contained in the Company Group's computer or other systems. "Confidential Information" also includes (i) combinations of information or materials which individually may be generally known outside of the Company Group, but for which the nature, method, or procedure for combining such information or materials is not generally known outside of the Company Group; and (ii) any and all data and information relating to or concerning a third party that otherwise meets the definition set forth above, that was provided or made available to the Company Group by such third party, and that the Company Group has a duty or obligation to keep confidential. This definition shall not limit any definition of "confidential information" or any equivalent term under state or federal law. "Confidential Information" shall not include information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right or privilege of the Company Group.

"Deferred RSUs" means the deferred restricted stock units granted pursuant to Article VI.

"Development" means (a) any and all ideas, trade secrets, information (including Confidential Information, know-how, processes, inventions, technology, discoveries, original works of authorship, modifications, enhancements, improvements, derivative works, computer software (including source code, executable code, algorithms, pseudocode, firmware, interfaces, data, databases, and documentation), processes, methods, formulas, designs, trademarks, service marks, and logos (whether or not patentable, copyrightable or able to be protected as a trade secret and whether or not reduced to practice) that are conceived, developed, designed, made, authored, contributed to or reduced to practice by a Participant (either solely or jointly with others) together with all physical or tangible embodiments of any of the foregoing, (b) all modifications, enhancements, improvements, and derivations of any of the foregoing, and (c) all claims and rights in and to all of the foregoing existing in any jurisdiction throughout the world, whether or not registration is or has been secured for any intellectual property rights embodied therein, including any intellectual property registrations or applications, any renewals and extensions thereof, and in and to all works based upon, derived from, or incorporating any of the foregoing, and in and to all income, royalties, damages, claims, and payments now or hereafter due or payable with respect thereto, and in and to all causes of action, either in law or in equity for past, present or future infringement based on any of the foregoing, and in and to all rights corresponding to any of the foregoing throughout the world, and all the rights embraced therein, including the right to make, use, sell, offer for sale, duplicate, reproduce, copy, distribute, import, export, display, license, adapt, and prepare derivative works from, or modifications, improvements or enhancements to, any of the foregoing.

"Disability," for any Participant, (a) in the case where there is no employment, consulting or similar agreement in effect between the Company or a Subsidiary and the Participant as of the Participant's Termination Date (or where there is such an agreement but it does not define "disability"), means such Participant's eligibility to receive disability benefits under the Company's or its Subsidiary's long-term disability plan or the inability of such Participant, as determined by the Board, to perform the essential functions of the Participant's regular duties and responsibilities, with or without reasonable accommodation, due to a medically determinable physical or mental illness which has lasted (or can reasonably be expected to last) for a period of six (6) consecutive months; or (b) in the case where there is an employment, consulting or similar agreement in effect between the Company or a Subsidiary and the Participant as of the Participant's Termination Date that defines "disability," "disability" as defined under such agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, or any successor statute thereto, and the rules and regulations promulgated thereunder.

"Fair Market Value," or "FMV," means: (a) if the Common Stock is listed on any established stock exchange, national market system or quoted or traded on any automated quotation system, including, without limitation, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market of The Nasdaq Stock Market, the closing sales price for a share of Common Stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on that trading day, as reported in The Wall Street Journal or such other source as the Board deems reliable; (b) if the Common Stock is not listed on an established stock exchange, national market system or automated quotation system, but the Common Stock is regularly quoted by a recognized securities dealer, the mean of the high bid and low asked prices for such date, or if no high bids and low asks were reported on such date, the high bid and low asked prices for a share of Common Stock on the last preceding date such bids and asks were reported, as reported in The Wall Street Journal or such other source as the Board deems reliable; and (c) in the absence of an established market for the Common Stock, the value determined in good faith by the Board..

"Initial Public Offering," or "IPO," means the initial underwritten Public Offering consummated by the Company that results in the shares of the Common Stock that are sold in such Public Offering being listed on the NASDAQ Stock Market.

"Material Contact" means, with respect to any Participant, contact between such Participant and a customer or referral source of the Company Group (a) with whom or which such Participant has or had dealings on behalf of the Company Group; (b) whose dealings with the Company Group are or were coordinated or supervised by such Participant; (c) about whom such Participant obtains Confidential Information in the ordinary course of business as a result of his or her employment and/or service with the Company Group; or (d) who receives products or services of the Company Group, the sale or provision of which results or resulted in compensation, commissions, or earnings for such Participant within the two (2) years prior to such Participant's Termination Date.

"Options" means options granted pursuant to Article IV.

"Permitted Transferee" has the meaning set forth in the Stockholders Agreement.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Public Offering" means any sale of the Company's Common Stock by the Company to the public pursuant to an offering registered under the Securities Act.

"Restricted Lines of Business" means, with respect to any Participant, (a) in the case where there is no employment, consulting or similar agreement in effect between the Company or a Subsidiary and the Participant as of the Participant's Termination Date (or where there is such an agreement but it does not define "restricted lines of business"), all of the business lines that the Company Group was operating or actively considering as of the Participant's Termination Date; or (b) in the case where there is an employment, consulting or similar agreement in effect between the Company or a Subsidiary and the Participant as of the date of the conduct in question or as of the Participant's Termination Date that defines "restricted lines of business", "restricted lines of business" as defined under such agreement. If the conduct in question occurs during the Participant's employment with the Company Group and there is no employment, consulting or similar agreement in effect between the Company or a Subsidiary and the Participant (or where there is such an agreement but it does not define "restricted lines of business"), "Restricted Lines of Business" shall mean all of the business lines that the Company Group was operating or actively considering as of the date of the conduct in question.

"Restricted Period" means, with respect to any Participant, (a) in the case where there is no employment, consulting or similar agreement in effect between the Company or a Subsidiary and the Participant as of the Participant's Termination Date (or where there is such an agreement but it does not define "restricted period"), the period of such Participant's employment and/or service with the Company and its Subsidiaries, plus the period commencing on the Participant's Termination Date and expiring on the later of (i) one (1) year after such Participant's Termination Date, and (ii) the length of time, if any, during which such Participant receives (or is eligible to receive, where such Participant declines or otherwise takes action to reject), in connection with such Participant's termination, severance benefits or other similar payments (other than payments in respect of the repurchase of equity interests in the Company) from the Company or its Subsidiaries pursuant to an agreement with such Participant, the severance policies of the Company or its Subsidiaries then in effect on the Participant's Termination Date, at the election of the Company or any of its Subsidiaries or otherwise (or the length of time, in terms of compensation, used to determine the amount of such Participant's severance benefits in the event such severance benefits are payable in a lump sum or on a schedule different than such length of time); or (b) in the case where there is an employment, consulting or similar agreement in effect between the Company or a Subsidiary and the Participant as of the Participant's Termination Date that defines "restricted period", "restricted period" as defined under such agreement.

"Restricted Territory" means, with respect to any Participant, (a) in the case where there is no employment, consulting or similar agreement in effect between the Company or a Subsidiary and the Participant as of the Participant's Termination Date (or where there is such an agreement but it does not define "restricted territory"), the area that is within the United States and within a one hundred (100)-mile radius of each location where the Company Group conducts business as of such Participant's Termination Date (if the conduct occurs after the Participant's Termination Date) or the date of the conduct in question (if the conduct occurs during the employment or service period); or (b) in the case where there is an employment, consulting or similar agreement in effect between the Company or a Subsidiary and the Participant as of the Participant's Termination Date that defines "restricted territory", "restricted territory" as defined under such agreement.

"Sale of the Company" means any transaction or series of transactions pursuant to which any Independent Third Party or group of Independent Third Parties in the aggregate acquires (a) Company Capital Stock or Capital Stock of the surviving entity in a merger involving the Company, in each case, entitled to vote (other than voting rights accruing only in the event of a default, breach, event of noncompliance or other contingency) to elect directors or managers with a majority of the voting power of the Company's or the surviving entity's board of directors or managers (whether by merger, consolidation, reorganization, combination, sale or transfer of Company Capital Stock) or (b) all or substantially all of the Company's assets determined on a consolidated basis; provided that a Public Offering shall not constitute a Sale of the Company. "Capital Stock," "Company Capital Stock," and "Independent Third Party" have the meanings ascribed to such terms in the Stockholder Agreement.

"Securities Act" means the Securities Act of 1933, as amended from time to time, or any successor federal law then in force, together with all rules and regulations promulgated thereunder.

"Sponsors" means the Bain Sponsors and the Whitney Sponsors (as such terms are defined in the Stockholders Agreement).

"Stockholders Agreement" means the Amended and Restated Stockholders Agreement, dated as of [ ], 2021, by and among the Company, the Sponsors and certain other stockholders of the Company, as the same may be amended from time to time.

"Subsidiary" means any corporation, partnership, limited liability company or other entity in which the Company owns, directly or indirectly, stock or other equity securities or interests possessing 50% or more of the total combined voting power of such entity.

"Termination Date" means (a) if the Participant is an employee at the time of the grant of an Award hereunder, the date of the Participant's termination of employment with the Company and its Subsidiaries for any or no reason, and (b) if the Participant is a non-employee director or consultant at the time of the grant of an Award hereunder, the Participant's termination of service with the Company and its Subsidiaries for any or no reason, in each case, regardless of whether the termination date is selected by agreement with the Company or unilaterally by the Company or any of its Subsidiaries (as applicable) and whether advance notice is or is not given to the Participant. No period of notice that is or ought to have been given under applicable law in respect of the termination of employment or service will be taken into account in determining entitlement under the Plan. Furthermore, a Participant who goes on a leave of absence approved by the

Company or one of its Subsidiaries or specifically authorized by applicable law shall not be deemed to have ceased the Participant's employment or service with the Company and its Subsidiaries during the period of such leave; provided that the time vesting of such Participant's Options under Section 4.3(a) and the time vesting of such Participant's RSUs granted under Article VI shall be suspended during the period of such leave, except to the extent such suspension is prohibited by applicable law.

"Transfer" means any direct or indirect sale, transfer, assignment, pledge, encumbrance or other disposition (whether with or without consideration and whether voluntary, involuntary or by operation of law, including to the Company or any of its Subsidiaries) of any interest.

"Work Product" means, for any Participant, Developments conceived, developed, designed, made, invented, authored, contributed to or reduced to practice by such Participant while employed by, or providing services to, the Company or any of its Subsidiaries.

ARTICLE III
AWARDS AND ELIGIBILITY

3.1 Awards. Awards under the Plan shall be granted in the form of non-qualified stock options as described in Article IV or restricted stock units as described in Article VI. For the avoidance of doubt, no Option shall be an incentive stock option within the meaning of Section 422(a) of the Code or any successor provision. Each Award shall be evidenced by a written Award Agreement containing such restrictions, terms, and conditions, if any, as the Board may require; provided that, except as otherwise expressly provided in an Award Agreement, if there is any conflict between any provision of the Plan and an Award Agreement, the provisions of the Plan shall govern.

3.2 Maximum Shares Available. An aggregate of no more than 798,438.5679 shares of Common Stock shall be reserved for issuance with respect to Options and 15,000.0000 shares of Common Stock shall be reserved for issuance with respect to Deferred RSUs. All Awards shall be subject to adjustment by the Board as follows. In the event of any reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation or similar change affecting the Common Stock, the Board shall make such changes in the number and type of equity securities covered by outstanding Awards and the terms thereof as the Board determines are necessary to prevent dilution or enlargement of rights of the Participants under the Plan. Without limiting the generality of the foregoing, in the event of any such transaction, the Board shall have the power to make such changes as it deems appropriate in the number and type of shares covered by outstanding Awards, the prices specified therein, and the securities or other property to be received upon exercise or settlement (which may include providing for cash payment (or no consideration) in exchange for cancellation of outstanding Awards). If any Awards expire unexercised or unpaid or are canceled, terminated or forfeited in any manner without the issuance of Common Stock or payment thereunder, the shares with respect to which such Awards were granted shall again be available under the Plan, subject to the foregoing maximum amounts. Shares of Common Stock to be issued upon exercise or settlement of Awards may be either authorized and unissued shares, treasury shares or a combination thereof, as the Board shall determine.

3.3 Eligibility. The Compensation Committee of the Board (the “Committee”) may, from time to time, select the individuals who shall be eligible to participate in the Plan and the Awards to be made to each such Participant. The Committee may consider any factors it deems relevant in selecting the Participants and in making Awards to such Participants. The Committee’s determinations under the Plan (including determinations of which persons are to receive Awards and in what amount) need not be uniform and may be made by it selectively among persons who are eligible to receive Awards under the Plan.

3.4 No Right to Continued Employment or Service. Nothing in the Plan or in any Award Agreement, as applicable, shall confer on any Participant any right to continue in the employment of, or to continue to provide services to, the Company or its Subsidiaries or interfere in any way with the right of the Company or its Subsidiaries to terminate such Participant’s employment or service at any time for any or no reason or to change any terms of such Participant’s employment or service (including the rate of compensation).

3.5 Return of Prior Awards. The Committee shall have the right, at its discretion, to require the Participants to return to the Company Awards previously granted to them under the Plan in exchange for new Awards; provided that, no Participant shall be required, without such Participant’s prior written consent, to return any Award if the new Award is to be made on terms less favorable to such Participant than the Award to be returned. Subject to the provisions of the Plan, such new Awards shall be upon such terms and conditions as are specified by the Board at the time the new Awards are made.

3.6 Securities Laws. The Plan has been instituted by the Company to provide certain compensatory incentives to the Participants and is intended to qualify for an exemption from the registration requirements under (a) the Securities Act pursuant to Rule 701 promulgated under the Securities Act and (b) applicable state securities laws.

ARTICLE IV
OPTIONS

4.1 Options. The Board shall have the right and power to grant to any Participant, at any time prior to the termination of the Plan, Options in such quantity, at such price, on such terms and subject to such conditions as are consistent with the Plan and established by the Board. Options granted under the Plan shall be in the form described in this Article IV, or in such other form or forms as the Board may determine, and shall be subject to such additional terms and conditions and evidenced by Award Agreements, as shall be determined from time to time by the Board.

4.2 Exercise Price. Options granted under the Plan at the time of the original adoption of the Plan had an exercise price equal to the greater of (a) the per share cash consideration paid by the Sponsors for Class A Common Stock in the Company, par value $0.01 per share (the “Closing Price”), and (b) the grant date Fair Market Value of a share of Common Stock; provided that Accelerator Options (as defined below) had an exercise price equal to two (2) times the Closing Price (and in no event less than the grant date Fair Market Value of a share of Common Stock). Subsequent grants have an exercise price equal to or greater than the grant date Fair Market Value of a share of Common Stock; provided that Accelerator Options (as defined below) have an exercise price equal to two (2) times the grant date Fair Market Value of a share of Common Stock.

4.3 Vesting of Options. Unless otherwise set forth in an Award Agreement, all Options shall be subject to vesting in accordance with the provisions of this Section 4.3. In addition to the other requirements set forth in this Section 4.3, unless otherwise set forth in an Award Agreement, Options shall vest only so long as a Participant remains employed by (in the case of a grant of Options to a Participant who is an employee of the Company or its Subsidiaries as of the grant date) or provides services to (in the case of a grant of Options to a Participant who is not an employee of, but rather is a director or consultant of, the Company or its Subsidiaries as of the grant date) the Company or one of its Subsidiaries from the grant date through the applicable vesting date. Options shall be exercisable only to the extent that they are vested. Unless otherwise set forth in an Award Agreement, (1) Awards of Options may be divided into up to three tranches; (2) each tranche shall be exercisable for the number of shares of Common Stock set forth in the Award Agreement; and (3) the three possible tranches shall be referred to hereunder as: "Time-Vesting Options," "Performance-Vesting Options," and "Accelerator Options".

(a) Time-Vesting Options.

(i) General. The Time-Vesting Options will be subject to time vesting only and will vest in equal twenty percent (20%) installments on each of the first five (5) anniversaries of the grant date, such that all Time-Vesting Options will be vested as of the fifth (5th) anniversary of the grant date (the "Time-Vesting Schedule").

(ii) Death or Disability. Upon termination of a Participant's employment due to death or Disability, an additional forty percent (40%) of the Time-Vesting Options will vest; provided that no more than one hundred (100%) of the Time-Vesting Options will vest as a result of this additional vesting.

(iii) Sale of the Company. Notwithstanding the foregoing Time-Vesting Schedule, all Time-Vesting Options will fully vest immediately prior to the consummation of a Sale of the Company. For the avoidance of doubt, no accelerated vesting will occur pursuant to this Section 4.3(a)(iii) absent the consummation of such Sale of the Company.

(iv) IPO. An IPO of the Company or any of its Subsidiaries or any successor to any of them will not result in any accelerated vesting of the Time-Vesting Options, and all Time-Vesting Options will continue to vest according to the Time-Vesting Schedule.

(b) Performance-Vesting Options. The Performance-Vesting Options shall be subject to performance vesting and will only be deemed fully vested when they have vested in accordance with the terms hereof.

(i) General. The Performance-Vesting Options will vest based upon achievement of the VWAP Price (as defined below) thresholds set forth below. For the avoidance of doubt, no more than one hundred percent (100%) of the Performance-Vesting Options will vest.

(ii) VWAP Vesting. The Performance-Vesting Options will vest if the volume weighted average price per share of Common Stock, as quoted on the NASDAQ Stock Market or other applicable exchange or system (the "VWAP Average Price"), meets or exceeds, during any consecutive ninety (90)-day period (each, a "VWAP Period") commencing on or after the nine (9)-month anniversary of the IPO, the following thresholds. For the avoidance of doubt, the first date on which the Performance-Vesting Options are eligible to vest under this Section 4.3(b)(ii) is the twelve (12)-month anniversary of the IPO, and the VWAP Average Price will be calculated by dividing the aggregate sale price of all shares of Common Stock sold during the VWAP Period by the total number of shares of Common Stock sold during the VWAP Period. A designated percentage of the Performance-Vesting Options will vest upon achievement of the designated VWAP Average Price thresholds for the applicable VWAP Period, as follows: (A) 2.0x Performance-Vesting Options (50% of the Performance-Vesting Options): one hundred percent (100%) of the 2.0x Performance-Vesting Options will vest as of the last day of a VWAP Period, if the VWAP Average Price during such VWAP Period equals or exceeds $[ ]; and (B) 2.5x-3.0x Performance-Vesting Options (50% of the Performance-Vesting Options): the 2.5x-3.0x Performance-Vesting Options will vest as of the last day of a VWAP Period on a straight-line basis based upon the achievement of a VWAP Average Price during such VWAP Period between $[ ] and $[ ], with zero percent (0%) vesting if the VWAP Average Price is below $[ ] and one hundred percent (100%) vesting if the VWAP Average Price equals or exceeds $[ ]. For the avoidance of doubt, no Performance-Vesting Options will vest under this Section 4.3(b)(ii) if the VWAP Average Price for an applicable VWAP Period is less than $[ ].

(iii) Determination of Vesting. The Board shall determine in its good faith discretion whether the relevant thresholds have been satisfied.

(iv) IPO. For the avoidance of doubt, any Performance-Vesting Options that are unvested as of the consummation of an IPO will continue to performance vest following an IPO in accordance with Section 4.3(b).

(c) Accelerator Options. The Accelerator Options will be subject to time vesting and will vest according to the Time-Vesting Schedule, including with respect to the accelerated time vesting provisions applicable upon the consummation of a Sale of the Company.

ARTICLE V
OPTION EXPIRATION AND EXERCISE

5.1 Expiration.

(a) Expiration of Term. All Options granted under the Plan shall expire at the close of business in the time zone of the Company’s headquarters on the tenth (10th) anniversary of the date of grant to the Participant of such Options (with respect to such Options, the “Term”), subject to earlier expiration as provided in this Article V.

(b) Expiration on Termination. Except as otherwise set forth in an Award Agreement, the portion of such Participant’s Options that have not fully vested as of the Participant’s Termination Date shall automatically expire at such time without consideration.

(c) Sale of the Company. Any Performance-Vesting Options that will not vest (or have not vested) upon or prior to the consummation of a Sale of the Company shall terminate and be canceled immediately before such Sale of the Company.

5.2 Exercise on Termination. Except as otherwise set forth in an Award Agreement, the portion of a Participant's Options that have vested as of such Participant's Termination Date shall expire upon, the earlier to occur of: (a) the end of their Term and (b) (i) ninety (90) days after the Termination Date, if a Participant is terminated without Cause or if the Participant resigns for any or no reason (other than under circumstances where the Board determines that Cause exists), (ii) one (1) year after the Termination Date, if a Participant is terminated due to death or due to Disability, (iii) immediately upon termination if a Participant is terminated for Cause or if a Participant resigns under circumstances where the Board determines that Cause exists, and (iv) immediately upon a Participant's breach of any of the provisions contained in Article XI or any other non-competition or other restrictive covenant benefiting the Company or its Subsidiaries.

5.3 Procedure for Exercise. At any time after all or any portion of a Participant's Options have fully vested and prior to their expiration, a Participant may exercise all or any portion (but not less than 10%) of such Options by (a) delivering written notice of exercise to the Company specifically identifying the particular Options to be exercised (an "Exercise Notice"), together with a written acknowledgment to each of the items set forth in Section 7.1 (including that such Participant has read and has been afforded an opportunity to ask questions of the management of the Company or its Subsidiaries regarding all financial and other information provided to such Participant regarding the Company or its Subsidiaries), (b) paying the applicable exercise price for such Options in connection with this Section 5.3 and the applicable Award Agreement and (c) delivering an executed joinder to the Stockholders Agreement in accordance with Article VIII below and such other representations and agreements (including any lock-up agreement) as the Company may deem necessary or advisable in connection with the exercise of such Options. Unless otherwise provided in an Award Agreement, payment by the Participant in connection with any exercise shall be (i) made by a check payable to the Company or a wire transfer of immediately available funds of the amount equal to the product of the exercise price multiplied by the number of shares of Award Stock to be acquired (the "Exercise Price Payment"), and the amount of any additional federal and state income taxes or any income taxes or employee's social security contributions arising in any jurisdiction outside the United States required to be withheld (or accounted for to appropriate revenue authorities by the Participant's employer) by reason of the exercise of the Options (the "Tax Payment," which amount shall be calculated by the Company and provided to the Participant promptly following delivery of an Exercise Notice, and which shall be subject to later adjustment by the Company (with a corresponding payment by or refund to the Participant) in the event that any such adjustment is required), and (ii) due in full from the Participant at the same time as delivery of the Exercise Notice (with the portion representing taxes or contributions due within ten (10) business days of the date on which the Company informs the Participant in writing of the amount of such items pursuant to the provisions of this Section 5.3). For United States federal income tax purposes, the Company intends to treat Options as exercised at the time the Company issues the applicable Award Stock to the Participant. Notwithstanding anything to the contrary in the foregoing, each Participant shall be permitted to pay the Exercise Price Payment with respect to his or her Options by way of a cashless exercise, and the Board may permit, in its sole discretion, for a Participant to pay the Tax Payment with respect to his or her Options by way of a cashless exercise. Such cashless exercise shall be effectuated by the Company withholding from delivery to the Participant the number of shares of Common Stock that have an aggregate Fair Market Value, determined as of the date of exercise, equal to the Exercise Price Payment and/or the Tax Payment (as applicable).

ARTICLE VI
DEFERRED RESTRICTED STOCK UNITS

6.1 Deferred RSUs. The Board shall have the right and power to grant to any Participant, at any time prior to the termination of the Plan, Deferred RSUs in such quantity, at such price, on such terms and subject to such conditions as are consistent with the Plan and established by the Board. Deferred RSUs granted under the Plan shall be in the form described in this Article VI, or in such other form or forms as the Board may determine, and shall be subject to such additional terms and conditions and evidenced by Award Agreements, as shall be determined from time to time by the Board.

6.2 Vesting. Except as otherwise set forth in the applicable Award Agreement, all of a Participant's Deferred RSUs shall be fully vested as of the grant date.

6.3 Settlement. Within sixty (60) days following the first to occur between (a) a Sale of the Company (provided that such Sale of the Company also constitutes a "change in control event" under Section 409A of the Code and the regulations promulgated thereunder) and (b) the Participant's Termination Date (provided that such Termination Date also constitutes a "separation from service" under Section 409A of the Code and the regulations promulgated thereunder) (as applicable, the "Settlement Date"), the Participant shall receive the number of shares of Common Stock that corresponds to the number of Deferred RSUs then-outstanding, provided that, prior to the end of such sixty (60)-day period, the Participant has fulfilled all of the conditions to the settlement of such Deferred RSUs established by the Company (which conditions include (a) if the Participant is not already a party to the Stockholders Agreement as of the settlement of such Deferred RSUs, the Participant delivering an executed joinder to the Stockholders Agreement in accordance with Article VIII below and (b) executing such other representations and agreements (including any lock-up agreement) as the Company may from time to time deem to be necessary or advisable in connection with the settlement of Deferred RSUs). If the Participant has not satisfied all of the conditions to settling the Participant's Deferred RSUs within sixty (60) days following the Settlement Date, Award Stock will not be issued to the Participant and such Deferred RSUs will be forfeited with no consideration due. Notwithstanding anything to the contrary herein, if the applicable sixty (60)-day period referred to herein spans, or could reasonably be expected to span, two calendar years, then any settlement of such Deferred RSUs required to be made under this Section 6.3 shall be made in the later calendar year.

ARTICLE VII
GENERAL PROVISIONS

7.1 Representations on Exercise or Settlement. In connection with any exercise or settlement of any Award and the issuance of Award Stock thereunder (other than pursuant to an effective registration statement under the Securities Act), the Participant shall, by the act of delivering the Exercise Notice or by the act of receiving Award Stock upon settlement of an Award (as applicable and without any further action on the part of the Participant), represent and warrant to the Company that, as of the time of such exercise or settlement, the Participant:

(a) has such knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risks of the Participant's investment in the Award Stock, and the Participant is able to bear the economic risk of the investment in the Award Stock for an indefinite period of time because the Award Stock is subject to the transfer restrictions contained in the Stockholders Agreement and has not been registered under the Securities Act or the securities laws of any state or other jurisdiction or foreign nation and, therefore, cannot be resold, pledged, assigned or otherwise disposed of, unless they are subsequently registered under the Securities Act and under the applicable securities laws of certain states or foreign nations or unless an exemption from such registration is available;

(b) is or was an officer, director, employee, consultant or advisor of the Company or one of its Subsidiaries and, in connection with such employment or service, has obtained adequate information regarding the Company in order to make informed decisions regarding the acquisition and holding of Award Stock;

(c) has had an opportunity to ask questions and receive answers concerning the terms and conditions of the offering of the Award Stock to be acquired by the Participant hereunder and has had full access and the opportunity to review such other information concerning the Company as the Participant may have requested in making the Participant's decision to invest in the Award Stock being issued hereunder;

(d) acknowledges that the Award Stock is subject to the restrictions described herein and in the Stockholders Agreement, and the Participant has received and reviewed a copy of the Stockholders Agreement;

(e) acknowledges that any certificate representing the Award Stock shall include such legend(s) as are set forth in the Stockholders Agreement;

(f) has relied on the advice of, or has consulted with, only the Participant's own legal, financial and tax advisors, and the determination of the Participant to acquire the Award Stock pursuant to the Plan has been made by the Participant independent of any statements or opinions as to the advisability of such acquisition or as to the properties, business, prospects or condition (financial or otherwise) of the Company and its Subsidiaries which may have been made or given by any other Person or by any agent or employee of such Person, and independent of the fact that any other Person has decided to become a stockholder of the Company; and

(g) acknowledges that the Company will rely upon the accuracy and truth of the foregoing representations in this Section 7.1 and hereby consents to such reliance.

In connection with any exercise or settlement of any Award (or any portion thereof), the Participant shall make such additional customary investment representations as the Company may require and the Participant shall execute such documents necessary for the Company to perfect exemptions from registration under federal and state securities laws as the Company may reasonably request.

7.2 Non-Transferability.

(a) All Awards are personal to a Participant and are not Transferable by such Participant, other than by will or pursuant to applicable laws of descent and distribution; provided that no such Transfer by will or pursuant to applicable laws of descent and distribution shall be effective until the later of (i) twenty (20) days following the date that the Company receives written notice of such Transfer and (ii) unless otherwise agreed by the Board, the Company's receipt of a written certification from each transferee stating that such Person is a "citizen of the United States" in accordance with 49 U.S.C. §§ 40102(a)(15) and 41102. Only a Participant, or the Participant's estate, personal representatives or heirs are entitled to exercise any Option. All Award Stock issued pursuant to the exercise or settlement of any Award shall not be Transferable except as permitted pursuant to the terms of the Stockholders Agreement. Any attempted Transfer of Awards or Award Stock issued upon exercise or settlement thereof which is not specifically permitted under the Plan or the Stockholders Agreement shall be null and void.

(b) No Participant shall make any Transfer prohibited by this Section 7.2 either directly or indirectly. Any Transfer or attempted Transfer in violation of this Section 7.2 shall be null and void.

(c) The Company shall issue, in the name of each Participant to whom Award Stock has been granted or sold, stock certificates representing the total number of shares of Award Stock granted or sold to such Participant, as soon as reasonably practicable after such grant or sale and deliver copies thereof.

7.3 Rights as a Stockholder. A Participant holding an Award shall have no rights as a stockholder with respect to any shares of Award Stock issuable upon exercise or settlement thereof until such Participant has satisfied all conditions to such exercise or settlement, including having delivered a joinder to the Stockholders Agreement in accordance with Article VIII below.

7.4 Sale of the Company.

(a) Notwithstanding anything to the contrary contained herein, subject to Section 5.1(c), immediately prior to the consummation of a Sale of the Company, the Board may (in its sole discretion), with respect to any or all of the Options that are outstanding and vested at such time, take any of the following actions (consistent with the requirements of Section 409A of the Code) with respect to the Options: (i) provide for the assumption, substitution or continuation of such vested Options, (ii) if the Fair Market Value of the underlying Award Stock as of the consummation of the Sale of the Company exceeds the exercise price associated with such vested Options, cash out all or any portion of such vested Options in exchange for the Aggregate Spread, and (iii) if the Fair Market Value of the underlying Award Stock as of the consummation of the Sale of the Company is less than the exercise price associated with such vested Options, unilaterally terminate all or any portion of such vested Options for no consideration. All Options that are not assumed, substituted or continued will be terminated upon the consummation of a Sale of the Company.

(b) Notwithstanding anything to the contrary contained herein, immediately prior to the consummation of a Sale of the Company, the Board may (in its sole discretion), with respect to any or all of the RSUs that are outstanding and vested but not yet settled in accordance with Section 6.3 at such time, take any of the following actions (consistent with the requirements of Section 409A of the Code) with respect to the RSUs: (i) issue the underlying Award Stock or (ii) cash out all or any portion of such vested RSUs in exchange for the Fair Market Value of the underlying Award Stock as of the consummation of the Sale of the Company.

(c) Participants will (i) be required to execute any definitive transaction documents in connection with any Sale of the Company at the request of the Company or its Subsidiaries or Affiliates, the Sponsors, or any of their collective successors and (ii) vote for (to the extent entitled to vote), at a stockholders meeting or by written consent, and shall consent to, participate in and raise no objections against, the Sale of the Company and the process by which such Sale of the Company is arranged.

ARTICLE VIII
JOINDERS

Receipt of any Award shall constitute agreement by the Participant receiving such Award to be bound by all of the terms and conditions of the Stockholders Agreement, including with respect to the Award Stock, or any other Company Capital Stock, issuable to or held by such Participant. In furtherance thereof, upon the receipt of any Award Stock, and without any further required action of the Participant, the Company or any other Person, the Participant shall automatically become a party to the Stockholders Agreement as an Executive (and subject to the corresponding restrictions), and the Participant shall execute a joinder to the Stockholders Agreement. All of the terms of the Stockholders Agreement are incorporated herein by reference.

ARTICLE IX
RESERVED

ARTICLE X
COMPLIANCE WITH LAWS

Each Award, and the issuance of any Award Stock pursuant to an Award, shall be subject to the requirement that if at any time the Board shall determine, in its discretion, that the listing, registration or qualification of the shares subject to such Award upon any securities exchange or under any state or federal securities or other law or regulation or the consent or approval of any governmental regulatory body is necessary or desirable as a condition to or in connection with the granting of such Award or the issuance or purchase of shares thereunder, no such Award may be exercised or settled in Common Stock, in whole or in part, unless such listing, registration, qualification, consent or approval (a "Required Listing") shall have been effected or obtained. In connection with any Required Listing, the holder of the Award will supply the Company with such certificates, representations and information as the Company shall request which are reasonably necessary or desirable in order for the Company to obtain such Required Listing, and shall otherwise cooperate with the Company in obtaining such Required Listing. In the case of officers and other persons subject to Section 16(b) of the Exchange Act, the Board may at any time impose any limitations upon the exercise or settlement of an Award which, in the Board's discretion, are necessary or desirable in order to comply with Section 16(b) of the Exchange Act and the rules and regulations thereunder. If the Company, as part of an offering of securities or otherwise, finds it desirable because of federal or state regulatory requirements to reduce the period during which any Awards may be exercised or settled, the Board may, in its discretion and without the consent of the holders of any such Awards, so reduce such period on not less than ten (10) days' written notice to the holders thereof.

ARTICLE XI
RESTRICTIVE COVENANTS

The Company and its Subsidiaries operate in a highly sensitive and competitive commercial environment. As part of the Participant's employment and/or service with the Company and/or its Subsidiaries, the Participant will be exposed to highly confidential and sensitive information regarding the Company's and its Subsidiaries' business operations, including corporate strategy, pricing and other market information, know-how, trade secrets, and valuable customer, supplier, strategic partner, licensee, licensor, lessor, regulatory and employee relationships. It is critical that the Company take all necessary steps to safeguard its legitimate protectable interests in such information and to prevent any of its competitors or any other persons from obtaining any such information. Therefore, as consideration for the Company's agreement to award Awards to a Participant, each Participant agrees to be bound by all of the provisions of this Article XI; provided that the provisions of Sections 11.2 through 11.6 shall not apply to a Participant who is serving the Company Group exclusively as a non-employee director of the Company Group at the time of receipt of an Award.

11.1 Confidentiality. Each Participant agrees that he or she shall not, directly or indirectly, use any Confidential Information on his or her own behalf or on behalf of any person or entity other than Company Group, or reveal, divulge, or disclose any Confidential Information to any person or entity not expressly authorized by the Company to receive such Confidential Information. This obligation shall remain in effect for as long as the information or materials in question retain their status as Confidential Information. Each Participant further agrees that he or she shall reasonably cooperate with the Company Group in maintaining the Confidential Information to the extent permitted by law. Anything herein to the contrary notwithstanding, a Participant shall not be restricted from disclosing information that is required to be disclosed by law, court order, in a proceeding to enforce the terms of the Plan, or other valid and appropriate legal process; provided, however, that in the event such disclosure is required by law, the Participant shall provide the Company with prompt notice of such requirement so that the Company may seek an appropriate protective order prior to any such required disclosure by the Participant.

(a) Nothing in the Plan or any Award Agreement shall prohibit or restrict the Company, the Company's Affiliates, the Participants or their respective attorneys from: (i) making any disclosure of relevant and necessary information or documents in any action, investigation, or proceeding relating to the Plan or any Award made hereunder, or as required by law or legal process, including with respect to possible violations of law; (ii) participating, cooperating, or testifying in any action, investigation, or proceeding with, or providing information to, any governmental agency or legislative body, any self-regulatory organization, and/or pursuant to the Sarbanes-Oxley Act; or (iii) accepting any U.S. Securities and Exchange Commission awards. In addition, nothing in the Plan or any Award Agreement prohibits or restricts the Company, the Company's Affiliates or the Participants from initiating communications with, or responding to any inquiry from, any regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation.

(b) Pursuant to 18 U.S.C. § 1833(b), a Participant will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret of the Company or its Affiliates that (i) is made (A) in confidence to a Federal, State, or local government official, either directly or indirectly, or to the Participant's attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If a Participant files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Participant may disclose the trade secret to the Participant's attorney and use the trade secret information in the court proceeding, if the Participant files any document containing the trade secret under seal and does not disclose the trade secret except under court order. Nothing in the Plan or any Award Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

11.2 Assignment of Inventions. Any copyrightable work falling within the definition of Work Product shall be deemed a "work-made-for-hire" under the copyright laws of the United States (17 U.S.C. 101 et seq.), and ownership of all rights therein shall vest in the Company or its Subsidiaries, as applicable, from the moment of fixation. In the event that any Work Product is deemed not to be a "work-made-for-hire," or if other rights may at any time be embodied in any Work Product, the Participant hereby assigns and transfers, and agrees to assign and transfer to the Company and its legal successors and assigns, the entire right, title, and interest in and to such Work Product. The Participant hereby waives, to the extent permitted by applicable law, all "moral rights" the Participant has in and to the Work Product. The Participant will promptly disclose any Work Product as may be susceptible of such manner of communication to the Company and perform all actions reasonably requested by the Company (whether before or after the Participant's Termination Date) to establish and confirm such ownership (including, without limitation, the execution and delivery of assignments, affidavits, declarations, oaths, exhibits, consents, powers of attorney and other instruments and documentation) and to provide reasonable assistance to the Company or any of its Subsidiaries in connection with the application and prosecution of any applications for any intellectual property rights or reissues thereof or in the prosecution or defense of interferences relating to any Work Product. Should the Company be unable to secure the Participant's signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Work Product, whether due to the Participant's mental or physical incapacity or any other cause, the Participant hereby irrevocably designates and appoints the Company and each of its duly authorized officers and agents as the Participant's agent and attorney in fact, to act for and in the Participant's behalf and stead, to execute and file any such document, and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, or other rights or protections with the same force and effect as if executed and delivered by the Participant.

11.3 Notice of Statutory Exception. Notwithstanding anything to the contrary contained in the Plan, Work Product shall not include any invention developed entirely on the Participant's own time without using any equipment, supplies, facilities, or trade secrets of the Company or any of its Subsidiaries, unless such invention (a) relates at the time of conception or reduction to practice to the business of the Company or its Subsidiaries or its and actual or demonstrably anticipated research or development of the Company or its Subsidiaries, or (b) results from any work performed by the Participant for Company or any of its Subsidiaries.

11.4 Non-Competition. During the Restricted Period, a Participant will not, directly or indirectly, on his or her own behalf or on behalf of another, (a) carry on or engage in one or more of the Restricted Lines of Business within the Restricted Territory or (b) own, manage, operate, join, control or participate in the ownership, management, operation or control, of any business, whether in corporate, proprietorship or partnership form or otherwise where such business is engaged in one or more of the Restricted Lines of Business within the Restricted Territory. Notwithstanding the foregoing, this Section 11.4 shall not restrict a Participant from passively investing in or holding up to two percent (2%) of the equity securities of an entity engaged in the Restricted Lines of Business, which securities are publicly traded.

11.5 Nonsolicitation of Employees and Contractors. During the Restricted Period, a Participant will not, directly or indirectly, on his or her own behalf or on behalf of any other person or entity, solicit for employment or services, or encourage or attempt to persuade any employee or contractor of any member of the Company Group to terminate or otherwise modify his or her employment or service with such member of the Company Group; provided, that the foregoing shall not limit the Participant's right to participate in job fairs or to place advertisements not directed solely at the employees or contractors of members of the Company Group. An employee or contractor of any member of the Company Group shall be deemed covered by this Section 11.5 while such employee or contractor is employed or retained by such member of the Company Group and for a period of six (6) months after the termination of such employee's or contractor's employment or service with such member of the Company Group.

11.6 Nonsolicitation of Customers and Referral Sources. During the Restricted Period, a Participant will not, directly or indirectly, on his or her own behalf or on behalf of any other person or entity, (a) solicit any business related to the Restricted Lines of Business or (b) solicit any customer or referral source of any member of the Company Group to terminate or modify to such member of the Company Group's disadvantage such customer's or referral source's business relationship with such member of the Company Group. This covenant is limited to customers and referral sources (i) that are located or otherwise conduct business in the Restricted Territory (as defined below) or (ii) with whom or which the Participant has had Material Contact on behalf of the Company Group during his or her employment and/or service with the Company. As to "customers," this covenant is limited to solicitations in which a Participant offers products or services that are competitive with those offered by any member of the Company Group at the time of termination of employment or service. As to "referral sources," this covenant is limited to solicitation for the purpose of obtaining referrals of the same type as referrals a member of the Company Group would seek from the referral source at the time of termination of employment or service.

11.7 Non-Disparagement. A Participant shall not make or solicit or encourage others to make or solicit directly or indirectly any derogatory or negative statement or communication about the Company Group or its Affiliates or any of their respective businesses, products, services or activities; provided that such restriction shall not prohibit truthful testimony compelled by valid legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

11.8 Return of Materials. Each Participant agrees that he or she will not retain or destroy (except as set forth below), and will immediately return to the Company Group on or prior to the Termination Date, or at any other time any member of the Company Group requests such return, any and all property of the Company Group that is in his or her possession or subject to his or her control, including, but not limited to, keys, credit and identification cards, personal items or equipment, customer files and information, papers, drawings, notes, manuals, specifications, designs, devices, code, email, documents, diskettes, CDs, tapes, keys, access cards, credit cards, identification cards, computers, mobile devices, other electronic media, all other files and documents relating to the Company Group and its business (regardless of form, but specifically including all electronic files and data of the Company Group), together with all Confidential Information in tangible or electronic form belonging to the Company Group or that the Participant received from or through his or her employment and/or service with the Company Group. A Participant will not make, distribute, or retain copies of any such information or property. To the extent that a Participant has electronic files or information in his or her possession or control that belong to the Company Group or contain Confidential Information (specifically including but not limited to electronic files or information stored on personal computers, mobile devices, electronic media, or in cloud storage), on or prior to the Termination Date, or at any other time any member of the Company Group requests, the Participant shall (a) provide the Company Group with an electronic copy of all of such files or information (in an electronic format that readily accessible by the Company Group); and (b) after doing so, delete all such files and information, including all copies and derivatives thereof, from all computers not owned by the Company Group, mobile devices, electronic media, cloud storage, or other media, devices, or equipment, such that such files and information are permanently deleted and irretrievable. Notwithstanding the foregoing, a Participant shall be permitted to retain a copy of mutually agreeable presentations and other documents not containing Confidential Information that demonstrate the results the Participant achieved with the Company Group, such agreement not to be unreasonably withheld.

11.9 Cooperation. Each Participant agrees that, for the Restricted Period and, if longer, during the pendency of any litigation or other proceeding arising from events and circumstances occurring during the Participant's employment and/or service with the Company Group, (a) the Participant shall not communicate with anyone (other than the Participant's attorneys and tax and/or financial advisors and except to the extent the Participant determines in good faith is necessary in the performance of the Participant's duties) with respect to the facts or subject matter of any pending or potential litigation, or regulatory or administrative proceeding involving the Company Group, other than any litigation or other proceeding in which the Participant is a party-in-opposition, without giving prior notice to the Company or the Company's counsel, and (b) in the event that any other party attempts to obtain information or documents from the Participant (other than in connection with any litigation or other proceeding in which the Participant is a party-in-opposition) with respect to matters the Participant believes in good faith are related to such litigation or other proceeding, the Participant shall promptly so notify the Company's counsel. The Participant agrees to cooperate, in a reasonable and appropriate manner, with the Company Group and its attorneys, both during, and after the termination of, the Participant's employment and/or service, in connection with any litigation or other proceeding arising out of or relating to matters in which the Participant was involved prior to the Termination Date to the extent (i) the amount of time the Participant is required to devote or expend is reasonable in respect of the Participant's ability to otherwise conduct the Participant's business and affairs and earn a livelihood reasonably satisfactory to the Participant; and (ii) a member of the Company Group pays all Company-approved expenses the Participant incurs (including reasonable attorneys' fees and costs) and provides satisfactory reimbursement, on a per-day basis, to the Participant for the Participant's time devoted and expended, in each case, in connection with such cooperation. Such reimbursement shall be at an hourly rate equivalent to the base salary the Participant was earning immediately prior to the Termination Date, divided by 2,080; provided that no additional compensation will be payable during any period of time during which the Participant is receiving severance or other post-termination pay from any member of the Company Group.

11.10 No Restriction on Earning a Living. Each Participant hereby acknowledges that the provisions of Article XI do not preclude the Participant from earning a livelihood, nor do they unreasonably impose limitations on the Participant's ability to earn a living. In addition, the Participant hereby acknowledges that the potential harm to the Company and/or its Subsidiaries of non-enforcement of Article XI outweighs any harm to the Participant of enforcement (by injunction or otherwise) of Article XI against the Participant. If any portion of the provisions of Article XI is found to be invalid or unenforceable by a court of competent jurisdiction because its duration, territory, definition of activities covered, or definition of information covered is considered to be unreasonable in scope, the invalid or unenforceable term shall be narrowed, limited or redefined, or a new enforceable term provided, such that the intent of the Company and the Participant in agreeing to the provisions of Article XI will be preserved, and the provision in question shall be enforceable, to the fullest extent permitted by applicable law.

11.11 Additional Acknowledgements; Remedies. Each Participant acknowledges that the restrictions contained in this Article XI are reasonable and necessary to protect the legitimate interests of the Company and its Subsidiaries and that the Company would not have entered into the Plan or any Award Agreement in the absence of such restrictions. The Participant also acknowledges that any breach by the Participant of this Article XI will cause continuing and irreparable injury to the Company and its Subsidiaries for which monetary damages would not be an adequate remedy. The Participant shall not, in any action or proceeding to enforce any of the provisions of the Plan, assert the claim or defense that an adequate remedy at law exists or that this Article XI is unreasonable or otherwise not enforceable in accordance with their terms. In the event that, notwithstanding the foregoing, the Participant challenges the reasonableness or enforceability of the restrictions contained in this Article XI, the Participant shall pay the attorneys' fees of the Company and/or its Subsidiaries, as applicable. In the event of such breach by the Participant, the Company or any of its Subsidiaries shall have the right to enforce the provisions of this Article XI by seeking injunctive or other relief in any court, and the Plan shall not in any way limit remedies of law or in equity otherwise available to such entity. The periods of time set forth in this Article XI shall not include, and shall be deemed extended by, any period during which the Participant is in breach of any such restriction, and, if litigation is pursued by the Company or any Subsidiary, any time required for litigation to enforce the relevant covenant periods, provided that the Company or any of its Subsidiaries is successful on the merits in any such litigation. The "time required for litigation" is herein defined to mean the period of time from the earlier of the Participant's first breach of such covenants or service of process upon the Participant through the expiration of all appeals related to such litigation.

11.12 Survival of Provisions. The obligations contained in this Article XI shall survive the termination of the Participant's employment and service with the Company and its Subsidiaries and shall be fully enforceable thereafter.

ARTICLE XII
OTHER PROVISIONS

12.1 Indemnification. No member of the Board, nor any person to whom administrative or ministerial duties have been delegated, shall be personally liable for any action, interpretation or determination made with respect to the Plan or Awards made thereunder (except, if applicable, in his or her capacity as a Participant hereunder), and each member of the Board shall be fully indemnified and held harmless by the Company with respect to any liability such person may incur with respect to any such action, interpretation or determination, to the extent permitted by applicable law and to the extent provided in the Company's Certificate of Incorporation and Bylaws, as amended from time to time, or under any agreement between any such Board member and the Company.

12.2 Termination and Amendment. The Board at any time may suspend or terminate the Plan and make such additions or amendments as it deems advisable under the Plan and any Award Agreement; provided that, the Board may not change any of the terms of the Plan or an Award Agreement in a manner adverse to a Participant without the prior written approval of such Participant; provided, further, that to the extent the Board amends the Plan or any Award Agreement in a manner adverse to a Participant without such Participant's consent, such Participant and the Company shall continue to be bound and governed by the terms of the Plan and such Award Agreement as in effect prior to such amendment.

12.3 Taxes. Subject to Section 5.3, the Company shall have the right to require the Participants or their beneficiaries or legal representatives to remit to the Company an amount sufficient to satisfy the Participant's minimum federal, state, local and foreign withholding tax requirements, as applicable, or to deduct from all payments under the Plan amounts sufficient to satisfy such minimum withholding tax requirements. Whenever payments under the Plan are to be made to a Participant in cash, such payments shall be net of any amounts sufficient to satisfy all federal, state, local and foreign withholding tax requirements, as applicable.

12.4 Data Collection. By participating in the Plan or accepting any rights granted under it, each Participant consents to the collection and processing of personal data relating to the Participant so that the Company and its Affiliates can fulfill their obligations and exercise their rights under the Plan and generally administer and manage the Plan. This data will include, but may not be limited to, data about participation in the Plan and shares offered or received, purchased or sold under the Plan from time to time and other appropriate financial and other data (such as the date on which the Awards were granted) about the Participant and the Participant's participation in the Plan.

12.5 Notices. Notices required or permitted to be made under the Plan shall be in writing and shall be deemed given, delivered and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile prior to 5:00 p.m. (New York time) on a business day, (b) the business day after the date of transmission, if such notice or communication is delivered via facsimile later than 5:00 p.m. (New York time) on any business day and earlier than 11:59 p.m. (New York time) on the day preceding the next business day, (c) one (1) business day after when sent, if sent by nationally recognized overnight courier service (charges prepaid), or (d) upon actual receipt by the person to whom such notice is required to be given. All notices shall be addressed, if to (i) a Participant, to such Participant's address as set forth in the books and records of the Company and its Subsidiaries, and (ii) the Company or the Board, to the principal office of the Company as set forth in the Stockholders Agreement, clearly marked "Attention: Board of Directors".

12.6 Severability. In the event that any court of competent jurisdiction determines that any provision of the Plan is, under applicable law, invalid or unenforceable in any respect, such provision shall be construed by modifying or limiting it so as to be valid and enforceable to the maximum extent permitted under applicable law. The provisions of the Plan are severable, and in the event any provision hereof should be held invalid or unenforceable in any respect, it shall not invalidate, render unenforceable or otherwise affect any other provision of the Plan.

12.7 Prior Agreements. Except as expressly stated otherwise, no provision of any employment, severance, incentive award, or other similar agreement entered into by a Participant, on the one hand, and any Subsidiary of the Company, on the other hand, prior to the Effective Date shall modify or have any effect in any manner on any provision of the Plan or any term or condition of any Award Agreement to which such Participant is a party. Without limiting the generality of the foregoing, any provision in any such agreement that purports to apply in any manner to options, stock, equity-based awards or the like shall not apply to or have any effect on any Awards under the Plan.

12.8 Governing Law and Forum; Waiver of Jury Trial. The Plan shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of laws provision or rule that would cause the application of the laws of any other jurisdiction. Each Participant who accepts an Award thereby (a) agrees that any suit, action or proceeding brought by or against such Participant in connection with the Plan shall be brought solely in the Court of Chancery of the State of Delaware; (b) consents to the jurisdiction and venue of such court; (c) submits to and accepts the exclusive jurisdiction of such court for the purpose of any such suit, legal action, or proceeding; (d) agrees to accept service of process by the Company or any of its agents in connection with any such proceeding; (e) irrevocably waives any objection which such Participant may now or hereafter have to the laying of venue or any such suit, legal action or proceeding in such court; and (f) further waives any claim that any suit, legal action or proceeding brought in such court has been brought in an inconvenient forum. EACH PARTICIPANT WHO ACCEPTS AN AWARD IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY LAWSUIT OR PROCEEDING RELATING TO OR ARISING IN ANY WAY FROM THE PLAN OR ANY AWARD OR THE MATTERS OTHERWISE CONTEMPLATED HEREBY.

12.9 Construction. The words “include,” “includes” or “including” shall be deemed to be followed by the words “without limitation.” Where specific language is used to clarify by example a general statement contained herein (such as by using the words “such as”), such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. Whenever required by the context, any pronoun used in the Plan shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plural and vice versa.

12.10 Section 409A Compliance. It is the intention of the Company and the Board that the Plan not be subject to the provisions of Section 409A of the Code, as in effect as of the Effective Date or as subsequently modified, or, to the extent subject to such provisions, to comply in all material respects with such provisions. In the event that Section 409A of the Code would impose a tax, penalty, liability or other detriment on any Participant with respect to any Award under the Plan, then the Board shall consider in good faith modifications or amendments to the Plan or any Award Agreement intended to eliminate or mitigate such detriment; provided that, in no event shall the Board be required to modify or amend the Plan in a manner adverse to the Company or the Sponsors; provided, further, that, in no event shall the Company or its Affiliates be responsible for any taxes or penalties incurred by a Participant in connection with any amounts or benefits received pursuant to the Plan or any Award Agreement.

* * * * *

Exhibit 10.19

THIRD JOINDER AGREEMENT AND FIFTH AMENDMENT

(2021-1 New Revolving Credit Loans)

THIRD JOINDER AGREEMENT AND FIFTH AMENDMENT (this "**Agreement**"), dated as of March 11, 2021, by and among each New Revolving Loan Lender set forth on the signature pages hereto (each, a "**2021-1 New Revolving Loan Lender**"), Aveanna Healthcare LLC, a Delaware limited liability company (the "**Borrower**"), the other Credit Parties, Barclays Bank PLC, as the Administrative Agent (the "**Administrative Agent**") and each of the Consenting Lenders (as defined below).

RECITALS:

WHEREAS, reference is hereby made to the First Lien Credit Agreement, dated as of March 16, 2017 (as amended by that certain Joinder Agreement and Amendment, dated as of July 1, 2018, Amendment No. 2 to First Lien Credit Agreement, dated as of March 19, 2020, Amendment No. 3 to First Lien Credit Agreement, dated as of April 1, 2020, and Second Joinder Agreement and Fourth Amendment, dated as of September 21, 2020, and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among Aveanna Healthcare Intermediate Holdings LLC (f/k/a BCPE Eagle Intermediate Holdings LLC), a Delaware limited liability company, the Borrower (f/k/a BCPE Eagle Buyer LLC), the lending institutions from time to time party thereto, and Barclays Bank PLC, as the Administrative Agent, the Collateral Agent, a Letter of Credit Issuer, and a Lender (capitalized terms used but not defined herein having the meaning provided in the Credit Agreement);

WHEREAS, subject to the terms and conditions of the Credit Agreement, the Borrower may establish New Revolving Credit Commitments by, among other things, entering into one or more Joinder Agreements with the 2021-1 New Revolving Loan Lenders;

WHEREAS, the Administrative Agent and the Borrower may amend the Credit Agreement and the other Credit Documents without the consent of any other party as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the terms of any incremental facility in accordance with Section 2.14 of the Credit Agreement;

WHEREAS, the Borrower has requested that the 2021-1 New Revolving Loan Lenders provide $125,000,000 of New Revolving Credit Commitments (the "**2021-1 New Revolving Credit Commitments**"; the loans thereunder, the "**2021-1 New Revolving Credit Loans**") to be made available to the Borrower at any time from time to time on and after the 2021-1 Incremental Amendment Effective Date (as defined below), which 2021-1 New Revolving Credit Commitments shall be of the same Class as the Initial Revolving Credit Commitments (as amended hereby);

WHEREAS, the Borrower intends to use the proceeds of the 2021-1 New Revolving Credit Loans to (i) fund working capital, general corporate purposes (including to consummate any other Permitted Acquisitions) and other transactions not prohibited by the Credit Documents and (ii) pay fees, premiums and expenses incurred in connection with the foregoing and the consummation of any other transaction contemplated herein;

WHEREAS, each of Barclays Bank PLC, JPMorgan Chase Bank, N.A., Bank of Montreal, Credit Suisse Loan Funding LLC, Bank of America, N.A., Deutsche Bank AG New York Branch, Jefferies Finance LLC, Truist Bank and Royal Bank of Canada (collectively, the "**2021-1 New Revolving Loan Lead Arrangers**") has agreed to act as a lead arranger and joint bookrunner for the 2021-1 New Revolving Loans;

WHEREAS, the Borrower may extend the maturity date of any Revolving Credit Loans and Revolving Credit Commitments with the consent of each Lender holding Loans and/or Commitments under the Revolving Credit Facility;

WHEREAS, subject solely to the conditions set forth in Section 4(a) hereof, (i) the Swingline Lender, Letter of Credit Issuers and Revolving Lenders that execute and deliver a signature page consenting to this Agreement (the "**Consenting Lenders**") prior to 12:00 p.m. (New York City Time) March 9, 2021 (the "**Consent Deadline**") (constituting (x) the Swingline Lender, (y) all Letter of Credit Issuers and (z) all Revolving Lenders) are willing to agree to extend the Maturity Date with respect to such Consenting Lenders' Revolving Commitments and Revolving Loans and (ii) the Consenting Lenders agree to the amendments set forth herein; and

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

1. **Terms of the 2021-1 New Revolving Facility**. Each 2021-1 New Revolving Loan Lender party hereto hereby irrevocably commits to provide its 2021-1 New Revolving Credit Commitments as set forth on Schedule 1 annexed hereto, on the terms set forth herein and subject to the satisfaction of the conditions set forth in Section 4(b) below.

(a) **Applicable Margin**. The Applicable Margin for ABR Loans or for LIBOR Loans, as applicable, for the 2021-1 New Revolving Credit Loans shall be the same as the Applicable Margin for Revolving Credit Loans under the Credit Agreement.

(b) **Maturity**. The 2021-1 New Revolving Credit Loans shall mature on the Revolving Credit Maturity Date (as amended under Section 2 below).

(c) **Use of Proceeds**. The proceeds of the 2021-1 New Revolving Credit Loans will be used for any purpose permitted by Section 9.13 of the Credit Agreement.

(d) **2021-1 New Revolving Loan Lender**. To the extent not already a Lender, each 2021-1 New Revolving Loan Lender party hereto acknowledges and agrees that upon its execution of this Agreement and the making of 2021-1 New Revolving Credit Loans, as the case may be, that such 2021-1 New Revolving Loan Lender shall become a "**Lender**" under, and for all purposes of, the Credit Agreement and the other Credit Documents, and shall be subject to and bound by the terms thereof, and shall perform all the obligations of and shall have all rights of a Lender thereunder and under the Intercreditor Agreements, as applicable, pursuant to Section 12.13 of the Credit Agreement. Each 2021-1 New Revolving Loan Lender (i) confirms that it has received a copy of the Credit Agreement and the other Credit Documents and the exhibits thereto, together with copies of the most recent financial statements referred to in Section 8.9 of the Credit Agreement or delivered pursuant to Section 9.1 of the Credit Agreement, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Collateral Agent or any other Lender or Agent, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Credit Documents as are delegated to the Administrative Agent or the Collateral Agent, as the case may be, by the terms thereof, together with such powers as are reasonably incidental thereto; and (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Documents are required to be performed by it as a Lender.

(e) Notwithstanding anything to the contrary contained herein, the 2021-1 New Revolving Credit Commitments set forth herein shall be terminated and shall cease to be effective if each of the conditions set forth in Section 4(b) has not been satisfied at or prior to 11:59 p.m., New York City time, on December 31, 2021.

2. **Fifth Amendment Effective Date Amendments to the Credit Agreement.** Section 1.1 of the Credit Agreement is hereby amended by amending and restating the following definitions, subject to the satisfaction of the conditions set forth in Section 4(a) below:

> "Revolving Credit Maturity Date" shall mean March 16, 2023, or, if such date is not a Business Day, the immediately preceding Business Day; *provided* that automatically upon consummation of an IPO Transaction, "Revolving Credit Maturity Date" shall mean the date that is five (5) years after the consummation of such IPO Transaction or, if such date is not a Business Day, the immediately preceding Business Day (the "Post-IPO Maturity Date"); *provided further* that the Term Loan Refinancing has not occurred by December 16, 2023, "Revolving Credit Maturity Date" shall mean December 16, 2023, or, if such date is not a Business Day, the immediately preceding Business Day.
>
> "IPO Transaction" shall mean (a) a transaction in which the common Capital Stock of the Borrower or Holdings (or any direct or indirect parent company or corporate successor (including a Subsidiary) thereof, including a special purpose acquisition company or related entity) are publicly listed (whether through an initial public offering, a direct listing or otherwise) on any national securities exchange, automated interdealer quotation system or over the counter market or analogous exchange or market in the United States (including pursuant to an "Up-C" structure) or (b) the consummation of any merger, acquisition, contribution, equity purchase or similar reorganization transaction or series of transactions resulting in the combination of Holdings (or any direct or indirect parent company or corporate successor (including a Subsidiary) thereof) and any special purpose acquisition company or similar entity (including with a direct or indirect parent or Subsidiary thereof), where the common Equity Interests of such surviving entity (or any direct or indirect parent thereof) are publicly listed on any national securities exchange, automated interdealer quotation system or over the counter market or analogous exchange or market in the United States; provided that, in each case, such IPO Transaction shall have occurred prior to December 31, 2021.
>
> "Post-IPO Maturity Date" shall have the meaning provided in the definition of Revolving Credit Maturity Date.
>
> "Term Loan Refinancing" means the repayment or the refinancing, extension, modification, renewal, replacement or refunding of all outstanding Term Loans that have a Maturity Date of March 16, 2024 and Second Lien Loans that have a maturity date of March 16, 2025 (other than up to $240 million in principal amount of such Term Loans and/or Second Lien Loans) with other Indebtedness, in each case, that has a final maturity date of no earlier than 91 days after the Post-IPO Maturity Date.

3. **Credit Agreement Governs**. For avoidance of doubt, the 2021-1 New Revolving Credit Commitments and the 2021-1 New Revolving Credit Loans shall have the same terms as those applicable to the Revolving Commitments and Revolving Loans under the Credit Agreement and otherwise be subject to the provisions of the Credit Agreement and the other Credit Documents.

4. **Conditions Precedent**.

(a) **Fifth Amendment Effective Date**. This Agreement shall become effective on March 11, 2021 (the "**Fifth Amendment Effective Date**") other than with respect to the effectiveness of the 2021-1 New Revolving Credit Commitments, subject solely to the satisfaction or waiver by each of the Consenting Lenders of the following conditions precedent:

(i) The Administrative Agent (or its counsel) shall have received this Agreement, executed and delivered by a duly Authorized Officer of each (x) Credit Party, (y) Consenting Lender and (z) 2021-1 New Revolving Loan Lender.

(ii) The Administrative Agent (or its counsel) shall have received (x) as of the Fifth Amendment Effective Date, executed legal opinions, in customary form, from (i) Kirkland & Ellis LLP, as New York, California and Texas counsel to the Credit Parties, (ii) Greenberg Traurig LLP, as special Delaware, Pennsylvania, Massachusetts, Minnesota, Nevada, New Jersey, Arizona, Colorado, Virginia and Georgia counsel to the Credit Parties, (iii) Polsinelli PC, as special Washington and Missouri counsel to the Credit Parties, (iv) Dickinson Wright PLLC, as special Michigan, Florida and Tennessee counsel to the Credit Parties, (v) Nelson Mullins Riley & Scarborough LLP as special North Carolina counsel to the Credit Parties and (vi) Gordon Rees Scully Mansukhani, LLP as special Oklahoma, Iowa and Wisconsin counsel to the Credit Parties and (y) a customary certificate of each Credit Party, dated as of the Fifth Amendment Effective Date, substantially in the form delivered on the Closing Date, with appropriate insertions and attaching (i) a copy of the resolutions of the applicable governing body of each Credit Party (or a duly authorized committee thereof) authorizing (a) the execution, delivery, and performance of this Agreement and any related agreements to which it is a party and (b) in the case of the Borrower, the extensions of credit contemplated hereunder, (ii) the applicable Organizational Documents of each of each Credit Party (or confirming no amendment to such Organizational Documents have been made with respect to such Credit Party since such Organizational Documents were delivered to the Administrative Agent in connection with that certain Second Joinder Agreement and Fourth Amendment, dated September 21, 2020) and, to the extent applicable in the jurisdiction of organization of such Credit Party, a certificate as to its good standing as of a recent date from an applicable Governmental Authority in such jurisdiction of organization, and (iii) signature and incumbency certificates (or other comparable documents evidencing the same) of the Authorized Officers of each Credit Party executing this Agreement and any related agreements to which it is a party (or confirming there are no such changes to the Authorized Officers with respect to such Credit Party since the Closing Date). The Borrower hereby instructs and agrees to instruct the other Credit Parties to have the counsel described in this clause (ii) deliver such legal opinions.

(iii) On the Fifth Amendment Effective Date, the Administrative Agent shall have received a certificate from the Chief Financial Officer of the Borrower (or other officer of the Borrower with similar responsibilities) substantially in the form of Exhibit A hereto to the effect that as of the Fifth Amendment Effective Date, the Borrower, together with its Subsidiaries on a consolidated basis, is Solvent.

(iv) The Administrative Agent shall have received (at least three (3) Business Days prior to the Fifth Amendment Effective Date) all documentation and other information about each Credit Party as has been reasonably requested in writing at least ten (10) Business Days prior to the Fifth

Amendment Effective Date by the Administrative Agent or any Consenting Lenders that is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the PATRIOT Act and a certification regarding beneficial ownership required by 31 C.F.R. § 1010.230.

(v) The Borrower shall have paid (which may occur substantially simultaneously with the effectiveness of this Agreement on the Fifth Amendment Effective Date) (x) all reasonable, documented and invoiced fees and documented out-of-pocket costs and expenses payable to the Administrative Agent in connection with this Agreement and (y) all reasonable fees, expenses and disbursements of Paul Hastings LLP, as counsel for the Administrative Agent, incurred in connection with the preparation, negotiation and execution of this Amendment to the extent invoiced at least three (3) Business Days prior to the date hereof.

(vi) The Administrative Agent shall have received a certificate from the Chief Financial Officer of the Borrower (or other officer of the Borrower with similar responsibilities) certifying that (x) no Event of Default shall exist on the Fifth Amendment Effective Date or immediately after giving effect thereto, and (y) on and as of the Fifth Amendment Effective Date, all representations and warranties made by any Credit Party contained in the Credit Agreement or in the other Credit Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the such date (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date).

(b) **2021-1 Incremental Amendment Effective Date**. The 2021-1 New Revolving Credit Commitments and 2021-1 New Revolving Loans contained in Section 1 of this Agreement shall become effective on the date (the "**2021-1 Incremental Amendment Effective Date**") of satisfaction or waiver by the 2021-1 New Revolving Loan Lead Arrangers of the following conditions precedent:

(i) The Administrative Agent shall have received a certificate dated as of the 2021-1 Incremental Amendment Effective Date and signed by an Authorized Officer of the Borrower, certifying that the 2021-1 New Revolving Credit Commitments do not exceed the Maximum Incremental Facilities Amount.

(ii) On the 2021-1 Incremental Amendment Effective Date, the Administrative Agent shall have received a certificate from the Chief Financial Officer of the Borrower (or other officer of the Borrower with similar responsibilities) substantially in the form of Exhibit A hereto to the effect that as of the Fifth Amendment Effective Date, the Borrower, together with its Subsidiaries on a consolidated basis, is Solvent.

(iii) All fees required to be paid on the 2021-1 Incremental Amendment Effective Date pursuant to that certain Fee Letter, dated as of March 11, 2021, by and among the Borrower, the 2021-1 New Revolving Loan Lead Arrangers and the other parties thereto, to the extent invoiced at least three (3) Business Days prior to the 2021-1 Incremental Amendment Effective Date, shall have been paid (which amounts may, at the Borrower's option, be offset against the proceeds of the 2021-1 New Revolving Credit Loans).

(iv) The Borrower shall have paid (x) all reasonable, documented and invoiced fees and documented out-of-pocket costs and expenses payable to the Administrative Agent in connection with this Agreement and the Credit Agreement as of the 2021-1 Incremental Amendment Effective Date and (y) all reasonable fees, expenses and disbursements of Paul

Hastings LLP, as counsel for the Administrative Agent, incurred in connection with his Amendment or under the Credit Agreement to the extent invoiced at least three (3) Business Days prior to the 2021-1 Incremental Amendment Effective Date.

(v) On the 2021-1 Incremental Amendment Effective Date, the Administrative Agent shall have received a certificate from the Chief Financial Officer of the Borrower (or other officer of the Borrower with similar responsibilities) certifying that (x) no Event of Default shall exist on the 2021-1 Incremental Amendment Effective Date or immediately after giving effect thereto and (y) on and as of the 2021-1 Incremental Amendment Effective Date, all representations and warranties made by any Credit Party contained in the Credit Agreement or in the other Credit Documents shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the such date (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date).

(vi) The occurrence of an IPO Transaction.

(vii) The occurrence of the Fifth Amendment Effective Date.

(viii) The Administrative Agent shall have received an updated model and projections with respect to the Holdings, the Borrower and their Subsidiaries, prepared after giving effect to the transactions as of the 2021-1 Incremental Amendment Effective Date.

5. **Reaffirmation of the Credit Parties**. Each Credit Party hereby consents to the terms of this Agreement and the amendment of the Credit Agreement effected hereby, including without limitation, the establishment of the 2021-1 New Revolving Credit Commitments. Each Credit Party hereby confirms that each Credit Document to which it is a party or otherwise bound and all Collateral encumbered thereby will continue to guarantee or secure, as the case may be, to the fullest extent possible in accordance with the Credit Documents the payment and performance of all “Obligations” under each of the Credit Documents to which it is a party (in each case as such terms are defined in the applicable Credit Document), including without limitation, the 2021-1 New Revolving Credit Loans. Each Credit Party acknowledges and agrees that any of the Credit Documents (as they may be modified by this Agreement) to which it is a party or otherwise bound shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of this Agreement other than to the extent expressly contemplated hereby.

6. **Acknowledgement and Consent to Bail-In of Affected Financial Institutions**. As of the Fifth Amendment Effective Date, parties signatory hereto consent be bound by the terms and provisions set forth on Annex A attached hereto.

7. **Notice**. For purposes of the Credit Agreement, to the extent not already a Lender, the initial notice address of the 2021-1 New Revolving Loan Lender shall be as set forth below its signature below.

8. **Acknowledgments**.

(a) The Administrative Agent and the Borrower acknowledge that the amendments to the Credit Agreement contained in this Agreement are necessary or appropriate to effect the terms of the 2021-1 New Revolving Credit Commitments.

(b) All parties hereto acknowledge that this Agreement constitutes (i) the requisite notice required by Section 2.14 of the Credit Agreement and (ii) a "Joinder Agreement".

9. **Tax Forms**. For each relevant 2021-1 New Revolving Loan Lender, delivered herewith to the Administrative Agent and the Borrower are such forms, certificates or other evidence with respect to United States federal income tax withholding matters as the 2021-1 New Revolving Loan Lender may be required to deliver to the Administrative Agent and/or the Borrower pursuant to Section 5.4(e) of the Credit Agreement.

10. **Recordation of the New Loans**. Upon the 2021-1 Incremental Amendment Effective Date, the Administrative Agent will record the 2021-1 New Revolving Credit Commitments and 2021-1 New Revolving Credit Loans, as the case may be, made by each 2021-1 New Revolving Loan Lender in the Register.

11. **Amendment, Modification and Waiver**. This Agreement may not be amended, modified or waived except by an instrument or instruments in writing with the consent of the Persons required to sign such instrument by Section 13.1 of the Credit Agreement.

12. **Entire Agreement**. This Agreement, the Credit Agreement and the other Credit Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.

13. **GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

14. **Severability**. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

15. **Counterparts**. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by facsimile or other electronic transmission), and all of said counterparts shall be deemed originals and taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent. The words "execution," "signed," "signature," and words of like import in this Agreement shall be deemed to include electronic signatures or the keeping of electronic records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. For the avoidance of doubt, the foregoing also applies to any amendment, extension or renewal of this Agreement.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first set forth above.

BARCLAYS BANK PLC,
as the Administrative Agent

By: /s/ Ronnie Glenn
Name: Ronnie Glenn
Title: Director

BARCLAYS BANK PLC,
a Revolving Lender and a 2021-1 New Revolving Loan Lender

By: /s/ Ronnie Glenn
Name: Ronnie Glenn
Title: Director

JPMORGAN CHASE BANK, N.A.,
a 2021-1 New Revolving Loan Lender

By: /s/ Ling Li
Name: Ling Li
Title: Executive Director

[Signature Page to Joinder Agreement and Amendment]

Bank of Montreal,
a Revolving Lender and a 2021-1 New Revolving Loan Lender

By: /s/ Eric Oppenheimer
Name: Eric Oppenheimer
Title: Managing Director

TRUIST BANK,
a 2021-1 New Revolving Loan Lender

By: /s/ Jared Cohen
Name: Jared Cohen
Title: Director

[Signature Page to Joinder Agreement and Amendment]

Jefferies Finance LLC,
a 2021-1 New Revolving Loan Lender

By: /s/ Jason Kennedy
Name: Jason Kennedy
Title: Managing Director

[Signature Page to Joinder Agreement and Amendment]

Bank of America, N.A.,
a 2021-1 New Revolving Loan Lender

By: /s/ David H. Strickert
Name: David H. Strickert
Title: Managing Director

[Signature Page to Joinder Agreement and Amendment]

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,
a 2021-1 New Revolving Loan Lender

By: /s/ Judith E. Smith
Name: Judith E. Smith
Title: Authorized Signatory

By: /s/ Brady Bingham
Name: Brady Bingham
Title: Authorized Signatory

ROYAL BANK OF CANADA,
a Revolving Lender and a 2021-1 New Revolving Loan Lender

By: /s/ Diana Lee
Name: Diana Lee
Title: Authorized Signatory

[Signature Page to Joinder Agreement and Amendment]

DEUTSCHE BANK AG NEW YORK BRANCH,
a 2021-1 New Revolving Loan Lender

By: /s/ William C. French
Name: William C. French
Title: MD

By: /s/ Celine Catherin
Name: Celine Catherin
Title: Managing Director

[Signature Page to Joinder Agreement and Amendment]

GOLDMAN SACHS LENDING PARTNERS LLC,
a Revolving Lender

By: /s/ Jacob Elder
Name: Jacob Elder
Title: Authorized Signatory

[Signature Page to Joinder Agreement and Amendment]

AVEANNA HEALTHCARE LLC,
as the Borrower

By: /s/ H. Anthony Strange
Name: H. Anthony Strange
Title: Chief Executive Officer and President

AB INNOVATIONS HEALTH SERVICES, INC.
AMERICAN STAFFING SERVICES, INC.
ANDVENTURE, LLC
ANGEL’S TOUCH HOME CARE, LLC
ASSURE HOME HEALTHCARE, INC.
AVEANNA HEALTHCARE AS, LLC
AVEANNA HEALTHCARE INTERMEDIATE HOLDINGS LLC
AVEANNA HEALTHCARE SENIOR SERVICES LLC
CARE AMERICA HOME CARE SERVICES, INC.
CARE UNLIMITED, INC.
CHILD’S PLAY THERAPEUTIC HOMECARE, INC.
D & D SERVICES, INC.
DAWSON THOMAS, INC.
DM HOLDCO, INC.
EHS DE HOLDINGS, INC.
EPIC ACQUISITION, INC.
EPIC HEALTH SERVICES (DE), LLC
EPIC HEALTH SERVICES (PA), LLC
EPIC HEALTH SERVICES, INC.
EPIC HEALTH SERVICES, INC.
EPIC HEALTH SERVICES, INC.
EPIC PEDIATRIC THERAPY, L.P.
EVERGREEN HOME HEALTHCARE, LLC
FHH HOLDINGS, INC.
FIRSTAFF NURSING SERVICES, INC.
FIVE POINTS HEALTHCARE OF ALABAMA, LLC
FIVE POINTS HEALTHCARE OF DE, LLC
FIVE POINTS HEALTHCARE OF GA, LLC
FIVE POINTS HEALTHCARE OF NC, LLC

FIVE POINTS HEALTHCARE OF PA, LLC
FIVE POINTS HEALTHCARE OF VIRGINIA, LLC
FIVE POINTS HEALTHCARE, LLC
FIVE POINTS OF HEALTHCARE OF LOUISIANA, LLC
FREEDOM ELDERCARE NY, INC.
FREEDOM HOME HEALTHCARE, INC.
HEALTHCORPS, INC.
HOME HEALTH CARE OF NORTHERN NEVADA,LLC
HOMEFIRST HEALTHCARE SERVICES, LLC
JED ADAM ENTERPRISES, LLC
LCA HOLDING, INC.
LOVING CARE AGENCY, INC.
MEDCO RESPIRATORY INSTRUMENTS, INC.
MILLENIUM HOME HEALTH CARE, INC.
NURSES TO GO, L.L.C.
OPTION 1 BILLING GROUP, LLC
OPTION 1 NORTHWEST ENTERAL, LLC
OPTION 1 NUTRITION GROUP, LLC
OPTION 1 NUTRITION HOLDINGS, INC.
OPTION 1 NUTRITION SOLUTIONS, LLC
OPTION 1 NUTRITION SOLUTIONS, LLC
OPTION 1 NUTRITION SOLUTIONS CA, INC.
PEDIATRIA HEALTHCARE LLC
PEDIATRIC HOME CARE, INC.
PEDIATRIC HOME HEALTH CARE HOLDINGS, INC.
PEDIATRIC HOME NURSING SERVICES, INC.
PEDIATRIC SERVICES HOLDING, LLC
PEDIATRIC SERVICES OF AMERICA, LLC
PEDIATRIC SERVICES OF AMERICA, LLC
PEDIATRIC SPECIAL CARE, INC.
PENNHURST GROUP, LLC
PREMIER HEALTHCARE SERVICES, LLC
PSA HEALTHCARE INTERMEDIATE HOLDING, LLC
PYRA MED HEALTH SERVICES, LLC
RECOVER HEALTH OF IOWA, INC.
RECOVER HEALTH OF MINNESOTA, INC.
RECOVER HEALTH OF WISCONSIN, INC.

RECOVER HEALTH SERVICES, LLC
RECOVER HEALTH, INC.
REHABILITATION ASSOCIATES, INC.
SAINTS HOME HEALTHCARE, LLC
SANTE GP, LLC
SANTE HOLDINGS, INC.
TCG HOME HEALTH, LLC
TCGHHA, LLC
TOTAL CARE, INC.
WILLOWBROOK HEALTH SYSTEMS, INC.
WILLOWBROOK HOME HEALTH CARE AGENCY, INC.
WILLOWBROOK HOSPICE, INC.,

each as a Guarantor

By: /s/ H. Anthony Strange
Name: H. Anthony Strange
Title: Chief Executive Officer and President

[Signature Page to Joinder Agreement and Amendment]

SCHEDULE 1
TO JOINDER AGREEMENT AND AMENDMENT

Commitments of New Revolving Loan Lender

2021-1 New Revolving Credit Commitments

Name of 2021-1 New Revolving Loan Lender	2021-1 New Revolving Credit Commitment	
Barclays Bank PLC	$	29,580,000
JPMorgan Chase Bank, N.A.	$	29,580,000
Bank of Montreal	$	17,480,000
Credit Suisse AG, Cayman Islands Branch	$	17,480,000
Bank of America, N.A.	$	6,720,000
Deutsche Bank AG New York Branch	$	6,720,000
Jefferies Finance LLC	$	6,720,000
Royal Bank of Canada	$	6,720,000
Truist Bank	$	4,000,000
Total:	**$**	**125,000,000**

EXHIBIT A
TO JOINDER AGREEMENT AND AMENDMENT

Form of Solvency Certificate

[DATE]

Pursuant to the Third Joinder Agreement and Fifth Amendment, dated as of March 11, 2021, (the "**Joinder Agreement**") to that certain First Lien Credit Agreement, dated as of March 16, 2017 (as amended, restated, supplemented, waived or otherwise modified from time to time, the "**Credit Agreement**"), by and among Aveanna Healthcare Intermediate Holdings LLC, a Delaware limited liability company, Aveanna Healthcare LLC, a Delaware limited liability company (the "**Borrower**"), the lending institutions from time to time parties hereto as lenders and Barclays Bank PLC, as the administrative agent, the collateral agent, a letter of credit issuer, the swingline lender and a lender, the undersigned hereby certifies to the Administrative Agent and the Lenders, solely in such undersigned's capacity as [chief financial officer] [chief operating officer] [specify other officer with similar responsibilities] of the Borrower, and not individually (and without personal liability), as follows:

As of the date hereof, on a *pro forma* basis after giving effect to the consummation of the transactions to occur on the date of the Joinder Agreement, including the making of the Loans under the Credit Agreement on the date hereof, and after giving effect to the application of the proceeds of such Loans:

(a) the fair value of the assets (on a going concern basis) of the Borrower and its Subsidiaries, on a consolidated basis, exceeds, on a consolidated basis, their debts and liabilities, subordinated, contingent or otherwise;

(b) the present fair saleable value of the property (on a going concern basis) of the Borrower and its Subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured in the ordinary course of business;

(c) the Borrower and its Subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured in the ordinary course of business; and

(d) the Borrower and its Subsidiaries, on a consolidated basis, are not engaged in, and are not about to engage in, business contemplated as of the date hereof for which they have unreasonably small capital.

For purposes of this Solvency Certificate, the amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability in the ordinary course of business. Capitalized terms used but not otherwise defined herein shall have the respective meanings assigned to them in the Credit Agreement.

The undersigned is familiar with the business and financial position of the Borrower and its Subsidiaries (taken as a whole). In reaching the conclusions set forth in this Solvency Certificate, the undersigned has made such other investigations and inquiries as the undersigned has deemed appropriate, having taken into account the nature of the particular business anticipated to be conducted by the Borrower and its Subsidiaries (taken as a whole) after consummation of the transactions contemplated by the Joinder Agreement.

[*Signature Page Follows*]

Exhibit A–2

IN WITNESS WHEREOF, the undersigned has executed this Solvency Certificate in such undersigned’s capacity as [chief financial officer][chief operating officer][specify other officer with similar responsibilities] of the Borrower, on behalf of the Borrower, and not individually, as of the date first stated above.

AVEANNA HEALTHCARE LLC,
as the Borrower

By: ______________________________
Name: ______________________________
Title: ______________________________

Annex A
to Third Joinder Agreement and Fifth Amendment

*Reference is made to that certain Third Joinder Agreement and Fifth Amendment (the "**Amendment**"), dated as of March 11, 2021, which amends that certain First Lien Credit Agreement, dated as of March 16, 2017 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among Aveanna Healthcare Intermediate Holdings LLC, the Borrower, the lending institutions from time to time party thereto, and Barclays Bank PLC, as the Administrative Agent, the Collateral Agent, a Letter of Credit Issuer, and a Lender (capitalized terms used but not defined herein in this Annex A having the meaning provided in the Credit Agreement or the Amendment, as applicable).*

Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Credit Document or in any other agreement, arrangement or understanding among any such parties, each party to the Amendment acknowledges that any liability of any Affected Financial Institution arising under any Credit Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

a. the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

b. the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under the Credit Agreement or any other Credit Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

As used herein:

"**Affected Financial Institution**" means (a) any EEA Financial Institution or (b) any UK Financial Institution**.**

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

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

"**EEA Financial Institution**" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

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

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

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

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

"**UK Financial Institution**" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"**UK Resolution Authority**" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"**Write-Down and Conversion Powers**" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Exhibit 10.20

AVEANNA HEALTHCARE HOLDINGS INC.

2021 STOCK INCENTIVE PLAN

1. **Purpose of the Plan.** The purpose of this Plan is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to the Company by providing such persons with incentive compensation and equity ownership opportunities and thereby better aligning the interests of such persons with those of the Company's stockholders.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Other Stock or Cash Based Awards and Dividend Equivalents.

2. **Definitions.** As used herein, the following definitions will apply:

(a) "**Administrator**" means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4.

(b) **"Applicable Laws"** means any applicable law, including the requirements relating to the administration of equity-based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plan.

(c) **"Award"** means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, an Other Stock or Cash Based Award or a Dividend Equivalent award.

(d) **"Award Agreement"** means the written or electronic agreement, terms and conditions, contract or other instrument or document setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(e) **"Board"** means the Board of Directors of the Company.

(f) **"Cause"** means such term as defined in any written agreement between the Participant and the Company defining such term and, in the absence of such agreement or if such term does not exist therein, such term means, with respect to a Participant, the occurrence of any of the following actions or events by such Participant: (i) the Participant's commission of any felony or any crime involving fraud, dishonesty or moral turpitude; (ii) the Participant's commission of or attempted commission of, or participation in, a fraud or act of dishonesty against the Company; (iii) the Participant's material violation of any contract or agreement between the Company and the Participant or of any statutory duty owed to the Company; (iv) the Participant's material failure to comply with the written polices or rules of the Company; (v) the Participant's unauthorized use or disclosure of the Company's confidential information or trade secrets; (vi) the Participant's material failure or neglect to perform assigned duties after receiving written notification of the failure; (vii) the Participant's willful disregard of any material lawful written instruction from the Company; or (viii) the Participant's willful misconduct or insubordination with respect to the Company or any affiliate of the Company; provided that, in the case of (iii), (iv), (v), (vi) or (vii) above, if such action or conduct is curable, (A) the Company has provided the Participant written notice within thirty (30) days following the occurrence (or Company's first knowledge of the occurrence) of any such event; and (B) the Participant fails to cure such event within fifteen (15) days thereafter.

(g) **"Change in Control"** means the occurrence of any of the following events:

(i) any "person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company, any trustee or other fiduciary holding securities under any employee benefit plan of the Company, or any company owned, or that immediately after the transaction would be owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of the combined voting power or economic interests of the Company, as applicable, as of immediately prior to such transaction), becoming the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than 50% of the combined voting power or economic interests of the Company's then outstanding securities; provided that the provisions of this clause (i) are not intended to apply to or include as a Change in Control any transaction that is specifically excepted from the definition of Change in Control under clause (iii) below;

(ii) during any period of 12 months, individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clauses (i), (iii), or (iv) of this definition or a director whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such term is used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the 12-month period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board;

(iii) a merger or consolidation of the Company with any other corporation or other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or parent company thereof) more than 50% of (A) the combined voting power of the voting securities and (B) the economic interests of the surviving entity or the ultimate parent company thereof (within the meaning of Section 424(e) of the Code); provided, that a merger or consolidation effected to implement an internal recapitalization of the Company (or similar transaction) in which no "person" is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing more than 50% of either the combined voting power of the Company's then-outstanding voting securities or the then-outstanding economic interests shall not be considered a Change in Control; or

(iv) a complete liquidation or dissolution of the Company or the consummation of a sale or disposition by the Company of all or substantially all of the Company's assets in which any "person", other than a person or persons who beneficially own(s), directly or indirectly, more than 50% of the combined voting power and economic interests of the outstanding voting securities of the Company immediately prior to the sale, acquires (or has acquired during the 12-month period ending on the most recent acquisition by such "person") assets from the Company that have a total gross fair market value equal to more than 50% of the total gross fair market value of all of the assets of the Company as of immediately prior to such sale or disposition of the Company's assets.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any Award (or any portion of an Award) that provides for the deferral of compensation that is subject to Code Section 409A, then to the extent required to avoid the imposition of additional taxes under Code Section 409A, such transaction or event described in clauses (i), (ii), (iii) or (iv) with respect to such Award (or portion thereof) will not be deemed a Change in Control unless the transaction qualifies as a "change in control event" within the meaning of Code Section 409A.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the jurisdiction of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

The Administrator shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto; provided that any exercise of authority in conjunction with a determination of whether a Change in Control is a “change in control event” as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation.

(h) **“Code”** means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein will be a reference to any successor or amended section of the Code.

(i) “**Committee**” means the Compensation Committee of the Board, or another committee or subcommittee of the Board which may be comprised of one or more Directors and/or executive officers of the Company as appointed by the Board, to the extent permitted in accordance with Applicable Law.

(j) “**Common Stock**” means the common stock of the Company, par value $0.01 per share.

(k) “**Company**” means Aveanna Healthcare Holdings Inc., a Delaware corporation, or any successor thereto.

(l) “**Consultant**” means any person, including an advisor, engaged by the Company or a Parent or Subsidiary to render services to such entity and who qualifies as a consultant or advisor under the applicable rules of the Securities and Exchange Commission for registration of shares on a Form S-8 Registration Statement.

(m) “**Director**” means a member of the Board.

(n) “**Director Limit**” shall have the meaning set forth in Section 5(d).

(o) “**Disability**” means the participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months in accordance with the definition of total and permanent disability as defined in Code Section 22(e)(3), provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(p) “**Dividend Equivalent**” means a right to receive the equivalent value (in cash or Shares) of dividends paid on Shares, awarded under Section 10(b).

(q) “**DRO**” means a “domestic relations order” as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended from time to time, or the rules thereunder.

(r) “**Effective Date**” means the date upon which the registration statement on Form S-1 that is filed by the Company with respect to its initial public offering is declared effective by the Securities and Exchange Commission.

(s) “**Employee**” means any employee (as determined in accordance with Code Section 3401(c) and the Treasury Regulations thereunder) of the Company or any Parent or Subsidiary of the Company.

(t) “**Equity Restructuring**” means a nonreciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off, rights offering or recapitalization through a large, nonrecurring cash dividend, that affects the number or kind of Shares (or other securities of the Company) or the share price of Common Stock (or other securities) and causes a change in the per-share value of the Common Stock underlying outstanding Awards.

(u) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(v) "**Exchange Program**" means a program approved by the Company's stockholders under which (i) outstanding Awards are surrendered or cancelled in exchange for Awards of the same type (which may have higher or lower exercise prices and different terms), Awards of a different type, and/or cash or (ii) the exercise price of an outstanding Award is reduced or increased. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

(w) "**Fair Market Value**" means, as of any date, the value of a Share determined as follows:

(i) If the Common Stock is listed on any established stock exchange, national market system or quoted or traded on any automated quotation system, including without limitation the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market of The Nasdaq Stock Market, its Fair Market Value will be the closing sales price for a Share (or the closing bid, if no sales were reported) as quoted on such exchange or system on that trading day, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is not listed on an established stock exchange, national market system or automated quotation system, but the Common Stock is regularly quoted by a recognized securities dealer, the Fair Market Value of a Share will be the mean of the high bid and low asked prices for such date or, if no high bids and low asks were reported on such date, the high bid and low asked prices for a Share on the last preceding date such bids and asks were reported, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator.

(x) **"Greater Than 10% Stockholder"** means an individual then owning (within the meaning of Code Section 424(d)) more than 10% of the total combined voting power of the Company or any subsidiary corporation (as defined in Code Section 424(f)) or parent corporation thereof (as defined in Code Section 424(e)).

(y) "**Incentive Stock Option**" means an Option that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Code Section 422 and the regulations promulgated thereunder.

(z) "**Nonstatutory Stock Option**" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(aa) "**Non-Employee Director**" means a Director of the Company who is not an Employee.

(bb) "**Option**" means a right to purchase Shares at a specified exercise price, granted under Section 6. An Option shall be either a Nonstatutory Stock Option or an Incentive Stock Option; provided, however, that Options granted to Non-Employee Directors and Consultants shall only be Nonstatutory Stock Options.

(cc) "**Other Stock or Cash Based Award**" means a cash payment, cash bonus award, stock payment, stock bonus award, performance award or incentive award that is paid in cash, Shares or a combination of both, awarded under Section 10, which may include, without limitation, deferred stock, deferred stock units, performance awards, retainers, committee fees, and meeting-based fees.

(dd) **"Parent"** means any entity (other than the Company) in an unbroken chain of entities ending with the Company if, at the time of determination, each of the entities other than the Company owns securities or interests possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other entities in such chain.

(ee) “**Participant**” means the holder of an outstanding Award.

(ff) “**Performance Criteria**” means the criteria (and adjustments) that the Administrator selects for an Award for purposes of establishing the Performance Goal or Performance Goals for a Performance Period.

(gg) “**Performance Goals**” means, for a Performance Period, one or more goals established in writing by the Administrator for the Performance Period based upon one or more Performance Criteria. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a Subsidiary, division, business unit, or an individual.

(hh) “**Performance Period**” means one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant’s right to, vesting of, and/or the payment in respect of, an Award.

(ii) “**Period of Restriction**” means the period during which the transfer of Shares of Restricted Stock is subject to restrictions and, therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of levels of performance, or the occurrence of other events as determined by the Administrator.

(jj) “**Permitted Transferee**” means, with respect to a Participant, any “family member” of the Participant, as defined in the General Instructions to Form S-8 Registration Statement under the Securities Act (or any successor form thereto), or any other transferee specifically approved by the Administrator after taking into account Applicable Law.

(kk) “**Plan**” means this Aveanna Healthcare Holdings Inc. 2021 Stock Incentive Plan, as amended from time to time.

(ll) “**Prior Plan**” means the Company’s 2017 Stock Incentive Plan, as amended and restated.

(mm) “**Restricted Stock**” means Shares issued pursuant to Section 8 that are subject to certain restrictions and may be subject to risk of forfeiture or repurchase.

(nn) “**Restricted Stock Unit**” means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share granted pursuant to Section 9. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(oo) “**Section 409A**” means Code Section 409A and the Department of Treasury regulations and other interpretive guidance issued thereunder, including, without limitation, any such regulations or other guidance that may be issued after the Effective Date.

(pp) “**Securities Act**” means the Securities Act of 1933, as amended.

(qq) “**Service Provider**” means an Employee, Director or Consultant.

(rr) “**Share**” means a share of Common Stock.

(ss) “**Stock Appreciation Right**” means an Award, granted alone or in connection with an Option, that pursuant to Section 7 is designated as a Stock Appreciation Right.

(tt) "**Subsidiary**" means any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company, if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing at least fifty percent (50%) of the total combined voting power of all classes of securities or interests in one of the other entities in such chain, provided, however, that a limited liability company or partnership may be treated as a Subsidiary to the extent either (i) such entity is treated as a disregarded entity under Treasury Regulation Section 301.7701-3(a) by reason of the Company or any other Subsidiary that is a corporation being the sole owner of such entity, or (ii) such entity elects to be classified as a corporation under Treasury Regulation Section 301.7701-3(a) and such entity would otherwise qualify as a Subsidiary.

(uu) "**Substitute Award**" means an Award granted under the Plan in connection with a corporate transaction, such as a merger, combination, consolidation or acquisition of property or stock, in any case, upon the assumption of, or in substitution for, outstanding equity awards previously granted by a company or other entity; provided, however, that in no event shall the term "Substitute Award" be construed to refer to an award made in connection with the cancellation and repricing of an Option or Stock Appreciation Right.

(vv) "**Termination of Service**" means the date the Participant ceases to be a Service Provider. The Administrator, in its sole discretion, shall determine the effect of all matters and questions relating to any Termination of Service for purposes of the Plan. For the avoidance of doubt, unless the Administrator determines otherwise at the time of such cessation, the cessation of employee status but the continuation of the performance of services for the Company or a Subsidiary as a Director or Consultant, or vice versa, shall not be deemed a cessation of service that would constitute a Termination of Service.

3. **Stock Subject to the Plan.**

(a) ***Stock Subject to the Plan***. Subject to the provisions of Section 14, the maximum aggregate number of Shares that may be subject to Awards and issued under the Plan is (i) [●] Shares,[1] plus (ii) any Shares remaining available for grant under the Prior Plan (the "Initial Share Pool"), plus (iii) an automatic annual increase, on the first day of each calendar year beginning on January 1, 2022 and ending on and including January 1, 2031, equal to the lesser of (A) two percent (2%) of the number of outstanding Shares on the last day of the immediately preceding fiscal year and (B) such smaller number of Shares as determined by the Board; provided that, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options shall equal the Initial Share Pool. The Shares may be authorized but unissued, or reacquired, Common Stock.

(b) ***Lapsed Awards.*** If an Award, including any award granted under the Prior Plan, expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an Exchange Program, or is forfeited to or repurchased by the Company due to the failure to vest, the unpurchased Shares (or, for Awards other than Options, the forfeited or repurchased Shares) which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). With respect to Stock Appreciation Rights, only Shares actually issued pursuant to a Stock Appreciation Right will cease to be available under the Plan; all remaining Shares under Stock Appreciation Rights will remain available for future grant or sale under the Plan (unless the Plan has terminated). Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan. Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Notwithstanding the foregoing and, subject to adjustment as provided in Section 14, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 3(a), plus, to the extent allowable under Code Section 422 and the Treasury Regulations promulgated thereunder, any Shares that become available for issuance under the Plan pursuant to this Section 3(b).

[1] To be completed prior to the IPO and equal to 8% of the shares of Common Stock outstanding as of the IPO (after giving effect to the number of shares being sold in the IPO, on an as converted basis).

(c) ***Substitute Awards***. Substitute Awards may be granted on such terms as the Administrator deems appropriate, notwithstanding limitations on Awards in the Plan. Substitute Awards shall not reduce the Shares authorized for grant under the Plan, except as may be required by reason of Code Section 422, and Shares subject to such Substitute Awards shall not be added to the Shares available for Awards under the Plan as provided in Section 3(b) above. Additionally, in the event that a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines has shares available under a pre-existing plan approved by its stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may, if allowed under Applicable Law, be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan (and Shares subject to such Awards shall not be added to the Shares available for Awards under the Plan as provided in Section 3(b) above); provided that Awards using such available Shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employed by or providing services to the Company or its Subsidiaries immediately prior to such acquisition or combination.

4. **Administration of the Plan.**

(a) **Administrator.** The Committee shall administer the Plan (except as otherwise permitted herein). To the extent required to comply with the provisions of Rule 16b-3, it is intended that each member of the Committee will be, at the time the Committee takes any action with respect to an Award that is subject to Rule 16b-3, a “non-employee director” within the meaning of Rule 16b-3. Additionally, to the extent required by Applicable Law, each of the individuals constituting the Committee shall be an “independent director” under the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded. Notwithstanding the foregoing, any action taken by the Committee shall be valid and effective, whether or not members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership set forth in this Section 4(a). Notwithstanding the foregoing, (i) the full Board, acting by a majority of its members in office, shall conduct the general administration of the Plan with respect to Awards granted to Non-Employee Directors and, with respect to such Awards, the term “Administrator” as used in the Plan shall be deemed to refer to the Board and (ii) the Board or Committee may delegate its authority hereunder to the extent permitted by Section 4(e).

(b) ***Duties of the Administrator.*** It shall be the duty of the Administrator to conduct the general administration of the Plan in accordance with its provisions. The Administrator shall have the power to interpret the Plan and Award Agreements, and to adopt such rules for the administration, interpretation and application of the Plan as are not inconsistent with the Plan, to interpret, amend or revoke any such rules and to amend the Plan or Award Agreement; provided that the rights or obligations of the Participant holding such Award that is the subject of any such Award Agreement are not materially and adversely affected by such amendment, unless the consent of the Participant is obtained or such amendment is otherwise permitted under Section 19(a) or Section 29. In its sole discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee in its capacity as the Administrator under the Plan except with respect to matters which under Rule 16b-3 under the Exchange Act or any successor rule, or any regulations or rules issued thereunder, or the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded are required to be determined in the sole discretion of the Committee.

(c) ***Powers of the Administrator.*** Subject to the provisions of the Plan, including, in the case of the Committee, subject to the specific duties delegated by the Board to the Committee, and Applicable Law, the Administrator will have the authority, in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Awards may be granted hereunder;

(iii) to determine the type or types of Awards to be granted to each Service Provider (including, without limitation, any Awards granted in tandem with another Award granted pursuant to the Plan);

(iv) to determine the number of Awards to be granted and the number of Shares to be covered by each Award granted hereunder;

(v) to approve forms of Award Agreements for use under the Plan;

(vi) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised or vest (which may be based on one or more Performance Criteria or achievement of one or more Performance Goals), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vii) to institute and determine the terms and conditions of an Exchange Program;

(viii) to determine whether, to what extent, and under what circumstances an Award may be settled in, or the exercise price of an Award may be paid, in cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(ix) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(x) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws;

(xi) to modify or amend each Award (subject to Section 19), including, but not limited to, the discretionary authority to extend the post-termination exercisability period of Awards and to extend the maximum term of an Option or Stock Appreciation Right, subject to compliance with Code Section 409A (subject to Section 6(d));

(xii) to allow Participants to satisfy withholding tax obligations in a manner prescribed in Section 15;

(xiii) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously authorized by the Administrator;

(xiv) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that otherwise would be due to such Participant under an Award in accordance with Applicable Law; and

(xv) to make all other determinations deemed necessary or advisable for administering the Plan.

(d) ***Effect of Administrator's Decision.*** The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

(e) ***Delegation of Authority***. The Board or Committee may from time to time delegate to a committee of one or more Directors or one or more officers of the Company the authority to grant or amend Awards or to take other administrative actions pursuant to this Section 4; provided, however, that in no event shall an officer of the Company be delegated the authority to grant Awards to, or amend Awards held by, the following individuals: (i) individuals who are subject to Section 16 of the Exchange Act, or (ii) officers of the Company (or Directors) to whom authority to grant or amend Awards has been delegated hereunder; provided, further, that any delegation of administrative authority shall only be permitted to the extent it is permissible under any Applicable Law. Any delegation hereunder shall be subject to the restrictions and limits that the Board or Committee specifies at the time of such delegation, and the Board or Committee, as applicable, may at any time rescind the authority so delegated or appoint a new delegatee. At all times, the delegatee appointed under this Section 4(e) shall serve in such capacity at the pleasure of the Board or the Committee, as applicable, and the Board or the Committee may abolish any committee at any time and re-vest in itself any previously delegated authority. Neither the Administrator nor any member or delegate thereof shall have any liability to any person (including any Participant) for any action taken or omitted to be taken or any determination made in good faith with respect to the Plan or any Award.

5. **Eligibility.**

(a) ***Participation***. The Administrator may, from time to time, select from among all Service Providers those to whom an Award shall be granted and shall determine the nature and amount of each Award, which shall not be inconsistent with the requirements of the Plan. Neither the Company nor the Administrator is obligated to treat Service Providers, Participants or any other persons uniformly. Participation by each Participant in the Plan shall be voluntary and nothing in the Plan shall be construed as mandating that any Service Provider or other person shall participate in the Plan. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units and Other Stock or Cash Based Awards may be granted to Service Providers. Incentive Stock Options may be granted only to U.S. Employees.

(b) ***Limitations Applicable to Section 16 Persons***. Notwithstanding any other provision of the Plan, any Award granted or awarded to any individual who is then subject to Section 16 of the Exchange Act shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3 of the Exchange Act and any amendments thereto) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

(c) ***Foreign Holders***. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in countries other than the United States in which the Company and its Subsidiaries operate or have Employees, Non-Employee Directors or Consultants, or in order to comply with the requirements of any foreign securities exchange or other Applicable Law, the Administrator, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries shall be covered by the Plan; (ii) determine which Service Providers outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to Service Providers outside the United States to comply with Applicable Law (including, without limitation, applicable foreign laws or listing requirements of any foreign securities exchange); (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable; provided, however, that no such subplans and/or modifications shall increase the share limitation contained in Section 3(a) or the Director Limit; and (v) take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals or listing requirements of any foreign securities exchange.

(d) ***Non-Employee Director Awards***. Notwithstanding any provision to the contrary in the Plan or in the Non-Employee Director Equity Compensation Policy, the sum of the grant date fair value of equity-based Awards and the amount of any cash-based Awards or other fees granted to a Non-Employee Director during any calendar year shall not exceed $750,000 (the "**Director Limit**"). The Administrator may make exceptions to the Director Limit for individual Non-Employee Directors in extraordinary circumstances, as the Administrator may determine in its discretion, provided that the Non-Employee Director receiving such additional compensation may not participate in the decision to award such compensation or in other contemporaneous compensation decisions involving Non-Employee Directors.

6. **Stock Options.**

(a) ***Grant of Options.*** Subject to the terms and provisions of the Plan, including any limitations in the Plan that apply to Incentive Stock Options, the Administrator, at any time, and from time to time, may grant Options in such amounts as the Administrator, in its sole discretion, will determine.

(b) ***Option Agreement.*** Each Award of an Option will be evidenced by an Award Agreement that will specify the exercise price, the term of the Option, the number of Shares subject to the Option, the exercise restrictions, if any, applicable to the Option, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(c) ***Limitations.*** Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. Notwithstanding such designation, however, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any parent corporation or subsidiary corporation thereof (as defined in Section 424(e) and 424(f) of the Code, respectively)) exceeds $100,000, such Options will be treated as Nonstatutory Stock Options to the extent required by Code Section 422. For purposes of this Section 6(c), Incentive Stock Options will be taken into account in the order in which they were granted, the Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted, and calculation will be performed in accordance with Code Section 422 and Treasury Regulations promulgated thereunder. Neither the Company nor the Administrator shall have any liability to a Participant, or any other person, (i) if an Option (or any part thereof) which is intended to qualify as an Incentive Stock Option fails to qualify as an Incentive Stock Option or (ii) for any action or omission by the Company or the Administrator that causes an Option not to qualify as an Incentive Stock Option, including, without limitation, the conversion of an Incentive Stock Option to a Nonstatutory Stock Option or the grant of an Option intended as an Incentive Stock Option that fails to satisfy the requirements under the Code applicable to an Incentive Stock Option.

(d) ***Term of Option.*** The term of each Option will be stated in the Award Agreement; provided, however, that the term will be no more than 10 years from the date of grant thereof. In the case of an Incentive Stock Option granted to a Greater Than 10% Stockholder, the term of the Incentive Stock Option will be five years from the date of grant or such shorter term as may be provided in the Award Agreement.

(e) ***Option Exercise Price and Consideration.***

(i) ***Exercise Price***. The per Share exercise price for the Shares to be issued pursuant to the exercise of an Option will be determined by the Administrator, but will be no less than 100% of the Fair Market Value per Share on the date of grant (or, as to Incentive Stock Options, on the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code). In addition, in the case of an Incentive Stock Option granted to a Greater Than 10% Stockholder, the per Share exercise price will be no less than 110% of the Fair Market Value per Share on the date of grant (or the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code). Notwithstanding the foregoing provisions of this Section 6(e)(i), Options that are a Substitute Award may be granted with a per Share exercise price of less than 100% of the Fair Market Value per Share on the date of grant; provided that the exercise price of any Substitute Award shall be determined in accordance with the applicable requirements of Code Section 424 and Code Section 409A.

(ii) ***Form of Consideration***. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of, as determined in the Administrator's sole discretion: (1) cash, (2) check,

(3) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised, and provided further that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion, (4) consideration received by the Company under a cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan, (5) by net exercise, (6) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws, or (7) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator will consider if acceptance of such consideration may be reasonably expected to benefit the Company.

(f) ***Exercise of Option.***

(i) ***Procedure for Exercise; Rights as a Stockholder***. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An exercisable Option may be exercised in whole or in part, but may not be exercised for a fraction of a Share and the Administrator may require that, by the terms of the Option, a partial exercise must be with respect to a minimum number of Shares.

An Option will be deemed exercised when the Company receives: (A) notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, which shall be signed or otherwise acknowledged electronically by the Participant or other person then entitled to exercise the Option or such portion thereof, (B) full payment for the Shares with respect to which the Option is exercised (together with applicable tax withholding), (C) such representations and documents as the Administrator, in its sole discretion, deems necessary or advisable to effect compliance with Applicable Law, and (D) in the event that the Option shall be exercised pursuant to the terms of the Plan by any person or persons other than the Participant, appropriate proof of the right of such person or persons to exercise the Option, as determined in the sole discretion of the Administrator. The Administrator may provide in any Award Agreement for the automatic exercise of an Option upon such terms and conditions as established by the Administrator, provided that the Fair Market Value per Share is greater than the exercise price at the time of exercise. Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse.

Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 14.

Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(ii) ***Termination of Service.*** If a Participant ceases to be a Service Provider, other than upon the Participant's Termination of Service as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to the extent that the Option is vested on the date of Termination of Service. In the absence of a specified time in the Award Agreement, the Option shall remain exercisable for three months following the Participant's Termination of Service. Unless otherwise provided by the Administrator, if, on the date of Termination of Service, the Participant is not vested as to his or her entire Option, the Participant shall forfeit the unvested portion of the Option and the Shares covered by such unvested portion of the Option will revert to the Plan. If, after Termination of Service, the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) ***Disability of Participant***. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement) to the extent the Option is vested on the date of Termination of Service. In the absence of a specified time in the Award Agreement, the Option shall remain exercisable for 12 months following the Participant's Termination of Service. Unless otherwise provided by the Administrator, if, on the date of Termination of Service, the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If, after Termination of Service, the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) ***Death of Participant***. If a Participant dies while a Service Provider, the Option may be exercised within such period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement), to the extent that the Option is vested on the date of death, by the Participant's designated beneficiary, provided such beneficiary has been designated prior to the Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option shall remain exercisable for 12 months following the Participant's Termination of Service. Unless otherwise provided by the Administrator, if, at the time of death, Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(v) ***Notification Regarding Disposition of Incentive Stock Options***. The Participant shall give the Company prompt written or electronic notice of any disposition or other transfers (other than in connection with a Change in Control) of Shares acquired by exercise of an Incentive Stock Option which occurs within (A) two years from the date of granting (including the date the Option is modified, extended or renewed for purposes of Code Section 424(h)) such Option to such Participant, or (B) one year after the date of transfer of such Shares to such Participant. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Participant in such disposition or other transfer. The Company may require that Shares acquired by exercise of an Incentive Stock Option be retained with a broker or agent designated by the Company for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions of such Shares.

7. **Stock Appreciation Rights.**

(a) ***Grant of Stock Appreciation Rights.*** Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time, and from time to time, as will be determined by the Administrator, in its sole discretion.

(b) ***Number of Shares.*** The Administrator will have complete discretion to determine the number of Shares subject to any Award of Stock Appreciation Rights.

(c) ***Exercise Price and Other Terms.*** The per Share exercise price for the Shares that will determine the amount of the payment to be received upon exercise of a Stock Appreciation Right as set forth in Section 7(f) will be determined by the Administrator and will be no less than 100% of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan. Notwithstanding the foregoing, in the case of a Stock Appreciation Right that is a Substitute Award, the exercise price per share of the Shares subject to such Stock Appreciation Right, as applicable, may be less than the Fair Market Value per share on the date of grant; provided that the exercise price of any Substitute Award shall be determined in accordance with the applicable requirements of Code Section 409A.

(d) ***Stock Appreciation Right Agreement.*** Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine. The Administrator may provide in any Award Agreement for the automatic exercise of a Stock Appreciation Right upon such terms and conditions as established by the Administrator, provided that the Fair Market Value per Share is greater than the exercise price at the time of exercise.

(i) ***Termination of Service.*** If a Participant ceases to be a Service Provider, other than upon the Participant's Termination of Service as the result of the Participant's death or Disability, the Participant may exercise his or her Stock Appreciation Right within such period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Stock Appreciation Right as set forth in the Award Agreement) to the extent that the Stock Appreciation Right is vested on the date of Termination of Service. In the absence of a specified time in the Award Agreement, the Stock Appreciation Right shall remain exercisable for three months following the Participant's Termination of Service. Unless otherwise provided by the Administrator, if, on the date of Termination of Service, the Participant is not vested as to his or her entire Stock Appreciation Right, the Participant shall forfeit the unvested portion of the Stock Appreciation Right and the Shares covered by such unvested portion of the Stock Appreciation Right will revert to the Plan. If, after Termination of Service, the Participant does not exercise his or her Stock Appreciation Right within the time specified by the Administrator, the Stock Appreciation Right will terminate, and the Shares covered by such Stock Appreciation Right will revert to the Plan.

(ii) ***Disability of Participant***. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Stock Appreciation Right within such period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Stock Appreciation Right as set forth in the Award Agreement) to the extent the Stock Appreciation Right is vested on the date of Termination of Service. In the absence of a specified time in the Award Agreement, the Stock Appreciation Right shall remain exercisable for 12 months following the Participant's Termination of Service. Unless otherwise provided by the Administrator, if, on the date of Termination of Service, the Participant is not vested as to his or her entire Stock Appreciation Right, the Shares covered by the unvested portion of the Stock Appreciation Right will revert to the Plan. If, after Termination of Service, the Participant does not exercise his or her Stock Appreciation Right within the time specified herein, the Stock Appreciation Right will terminate, and the Shares covered by such Stock Appreciation Right will revert to the Plan.

(iii) ***Death of Participant***. If a Participant dies while a Service Provider, the Stock Appreciation Right may be exercised within such period of time as is specified in the Award Agreement (but in no event later than the expiration of the term of such Stock Appreciation Right as set forth in the Award Agreement) to the extent that the Stock Appreciation Right is vested on the date of death, by the Participant's designated beneficiary, provided such beneficiary has been designated prior to the Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Stock Appreciation Right may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Stock Appreciation Right is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Stock Appreciation Right shall remain exercisable for 12 months following the Participant's Termination of Service. Unless otherwise provided by the Administrator, if, at the time of death, Participant is not vested as to his or her entire Stock Appreciation Right, the Shares covered by the unvested portion of the Stock Appreciation Right will immediately revert to the Plan. If the Stock Appreciation Right is not so exercised within the time specified herein, the Stock Appreciation Right will terminate, and the Shares covered by such Stock Appreciation Right will revert to the Plan.

(e) ***Expiration of Stock Appreciation Rights.*** A Stock Appreciation Right granted under the Plan will expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Award Agreement. Notwithstanding the foregoing, the term of any Stock Appreciation Right will be no more than 10 years from the date of grant thereof.

(f) ***Payment of Stock Appreciation Right Amount.*** Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

(i) the excess of the Fair Market Value of a Share on the date of exercise over the exercise price per Share of such Award; times

(ii) the number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon exercise of a Stock Appreciation Right may be in cash, in Shares of equivalent value, or in some combination thereof.

8. **Restricted Stock.**

(a) ***Grant of Restricted Stock.*** Subject to the terms and provisions of the Plan, the Administrator, at any time, and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) ***Restricted Stock Agreement.*** Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. The Administrator shall establish the purchase price, if any, and form of payment for the Shares of Restricted Stock; provided, however, that if a purchase price is charged, such purchase price shall be no less than the par value, if any, of the Shares to be purchased, unless otherwise permitted by Applicable Law. Unless the Administrator determines otherwise, the Company, as escrow agent, will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) ***Transferability.*** Except as provided in this Section 8 or as the Administrator determines, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) ***Other Restrictions.*** The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) ***Removal of Restrictions.*** Except as otherwise provided in this Section 8, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) ***Voting Rights.*** During the Period of Restriction, Participants holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise and subject to the restrictions in the Plan and/or the applicable Award Agreement.

(g) ***Dividends and Other Distributions.*** During the Period of Restriction, Participants holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid or made with respect to such Shares to the extent such dividends and other distributions have a record date that is on or after the date on which the Participant to whom such Restricted Stock is granted becomes the record holder of such Restricted Stock, unless the Administrator provides otherwise. The Administrator may, at or after the date of grant, authorize the payment of dividends on Restricted Stock on either a current or deferred or contingent basis, either in cash or in additional Shares. If any such dividends or distributions are paid in Shares, the Shares may be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(h) ***Return of Restricted Stock to the Company.*** Except as otherwise determined by the Administrator and provided in the Award Agreement, if no price was paid by the Participant for the Restricted Stock, upon a Termination of Service during the applicable Period of Restriction, the Participant's rights in unvested Restricted Stock then subject to restrictions shall lapse, and such Restricted Stock shall be surrendered to the Company and cancelled without consideration on the date of such Termination of Service. If a price was paid by the Participant for the Restricted Stock, upon a Termination of Service during the applicable Period of Restriction, the Company shall have the right to repurchase from the Participant the unvested Restricted Stock then subject to restrictions at a cash price per share equal to the lesser of (i) the price paid by the Participant for such Share of Restricted Stock and (ii) the Fair Market Value of such Share as of the Termination of Service, unless otherwise specified in the applicable Award Agreement.

9. **Restricted Stock Units.**

(a) ***Grant.*** Restricted Stock Units may be granted at any time, and from time to time, as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units, it will evidence the Award in an Award Agreement providing for the terms, conditions, and restrictions related to the grant and number of Restricted Stock Units.

(b) ***Vesting Criteria and Other Terms***. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of one or more Performance Goals or Performance Criteria, or any other basis determined by the Administrator in its discretion. An Award of Restricted Stock Units shall only be eligible to vest while the Participant is a Service Provider, as applicable; provided, however, that the Administrator, in its sole discretion, may provide (in an Award Agreement or otherwise) that a Restricted Stock Unit award may become vested subsequent to a Termination of Service in the event of the occurrence of certain events, including a Change in Control, the Participant's death, retirement or disability or any other specified Termination of Service in accordance with the applicable requirements of Code Section 409A.

(c) ***Earning Restricted Stock Units.*** Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout provided such reduction or waiver is exempt or complies with Section 409A. A Participant will have no rights of a stockholder with respect to Shares subject to any Restricted Stock Unit unless and until the Shares are delivered in settlement of the Restricted Stock Unit.

(d) ***Form and Timing of Payment***. At the time of grant, the Administrator shall specify the payment date applicable to each grant of Restricted Stock Units, which shall be no earlier than the vesting date or dates of the Award, and may be determined at the election of the Participant (if permitted by the applicable Award Agreement); provided that, except as otherwise determined by the Administrator, and subject to compliance with Section 409A, in no event shall the payment date relating to each Restricted Stock Unit occur following the later of (a) the 15th day of the third month following the end of the calendar year in which the applicable portion of the Restricted Stock Unit vests; and (b) the 15th day of the third month following the end of the Company's fiscal year in which the applicable portion of the Restricted Stock Unit vests. On the payment date, the Company shall, in accordance with the applicable Award Agreement and subject to Sections 15 and 20, transfer to the Participant one unrestricted, fully transferable Share for each Restricted Stock Unit scheduled to be paid out on such date and not previously forfeited, or in the sole discretion of the Administrator, an amount in cash equal to the Fair Market Value of such Shares on the maturity date, or a combination of cash and Shares as determined by the Administrator, provided that, in the sole discretion of the Administrator, the Participant may be required to pay the par value of a Share, if any, for each Restricted Stock Unit that is paid out in Shares or cash.

(e) ***Cancellation.*** On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

10. **Other Stock or Cash Based Awards and Dividend Equivalents.**

(a) ***Other Stock or Cash Based Awards***. The Administrator is authorized to grant Other Stock or Cash Based Awards, including awards entitling a Participant to receive Shares or cash to be delivered immediately or in the future, to any Service Provider. Subject to the provisions of the Plan, the Administrator shall determine the terms and conditions of each Other Stock or Cash Based Award, including the term of the Award, any exercise or purchase price, Performance Criteria and Performance Goals, transfer restrictions, vesting conditions and other terms and conditions applicable thereto, which shall be set forth in the applicable Award Agreement. Other Stock or Cash Based Awards may be paid in cash, Shares, or a combination of cash and Shares, as determined by the Administrator, and may be available as a form of payment in the settlement of other Awards granted under the Plan, as stand-alone payments, as a part of a bonus, deferred bonus, deferred compensation or other arrangement, and/or as payment in lieu of compensation to which a Service Provider is otherwise entitled.

(b) ***Dividend Equivalents***. Dividend Equivalents may be granted by the Administrator, either alone or in tandem with another Award, based on dividends declared on the Shares underlying the Award, to be credited as of dividend payment dates during the period between the date the Dividend Equivalents are granted to a Participant and the date such Dividend Equivalents terminate or expire, as determined by the Administrator. Such Dividend Equivalents shall be converted to cash or additional Shares by such formula and at such time and subject to such restrictions and limitations as may be determined by the Administrator. In addition, Dividend Equivalents with respect to an Award that are based on dividends paid prior to the vesting of such Award shall only be paid out to the Participant to the extent that the vesting conditions are subsequently satisfied and the Award vests, and will terminate and be forfeited at the same time that the corresponding Award is terminated and forfeited.

11. **Acceleration.** The Administrator has the exclusive power, authority and sole discretion to accelerate, wholly or partially, the vesting or lapse of restrictions (and, if applicable, the Company shall cease to have a right of repurchase) of any Award or portion thereof at any time after the grant of an Award, subject to whatever terms and conditions it selects and Section 14.

12. **Leaves of Absence/Transfer Between Locations.** The Administrator shall in its discretion determine the circumstances under which vesting of Awards granted hereunder will be suspended during any unpaid leave of absence. Except as provided otherwise by the Administrator in an Award Agreement or as required pursuant to Applicable Law, a Participant will not cease to be an Employee in the case of (a) any leave of absence approved by the Company or (b) transfers between locations of the Company or between the Company, its parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six months following the first (1st) day of such leave, any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option. For purposes of the Plan, a Participant's employee-employer relationship or consultancy relationship shall be deemed to be terminated in the event that the Subsidiary employing or contracting with such Participant ceases to remain a Subsidiary following any merger, sale of stock or other corporate transaction or event (including, without limitation, a spin-off). In all cases, the Administrator shall treat a Participant's leave of absence or employment transfer in compliance with Applicable Law where required to do so pursuant to the Code or otherwise.

13. **Limited Transferability of Awards.**

(a) Unless determined otherwise by the Administrator, Awards may not be sold, pledged, assigned, hypothecated, or otherwise transferred in any manner other than (i) by will or by the laws of descent and distribution or (ii) subject to the consent of the Administrator, pursuant to a DRO, unless and until such Award has been exercised or the Shares underlying such Award have been issued, and all restrictions applicable to such Shares have lapsed.

(b) No Award or interest or right therein shall be liable for or otherwise subject to the debts, contracts or engagements of the Participant or the Participant's successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, hypothecation, encumbrance, assignment or any other means, whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), unless and until such Award has been exercised, or the Shares underlying such Award have been issued, and all restrictions applicable to such Shares have lapsed, and any attempted disposition of an Award prior to satisfaction of these conditions shall be null and void and of no effect, except to the extent that such disposition is permitted by Section 13(a). During the lifetime of the Participant, only the Participant may exercise any exercisable portion of an Award granted to such Participant under the Plan, unless it has been disposed of pursuant to a DRO. After the death of the Participant, any exercisable portion of an Award may, prior to the time when such portion becomes unexercisable under the Plan or Award Agreement, be exercised by the Participant's personal representative or by any person empowered to do so under the deceased Participant's will or under the then-applicable laws of descent and distribution.

(c) Notwithstanding Section 13(a), the Administrator, in its sole discretion, may determine to permit a Participant or a Permitted Transferee of such Participant to transfer an Award, other than an Incentive Stock Option (unless such Incentive Stock Option is intended to become a Nonstatutory Stock Option), to any one or more Permitted Transferees of such Participant, subject to the following terms and conditions: (i) an Award transferred to a Permitted Transferee shall not be assignable or transferable by the Permitted Transferee other than (A) to another Permitted Transferee of the applicable Participant or (B) by will or the laws of descent and distribution or, subject to the consent of the Administrator, pursuant to a DRO; (ii) an Award transferred to a Permitted Transferee shall continue to be subject to all the terms and conditions of the Award as applicable to the original Participant (other than the ability to further transfer the Award to any person other than another Permitted Transferee of the applicable Participant); (iii) the Participant (or transferring Permitted Transferee) and the receiving Permitted Transferee shall execute any and all documents requested by the Administrator, including, without limitation, documents to (A) confirm the status of the transferee as a Permitted Transferee, (B) satisfy any requirements for an exemption for the transfer under Applicable Law and (C) evidence the transfer; and (iv) the transfer of an Award to a Permitted Transferee shall be without consideration. In addition, and further notwithstanding Section 13(a), hereof, the Administrator, in its sole discretion, may determine to permit a Participant to transfer Incentive Stock Options to a trust that constitutes a Permitted Transferee if, under Code Section 671 and other Applicable Law, the Participant is considered the sole beneficial owner of the Incentive Stock Option while it is held in the trust.

(d) Notwithstanding Section 13(a), a Participant may, in the manner determined by the Administrator, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan or Award Agreement applicable to the Participant and any additional restrictions deemed necessary or appropriate by the Administrator. If the Participant is married or a domestic partner in a domestic partnership qualified under Applicable Law and resides in a community property state, a designation of a person other than the Participant's spouse or domestic partner, as applicable, as the Participant's beneficiary with respect to more than 50% of the Participant's interest in the Award shall not be effective without the prior written or electronic consent of the Participant's spouse or domestic partner. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time; provided that the change or revocation is delivered in writing to the Administrator prior to the Participant's death.

14. **Adjustments; Dissolution or Liquidation; Change in Control.**

(a) ***Adjustments.*** In the event that any stock dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other Equity Restructuring or change in the corporate structure of the Company affecting Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, shall make equitable adjustments to (i) the aggregate number of Shares that may be delivered under the Plan as set forth in the limitation in Section 3(a), (ii) the number and grant or exercise price of Shares covered by each outstanding Award, and (iii) the terms and conditions of any outstanding Awards (including, without limitation, any applicable Performance Criteria and Performance Goals with respect thereto).

(b) ***Dissolution or Liquidation***. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) ***Merger or other Reorganization.*** In the event of any transaction or event described in Section 14(a), including a Change in Control, each outstanding Award will be treated as the Administrator determines in its sole discretion and on such terms and conditions as the Administrator deems appropriate, including, without limitation, that (i) Awards will be assumed, or substantially equivalent Awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof) with appropriate adjustments as to the number and kind of shares and applicable exercise or purchase prices, in all cases, as determined by the Administrator; (ii) upon written notice to a Participant, that the Participant's Awards will terminate upon or immediately prior to the consummation of such transaction; (iii) outstanding Awards will vest and become exercisable, realizable, or payable, or restrictions applicable to an Award will lapse, in whole or in part, prior to or upon consummation of such transaction or event, notwithstanding anything to the contrary in the Plan or Award Agreement; (iv) (A) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Administrator determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment), or (B) the replacement of such Award with other rights or property selected by the Administrator in its sole discretion; (v) to provide that the Award cannot vest, be exercised or become payable after such event; or (vi) any combination of the foregoing. In taking any of the actions permitted under this Section 14(c), the Administrator will not be obligated to treat all Awards, all Awards held by a Participant, or all Awards of the same type, similarly.

In the event that the successor corporation in a Change in Control does not assume or substitute for the Award (or portion thereof), the Administrator will (i) cause any or all of such Award (or portion thereof) to terminate in exchange for cash, rights or other property pursuant to Section 14(c), or (ii) cause the Participant to fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with Performance Criteria, all Performance Goals will be deemed achieved at the greater of actual performance or 100% of target levels and all other terms and conditions met.

For the purposes of this Section 14(c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and, if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely common stock of the successor corporation or its parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, for each Share subject to such Award, to be solely common stock of the successor corporation or its parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control.

Notwithstanding anything in this Section 14(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more Performance Goals will not be considered assumed if the Company or its successor modifies any of such Performance Goals in a materially adverse manner without the Participant's consent; for the avoidance of doubt, a modification to such Performance Goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

Notwithstanding anything in this Section 14(c) to the contrary, if a payment under an Award Agreement is subject to Code Section 409A, and if the change in control definition contained in the Award Agreement does not comply with the definition of “change of control” for purposes of a distribution under Code Section 409A, then any payment of an amount that is otherwise accelerated under this Section will be delayed until the earliest time that such payment would be permissible under Code Section 409A without triggering any penalties applicable under Code Section 409A.

(d) ***Limitations.*** The Administrator, in its sole discretion, may include such further provisions and limitations in any Award, agreement or certificate as it may deem equitable and in the best interests of the Company that are not inconsistent with the provisions of the Plan. The existence of the Plan, any Award Agreement and/or the Awards granted hereunder shall not affect or restrict in any way the right or power of the Company or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company’s capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise. In the event of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the Shares or the share price of Common Stock, for reasons of administrative convenience, the Company, in its sole discretion, may refuse to permit the exercise of any Award during a period of up to thirty (30) days prior to the consummation of any such transaction.

15. **Tax Withholding.**

(a) ***Withholding Requirements.*** Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof), the Company will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant’s FICA, employment tax or social security contribution obligations) required to be withheld with respect to any taxable event concerning a Participant arising as a result of the Plan or any Award.

(b) ***Withholding Arrangements.*** The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation): (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable Shares having a Fair Market Value no greater than the aggregate amount of such obligations based on the maximum statutory withholding rates in such Participant’s applicable jurisdictions for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such taxable income, (iii) delivering to the Company already-owned Shares having a Fair Market Value equal to the statutory amount required to be withheld, provided the delivery of such Shares will not result in any adverse accounting consequences, as the Administrator determines in its sole discretion, (iv) selling a sufficient number of Shares otherwise deliverable to the Participant through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld, or (v) any combination of the above permitted forms of payment. The amount of the withholding requirement will be deemed to include any amount which the Administrator agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum federal, state or local marginal income tax rates applicable to the Participant with respect to the Award on the date that the amount of tax to be withheld is to be determined. The Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

16. **No Effect on Employment or Service.** Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant’s relationship as a Service Provider with the Company, nor will they interfere in any way with the Participant’s right or the Company’s right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

17. **Date of Grant.** The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

18. **Term of Plan.** Subject to Section 22, the Plan will become effective on the Effective Date. Unless sooner terminated under Section 19, it will continue in effect for a term of 10 years from the later of (a) the Effective Date of the Plan, and (b) the earlier of the most recent Board or stockholder approval of an increase in the number of Shares reserved for issuance under the Plan.

19. **Amendment and Termination.**

(a) ***Amendment and Termination of Awards***. Subject to Applicable Law, the Administrator may amend, modify or terminate any outstanding Award, including, but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or settlement, and converting an Incentive Stock Option to a Nonstatutory Stock Option; provided, that the Participant's consent to such action shall be required unless (i) the Administrator determines that the action, taking into account any related action, would not materially and adversely affect the Participant, or (ii) the change is otherwise permitted under the Plan (including, without limitation, under Section 14 or Section 29).

(b) ***Amendment and Termination of the Plan.*** Except as otherwise provided in Section 19(c), the Board may at any time amend, alter, suspend or terminate the Plan.

(c) ***Stockholder Approval.*** Notwithstanding Section 19(b), the Company will obtain stockholder approval of any Plan amendment to the extent necessary to comply with Applicable Laws, including, without limitation, with respect to any increase to the limit imposed in Section 3(a) on the maximum number of Shares which may be issued under the Plan.

(d) ***Expiration***. No Awards may be granted or awarded during any period of suspension or after termination of the Plan, and notwithstanding anything herein to the contrary, in no event may any Award be granted under the Plan after the tenth (10th) anniversary of the earlier of (i) the date on which the Plan was adopted by the Board and (ii) the date the Plan was approved by the Company's stockholders (such anniversary, the "**Expiration Date**"). Any Awards that are outstanding on the Expiration Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

(e) ***Effect of Amendment or Termination.*** No amendment, alteration, suspension or termination of the Plan will materially impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

(f) ***No Repricing of Awards without Stockholder Approval***. Notwithstanding Section 19(a) or 19(b) hereof, or any other provision of the Plan, the Administrator shall not be permitted to (i) lower the exercise price per Share of an Award after it is granted (other than on account of capital adjustments resulting from share splits, etc., as described in Section 14(a) hereof), (ii) cancel an Award when the exercise price per Share exceeds the Fair Market Value of the underlying Share in exchange for cash or another Award (other than in connection with Substitute Awards), (iii) cancel an outstanding Award in exchange for an Award with an exercise price that is less than the exercise price of the original Award or (iv) take any other action with respect to an Award that may be treated as a "repricing" under generally accepted accounting principles in the United States or for purposes of the stockholder approval rules of any securities exchange or inter-dealer quotation system on which the securities of the Company are listed or quoted, or any other action that has the same effect as any of the foregoing, without the approval of the Company's stockholders, unless the cancellation and exchange occurs in connection with an event set forth in Section 14(c) hereof.

20. **Conditions Upon Issuance of Shares.**

(a) ***Legal Compliance.*** The Administrator shall determine the methods by which Shares shall be delivered or deemed to be delivered to Participants. Shares will not be issued pursuant to the exercise of an Award unless the Administrator has determined that the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and may be further subject to the approval of counsel for the Company with respect to such compliance.

(b) ***Representations.*** In addition to the terms and conditions provided herein, the Company may require a Participant to make such reasonable covenants, agreements and representations as the Administrator, in its sole discretion, deems advisable in order to comply with Applicable Law.

(c) ***Restrictions***. All share certificates delivered pursuant to the Plan and all Shares issued pursuant to book entry procedures are subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with Applicable Law. The Administrator may place legends on any share certificate or book entry to reference restrictions applicable to the Shares (including, without limitation, restrictions applicable to Restricted Stock). The Administrator shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement, distribution or exercise of any Award, including a window-period limitation, as may be imposed in the sole discretion of the Administrator. The Company, in its sole discretion, may (i) retain physical possession of any stock certificate evidencing Shares until any restrictions thereon shall have lapsed and/or (ii) require that the stock certificates evidencing such Shares be held in custody by a designated escrow agent (which may, but need not, be the Company) until the restrictions thereon shall have lapsed, and that the Participant deliver a stock power, endorsed in blank, relating to such Shares.

21. **Inability to Obtain Authority.** The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company’s counsel to be necessary to the lawful issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority will not have been obtained.

22. **Forfeiture and Claw-Back Provisions**. All Awards (including any proceeds, gains or other economic benefit actually or constructively received by a Participant upon any receipt or exercise of any Award or upon the receipt or resale of any Shares underlying the Award and any payments of a portion of an incentive-based bonus pool allocated to a Participant) shall be subject to the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with the requirements of Applicable Law, including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, whether or not such claw-back policy was in place at the time of grant of an Award, to the extent set forth in such claw-back policy and/or in the applicable Award Agreement.

23. **Data Privacy**. As a condition of receipt of any Award, each Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this Section 23 by and among, as applicable, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Participant’s participation in the Plan. The Company and its Subsidiaries may hold certain personal information about a Participant, including but not limited to, the Participant’s name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, job title(s), any shares of stock held in the Company or any of its Subsidiaries and details of all Awards, in each case, for the purpose of implementing, managing and administering the Plan and Awards (the “**Data**”). The Company and its Subsidiaries may transfer the Data amongst themselves as necessary for the purpose of implementation, administration and management of a Participant’s participation in the Plan, and the Company and its Subsidiaries may each further transfer the Data to any third parties assisting the Company and its Subsidiaries in the implementation, administration and management of the Plan. These recipients may be located in the Participant’s country, or elsewhere, and the Participant’s country may have different data privacy laws and protections than the recipients’ country. Through acceptance of an Award, each Participant authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant’s participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Company or any of its Subsidiaries or the Participant may elect to deposit any Shares. The Data related to a Participant will be held only as

long as is necessary to implement, administer, and manage the Participant's participation in the Plan. A Participant may, at any time, view the Data held by the Company with respect to such Participant, request additional information about the storage and processing of the Data with respect to such Participant, recommend any necessary corrections to the Data with respect to the Participant or refuse or withdraw the consents herein in writing, in any case without cost, by contacting his or her local human resources representative. The Company may cancel the Participant's ability to participate in the Plan and, in the Administrator's discretion, the Participant may forfeit any outstanding Awards if the Participant refuses or withdraws his or her consents as described herein. For more information on the consequences of refusal to consent or withdrawal of consent, Participants may contact their local human resources representative.

24. **Paperless Administration**. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the documentation, granting or exercise of Awards, such as a system using an internet website or interactive voice response, then the paperless documentation, granting or exercise of Awards by a Participant may be permitted through the use of such an automated system.

25. **Effect of Plan upon Other Compensation Plans**. The adoption of the Plan shall not affect any other compensation or incentive plans in effect for the Company or any Subsidiary. Nothing in the Plan shall be construed to limit the right of the Company or any Subsidiary: (a) to establish any other forms of incentives or compensation for Employees, Directors or Consultants of the Company or any Subsidiary, or (b) to grant or assume options or other rights or awards otherwise than under the Plan in connection with any proper corporate purpose including without limitation, the grant or assumption of options in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, stock or assets of any corporation, partnership, limited liability company, firm or association.

26. **Titles and Headings, References to Sections of the Code or Exchange Act**. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control. References to sections of the Code or the Exchange Act shall include any amendment or successor thereto.

27. **Governing Law**. The Plan and Award Agreements hereunder shall be administered, interpreted and enforced under the internal laws of the State of Delaware without regard to conflicts of laws thereof or of any other jurisdiction.

28. **Code Section 409A**. To the extent that the Administrator determines that any Award granted under the Plan is subject to Code Section 409A, the Plan and the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Code Section 409A. In that regard, to the extent any Award under the Plan or any other compensatory plan or arrangement of the Company or any of its Subsidiaries is subject to Code Section 409A, and such Award or other amount is payable on account of a Participant's Termination of Service (or any similarly defined term), then (a) such Award or amount shall only be paid to the extent such Termination of Service qualifies as a "separation from service" as defined in Code Section 409A, and (b) if such Award or amount is payable to a "specified employee" as defined in Code Section 409A, then to the extent required in order to avoid a prohibited distribution under Code Section 409A, such Award or other compensatory payment shall not be payable prior to the earlier of (i) the expiration of the six-month period measured from the date of the Participant's Termination of Service, and (ii) the date of the Participant's death. To the extent applicable, the Plan and any Award Agreements shall be interpreted in accordance with Code Section 409A. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date, the Administrator determines that any Award may be subject to Code Section 409A, the Administrator may (but is not obligated to), without a Participant's consent, adopt such amendments to the Plan and Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (A) exempt the Award from Code Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (B) comply with the requirements of Code Section 409A and thereby avoid the application of any penalty taxes under Section Code 409A. The Company makes no representations or warranties as to the tax treatment of any Award under Code Section 409A or otherwise. The Company shall have no obligation under this Section 29 or otherwise to take any action (whether or not

described herein) to avoid the imposition of taxes, penalties or interest under Code Section 409A with respect to any Award, and shall have no liability to any Participant or any other person if any Award, compensation or other benefits under the Plan are determined to constitute non-compliant, "nonqualified deferred compensation" subject to the imposition of taxes, penalties and/or interest under Code Section 409A.

29. **Unfunded Status of Awards**. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary.

30. **Indemnification**. To the extent permitted under Applicable Law, each member of the Administrator (and each delegate thereof pursuant to Section 4(f)) shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan or any Award Agreement, and against and from any and all amounts paid by him or her, with the Board's approval, in satisfaction of judgment in such action, suit, or proceeding against him or her; provided he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf and, once the Company gives notice of its intent to assume such defense, the Company shall have sole control over such defense with counsel of the Company's choosing. The foregoing right of indemnification shall not be available to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case not subject to further appeal, determines that the acts or omissions of the person seeking indemnity giving rise to the indemnification claim resulted from such person's bad faith, fraud or willful criminal act or omission. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

31. **Relationship to Other Benefits**. No payment pursuant to the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary, except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

Exhibit 10.21

AVEANNA HEALTHCARE HOLDINGS INC.

2021 EMPLOYEE STOCK PURCHASE PLAN

This Aveanna Healthcare Holdings, Inc. 2021 Employee Stock Purchase Plan (the "**Plan**") is effective as of _______________, 2021 (the "**Effective Date**"), subject to approval by the Company's stockholders no later than twelve (12) months after the Effective Date. If stockholder approval is not obtained, then this Plan and any grants made hereunder shall immediately terminate and be null and void.

1. Purpose and Structure of the Plan and its Sub-Plans.

1.1 The purpose of this Plan is (a) to provide eligible employees of the Company and Participating Companies who wish to become stockholders in the Company a convenient method of doing so, (b) to encourage employees to work in the best interests of stockholders of the Company, (c) to support recruitment and retention of qualified employees, and (d) to provide employees an advantageous means of accumulating long-term investments. It is believed that employee participation in the ownership of the business will be to the mutual benefit of both the employees and the Company. This Plan document is an omnibus document which includes a sub-plan ("**Statutory Plan**") designed to permit offerings of grants to employees of certain Subsidiaries that are Participating Companies where such offerings are intended to satisfy the requirements of Section 423 of the Code (although the Company makes no undertaking nor representation to obtain or maintain qualification under Section 423 for any Subsidiary, individual, offering or grant) and also separate sub-plans ("**Non-Statutory Plans**") which permit offerings of grants to employees of certain Participating Companies which are not intended to satisfy the requirements of Section 423 of the Code. Section 6 hereof sets forth the maximum number of shares to be offered under the Plan (and its sub-plans), subject to adjustments as permitted under Sections 19 and 20 hereof.

1.2 The Statutory Plan shall be a separate and independent plan from the Non-Statutory Plans, provided, however, that the total number of shares authorized to be issued under the Plan applies in the aggregate to both the Statutory Plan and the Non-Statutory Plans. Offerings under the Non-Statutory Plans may be made to achieve desired tax or other objectives in particular locations outside the United States of America or to comply with local laws applicable to offerings in such foreign jurisdictions. Offerings under the Non-Statutory Plans may also be made to employees of entities that are not Subsidiaries.

1.3 All employees who participate in the Statutory Plan shall have the same rights and privileges under such sub-plan except for differences that may be mandated by local law and are consistent with the requirements of Code Section 423(b)(5). The terms of the Statutory Plan shall be those set forth in this Plan document to the extent such terms are consistent with the requirements for qualification under Code Section 423. The Committee may adopt Non-Statutory Plans applicable to particular Participating Companies or locations that are not participating in the Statutory Plan. The terms of each Non-Statutory Plan may take precedence over other provisions in this document, with the exception of Sections 6, 19 and 20 hereof with respect to the total number of shares available to be offered under the Plan for all sub-plans. Unless otherwise superseded by the terms of such Non-Statutory Plan, the provisions of this Plan document shall govern the operation of such Non-Statutory Plan. Except to the extent expressly set forth herein or where the context suggests otherwise, any reference herein to "Plan" shall be construed to include a reference to the Statutory Plan and the Non-Statutory Plans.

2. Definitions.

2.1 “**Account**” means the funds accumulated with respect to an individual employee as a result of deductions from such employee’s paycheck (or otherwise as permitted in certain circumstances under the terms of the Plan) for the purpose of purchasing Common Stock under this Plan. The funds allocated to an employee’s Account shall be deposited in the Company’s general corporate accounts and may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate or otherwise set apart such funds allocated to an employee’s Account from any other corporate funds, except to the extent such commingling may be prohibited by the laws of any applicable jurisdiction.

2.2 “**Administrator**” means the Committee or the persons acting within the scope of their authority to administer the Plan pursuant to a delegation of authority from the Committee pursuant to Section 22 hereof.

2.3 “**Affiliate**” means an entity, other than a Subsidiary, in which the Company has an equity or other ownership interest.

2.4 “**Beneficial Owner**” and “**Beneficial Ownership**” shall have the meaning ascribed to such term in Rule 13d-3 under the Exchange Act and any successor to such Rule.

2.5 “**Board**” means the Board of Directors of the Company.

2.6 “**Change in Control**” means the occurrence of any of the following:

(a) any “person,” as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company, any trustee or other fiduciary holding securities under any employee benefit plan of the Company, or any company owned, or that immediately after the transaction would be owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of the combined voting power or economic interests of the Company, as applicable, as of immediately prior to such transaction), becoming the beneficial owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than 50% of the combined voting power or economic interests of the Company’s then outstanding securities; provided that the provisions of this subsection (a) are not intended to apply to or include as a Change in Control any transaction that is specifically excepted from the definition of Change in Control under clause (c) below; or

(b) during any period of 12 months, individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in subsection (a), (c), or (d) of this definition or a director whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such term is used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board) whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of the 12-month period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the Board; or

(c) a merger or consolidation of the Company with any other corporation or other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or parent company thereof) more than 50% of (i) the combined voting power of the voting securities and (ii) the economic interests of the surviving entity or the ultimate parent company thereof (within the meaning of Section 424(e) of the Code); provided, that a merger or consolidation effected to implement an internal recapitalization of the Company (or similar transaction) in which no "person" is or becomes the beneficial owner, directly or indirectly, of securities of the Company representing more than 50% of either the combined voting power of the Company's then-outstanding voting securities or the then-outstanding economic interests shall not be considered a Change in Control; or

(d) a complete liquidation or dissolution of the Company or the consummation of a sale or disposition by the Company of all or substantially all of the Company's assets in which any "person", other than a person or persons who beneficially own(s), directly or indirectly, 50% or more of the combined voting power and economic interests of the outstanding voting securities of the Company immediately prior to the sale, acquires (or has acquired during the 12-month period ending on the most recent acquisition by such "person") assets from the Company that have a total gross fair market value equal to 50% or more of the total gross fair market value of all of the assets of the Company as of immediately prior to such sale or disposition of the Company's assets.

For the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the jurisdiction of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction. The Committee shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto.

2.7 "**Code**" means the Internal Revenue Code of 1986, as amended from time to time.

2.8 "**Committee**" means the Compensation Committee of the Board. The Committee may delegate its responsibilities as provided in Section 22 hereof.

2.9 "**Common Stock**" means the common stock of the Company.

2.10 "**Company**" means Aveanna Healthcare Holdings, Inc., a Delaware corporation, and its successors and assigns.

2.11 "**Compensation**" means, unless the Committee establishes otherwise for any offering, all base pay, inclusive of any employer-paid leave, overtime, cash bonuses, and commissions.

2.12 “**Enrollment Agreement**” means an agreement between the Company and an employee, in such form as may be established by the Company from time to time, pursuant to which the employee elects to participate in this Plan or elects changes with respect to such participation as permitted under the Plan.

2.13 “**ESPP Broker**” means a stock brokerage or other entity designated by the Company to establish accounts for Common Stock purchased under the Plan by participants.

2.14 “**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time.

2.15 “**Fair Market Value**” means the closing price on the date of determination on the principal national securities exchange on which the Common Stock is listed or admitted to trading and, if there were no trades on such date, on the day on which a trade occurred immediately preceding such date.

2.16 “**Offering Date**” as used in this Plan shall be the commencement date of an offering. A different date may be set by the Committee as determined in its discretion.

2.17 “**Participating Company**” means (i) the Company, (ii) any Wholly-Owned Subsidiary, and (iii) any Subsidiary or Affiliate that has been designated by the Board as eligible to participate in the Plan. For purposes of participation in the Statutory Plan, only the Company and its Subsidiaries may be considered Participating Companies, and the Board shall designate from time to time which Subsidiaries will be Participating Companies in the Statutory Plan and which Subsidiaries and Affiliates will be Participating Companies in particular Non-Statutory Plans. The foregoing designations and changes in designation by the Board shall not require stockholder approval. Notwithstanding the foregoing, the term “Participating Company” shall not include any Subsidiary or Affiliate that offers its employees the opportunity to participate in an employee stock purchase plan covering the Subsidiary’s or Affiliate’s common stock.

2.18 “**Plan**” means this Aveanna Healthcare Holdings, Inc. 2021 Employee Stock Purchase Plan, as may be amended from time to time.

2.19 “**Person**” shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) thereof and shall include a “group” as defined in Section 13(d) thereof.

2.20 “**Purchase Date**” means the last day of a Purchase Period contained in an offering.

2.21 “**Purchase Period**” means a period of time or times specified within an offering, generally beginning on the Offering Date or on the first trading day following a Purchase Date within such offering and, in each case, ending on a Purchase Date.

2.22 “**Purchase Price**” is the price per share of Common Stock of the Company as established pursuant to Section 5 hereof.

2.23 "**Subsidiary**" means any entity (other than the Company), domestic or foreign, that is in an unbroken chain of entities beginning with the Company if, on an Offering Date, each of the entities other than the last entity in the unbroken chain owns stock or equity interests possessing 50% or more of the total combined voting power of all classes of stock or equity interests in one of the other entities in the chain, as described in Code Section 424(f).

2.24 "**Wholly-Owned Subsidiary**" means any entity (other than the Company), domestic or foreign, that is in an unbroken chain of entities beginning with the Company if, on an Offering Date, each of the entities other than the last entity in the unbroken chain owns stock or equity interests possessing 100% or more of the total combined voting power of all classes of stock or equity interests in one of the other entities in the chain, as described in Code Section 424(f).

3. Employees Eligible to Participate. Any employee who is regularly scheduled to work 20 hours or more per week of a Participating Company who is in the employ of any Participating Company as of the first Offering Date is eligible to participate in this Plan as of such first Offering Date and on each Offering Date thereafter, so long as the employee continues to be employed with a Participating Company through and on such applicable Offering Date and Purchase Date; *provided, however*, that with respect to any offering under this Plan, the Board may determine to exclude from eligibility any employee of the Company that is permitted to be excluded from eligibility under Code Section 423 provided that such determination is made prior to the Offering Date to which such exclusion(s) relate which include the following: (a) employees who have been employed less than 2 years (and with respect to the initial offering, any employee who is hired by a Participating Company after the Effective Date shall only be eligible to participate in this Plan after such newly hired employee has been a full-time employee with the Participating Company for at least 1 year), (b) employees whose customary employment is 20 hours or less per week, (c) employees whose customary employment is not more than 5 months in any calendar year, and/or (d) highly compensated employees (within the meaning of Section 414(q) of the Code). Notwithstanding the foregoing, employees of a Participating Company who are citizens or residents of a foreign jurisdiction (without regard to whether they are also citizens of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) shall not be eligible to participate in the Statutory Plan if: (i) the grant of an option under the Plan to such employee is prohibited under the laws of such jurisdiction; or (ii) compliance with the laws of such foreign jurisdiction would cause the Statutory Plan to violate the requirements of Code Section 423. During paid leaves of absence (as determined in accordance with the Company's and Participating Company's policies and procedures) and meeting the requirements of the applicable treasury regulations promulgated under the Code, a participant may elect to continue participation in the Plan for three months or for such longer period as permitted under applicable treasury regulations.

4. Offerings. During the term of the Plan, the Committee may from time to time provide for time periods (each, an "**offering**") under which the Committee will grant or provide for the right to subscribe for shares of Common Stock under the Plan to employees (consisting of one or more Purchase Dates) on an Offering Date or Offering Dates selected by the Committee. Each offering will be for the period established by the Committee within its discretion; provided that as of the Effective Date, each offering shall be a consecutive twelve (12) month period unless otherwise determined by the Committee. Each offering shall provide for one or more Purchase Periods during such offering as determined by the Committee within its discretion. In order to become eligible to participate in an offering and purchase shares, an employee must complete and submit an Enrollment Agreement and any other necessary documents before the Offering

Date of the particular offering in which he or she wishes to participate as described in Sections 7 and 8 hereof. Participation in one offering under the Plan shall neither limit, nor require, participation in any other offering. Notwithstanding the foregoing, the Committee may, within its discretion, establish (a) different durations for an offering; (b) different terms for one or more offerings, (c) different commencing and ending dates for such offerings, and/or (d) different durations for Purchase Periods during an offering; provided, however, that in no event shall any offering exceed twenty-seven (27) months. In the event the first or the last day of an offering is not a regular business day, then the first day of the offering shall be deemed to be the next regular business day and the last day of the offering shall be deemed to be the last preceding regular business day.

5. Price. The Purchase Price per share shall be eighty-five percent (85%) of the lesser of (a) the Fair Market Value of the Common Stock on the Offering Date of such offering and (b) the Fair Market Value of the Common Stock on the Purchase Date of such offering.

6. Number of Shares to be Offered. The maximum number of shares that will be offered under the Plan is [•][1] shares of Common Stock, subject to adjustment as permitted under Section 20 hereof (the "**Share Reserve**"). In addition, the total number shares of Common Stock available for issuance pursuant to the Share Reserve under the Plan shall be automatically increased on the first day of each fiscal year of the Company following the Effective Date (and prior to the termination of the Plan) in an amount equal to the lesser of (a) [•][2] shares of Common Stock, (b) 1% of the shares of Common Stock outstanding as of the last day of the immediately preceding fiscal year of the Company and (c) such lesser number of shares of Common Stock as determined by the Board in its discretion. The shares to be sold to participants under the Plan will be Common Stock of the Company. If the total number of shares for which options are to be granted on any date in accordance with Section 12 hereof exceeds the number of shares then available under the Plan or a given sub-plan (after deduction of all shares for which options have been exercised under the Plan or are then outstanding), the Company shall make a pro rata allocation of the shares remaining available in as nearly a uniform manner as it determines is practicable and equitable. In such event, the payroll deductions to be made pursuant to the authorizations therefor shall be reduced accordingly and the Company shall give written notice of the reduction to each employee affected. Any Shares delivered under the Plan may consist, in whole or in part, of authorized and unissued Shares or treasury shares.

7. Participation.

7.1 An eligible employee may become a participant by completing an Enrollment Agreement provided by the Company and submitting it to the Company, or with such other entity designated by the Company for this purpose, prior to the commencement of the offering to which it relates. The Enrollment Agreement may be completed at any time after the employee becomes eligible to participate in the Plan, and will be effective as of the Offering Date next following the receipt of a properly completed Enrollment Agreement by the Company (or the Company's designee for this purpose).

[1] NTD: Number equal to 3% of the issued and outstanding shares of the Common Stock of the Company as of the Effective Date.

[2] NTD: Number equal to 1% of the issued and outstanding shares of the Common Stock of the Company as of the Effective Date.

7.2 Payroll deductions for a participant shall commence on the Offering Date as described above and shall continue through subsequent offerings pursuant to Section 10 hereof until the participant's termination of employment, subject to modification by the employee as provided in Section 8.1 hereof, and unless participation is earlier withdrawn or suspended by the employee as provided in Section 9 hereof.

7.3 Payroll deduction shall be the sole means of accumulating funds in a participant's Account, except in foreign countries where payroll deductions are not allowed, in which case the Company may authorize alternative payment methods.

7.4 The Company may require current participants to complete a new Enrollment Agreement at any time it deems necessary or desirable to facilitate Plan administration or for any other reason.

8. Payroll Deductions.

8.1 At the time an employee files a payroll deduction authorization, the employee shall elect to have deductions made from the employee's Compensation on each payday during each calendar year, which shall be in an amount not less than 1% and not more than 15% (or such greater percentage as the Committee may establish from time to time before an Offering Date, subject to the individual limits set forth in this Plan and Section 423 of the Code). The amount of payroll deductions shall be a whole percentage (i.e., 1%, 2%, 3%, etc.) of the employee's Compensation. Unless otherwise provided by the Committee, a participant may elect, only one (1) time during per offering, to (a) decrease the amount to be withheld from his or her Compensation during an offering or (b) discontinue payroll contributions during an offering, by completing and filing with the Company an amended Enrollment Agreement authorizing the decrease or cessation of payroll deductions. The change shall be effective as of the beginning of the next payroll period following the date of filing the amended Enrollment Agreement if the amended Enrollment Agreement is filed at least ten (10) days (or such earlier date as provided by the Committee within its discretion) prior to such date (the "**Change Notice Date**") and, if not, as of the beginning of the next succeeding payroll period. All payroll deductions accrued by a participant as of a Change Notice Date shall continue to be applied toward the purchase of Common Stock on the Purchase Date, unless a participant withdraws from an offering or the Plan, pursuant to Section 9 hereof. An amended Enrollment Agreement shall remain in effect until the participant changes such Enrollment Agreement in accordance with the terms of the Plan. The Committee may, from time to time, establish and/or change (i) limitations on the frequency and/or number of any permitted changes in the amount withheld during an offering, (ii) payroll withholding in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed withholding elections, and (iii) such other limitations or procedures as deemed advisable by the Committee in the Committee's sole discretion that are consistent with the Plan and in accordance with the requirements of Code Section 423.

8.2 All payroll deductions made for a participant shall be credited to his or her Account under the Plan. A participant may not make any separate cash payment into his or her Account nor may payment for shares be made other than by payroll deduction, except as provided under Section 7.3 hereof.

8.3 A participant may withdraw from or suspend his or her participation in the Plan as provided in Section 9 hereof. A participant may also make a prospective election, by changing his or her payroll deduction amount to zero as set forth in, and pursuant to the terms of, Section 8.1 hereof, to cease participation in the Plan effective as of the next Offering Date.

8.4 Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code, Section 21 hereof, or any other applicable law, a participant's payroll deductions may be decreased, including to zero, at such time during any offering which is scheduled to end during the current calendar year that the aggregate of all payroll deductions accumulated with respect to such offering and any other offering ending within the same calendar year are equal to $21,250. Payroll deductions shall recommence at the rate provided in the participant's Enrollment Agreement at the beginning of the following offering which is scheduled to end in the following calendar year, unless the participant withdraws from an offering or the Plan, pursuant to Section 9 hereof.

9. Withdrawal and Suspension.

9.1 An employee may withdraw from an offering, in whole but not in part, at any time during the offering for which such withdrawal is to be effective, or by any other date specified by the Administrator for a future offering, by submitting a withdrawal notice to the Company, in which event the Company will refund the entire balance of his or her Account as soon as practicable thereafter.

9.2 If an employee withdraws or suspends his or her participation pursuant to Section 9.1 hereof, he or she shall not participate in a subsequent offering unless and until he or she re-enters the Plan. To re-enter the Plan, an employee who has previously withdrawn or suspended participation by reducing payroll deductions to zero must file a new Enrollment Agreement in accordance with Section 7.1 hereof and otherwise be eligible to participate in this Plan pursuant to the terms hereof. The employee's re-entry into the Plan will not become effective before the beginning of the next offering following his or her withdrawal or suspension.

10. Automatic Re-Enrollment. At the termination of each offering each participating employee who continues to be eligible to participate pursuant to Section 3 hereof shall be automatically re-enrolled in the next offering, unless the employee has advised the Company otherwise. Upon termination of the Plan, any balance in each employee's Account shall be refunded to him or her.

11. Interest. No interest will be paid or allowed on any money in the Accounts of participating employees, except to the extent payment of interest is required by the laws of any applicable jurisdiction.

12. Granting of Option. On each Offering Date, this Plan shall be deemed to have granted to the participant an option for as many shares (which may include a fractional share) as he or she will be able to purchase with the amounts credited to his or her Account during his or her participation in that offering. Notwithstanding the foregoing, no participant may purchase more than [•][3] shares of Common Stock during any single offering. This number may be adjusted as permitted pursuant to Section 20 hereof.

13. Exercise of Option.

13.1 Each employee who continues to be a participant in an offering on a Purchase Date during that offering shall be deemed to have exercised his or her option on that Purchase Date and shall be deemed to have purchased from the Company the number of shares (which may not include a fractional share) of Common Stock reserved for the purpose of the Plan as the balance of his or her Account on such date will pay for at the Purchase Price.

13.2 Unless otherwise determined by the Committee, fractional shares shall not be issued hereunder and, as a result, any cash balance remaining in a participant's Account at the termination of an offering that is not sufficient to purchase a whole share of Common Stock, shall be carried over in the participant's Account and applied to the purchase of Common Stock in the next offering, provided the participant participates in the next offering and the purchase complies with Section 21 hereof. If the Participant does not participate in the next offering, such remaining cash balance shall be refunded to the participant as soon as practical after the Purchase Date.

13.3 Any amount remaining to the credit of a participant's Account after the purchase of shares by the Participant on a Purchase Date which is sufficient to purchase one or more full shares of Common Stock shall be refunded to the participant as soon as practical after the Purchase Date.

14. Tax Obligations. To the extent any (a) grant of an option to purchase shares, (b) purchase of shares, or (c) disposition of shares purchased under the Plan gives rise to any tax withholding obligation (including, without limitation, income and payroll withholding taxes imposed by any jurisdiction) the Administrator may implement appropriate procedures to ensure that such tax withholding obligations are met. Those procedures may include, without limitation, increased withholding from an employee's current compensation, cash payments to the Company or another Participating Company by an employee, or a sale of a portion of the Common Stock purchased under the Plan, which sale may be required and initiated by the Company.

15. Employee's Rights as a Stockholder. No participating employee shall have any right as a stockholder with respect to any shares until the shares have been purchased in accordance with Section 13 above and the Common Stock has been issued by the Company.

16. Evidence of Stock Ownership.

16.1 Following the end of each offering, the number of shares of Common Stock purchased by each participant shall be deposited into an account established in the participant's name at the ESPP Broker.

[3] NTD: Number to be determined based on AON's recommendations.

16.2 A participant shall be free to undertake a disposition (as that term is defined in Section 424(c) of the Code) of the shares in his or her ESPP Broker account at any time, whether by sale, exchange, gift, or other transfer of legal title, but in the absence of such a disposition of the shares, the shares must remain in the participant's ESPP Broker account until the holding period set forth in Section 423(a) of the Code has been satisfied. With respect to shares for which the Section 423(a) holding period has been satisfied, the participant may move those shares to another brokerage account of participant's choosing.

16.3 Notwithstanding the above, shares of Common Stock purchased under a Non-Statutory Plan may be moved to another brokerage account of the participant's choosing at any time, without regard to the satisfaction of the Section 423(a) holding period, subject to applicable law.

17. Rights Not Transferable; **Restrictions on Resale**.

17.1 No participant shall be permitted to sell, assign, transfer, pledge, or otherwise dispose of or encumber either the payroll deductions credited to his or her Account or an option or any rights with regard to the exercise of an option or rights to receive shares under the Plan other than by will or the laws of descent and distribution, and such right and interest shall not be liable for, or subject to, the debts, contracts, or liabilities of the participant. If any such action is taken by the participant, or any claim is asserted by any other party in respect of such right and interest whether by garnishment, levy, attachment or otherwise, the action or claim will be treated as an election to withdraw funds in accordance with Section 9. During the participant's lifetime, only the employee can make decisions regarding the participation in or withdrawal from an offering under the Plan.

17.2 Unless otherwise determined by the Committee, participants may not sell any shares of Common Stock acquired under the terms of the Plan until the expiration of the period commencing on each Purchase Date and ending 6 months later. Notwithstanding the foregoing, the time restriction on the sale of shares will lapse upon the participant's termination of employment due to participant's death.

18. Termination or Transfer of Employment.

18.1 Upon termination of employment for any or no reason whatsoever, including, but not limited to, death or retirement, the balance in the Account of a participating employee shall be paid to the employee or his or her estate. Whether and when employment is deemed terminated for purposes of this Plan shall be determined by the Administrator in its sole discretion and may be determined without regard to statutory notice periods or other periods following termination of active employment.

18.2 In the event that a participant who is an employee of a Participating Company in a Non-Statutory Plan is transferred and becomes an employee of a different Participating Company in a Non-Statutory Plan, during an offering, such individual may, subject to the terms and eligibility of the Non-Statutory Plan of the new employer, become a participant under the Non-Statutory Plan of the new employer for the duration of the offering in effect at that time. Unless otherwise required under local law, any payroll deductions or other approved contributions may continue to be held by the Participating Company former employer of the participant for the remainder of the offering. At the next Purchase Date, all payroll deductions and other approved contributions made by or to such Participating Company former employer and/or the employer Participating Company shall be aggregated for the purchase of shares of Common Stock under, and subject to the terms and limitations of, the Non-Statutory Plan of the new employer.

18.3 In the event that an employee of a Participating Company in the Statutory Plan and who is a participant in the Statutory Plan is transferred and becomes an employee of a Participating Company in a Non-Statutory Plan during an offering, unless determined otherwise by the Committee, such individual may, subject to the terms and eligibility of the Non-Statutory Plan of the new employer, become a participant under the Non-Statutory Plan of the new employer for the duration of the offering in effect at that time. Unless otherwise required under local law, any payroll deductions may continue to be held by the Participating Company former employer for the remainder of the offering. At the next Purchase Date, all payroll deductions and other approved contributions made by or to the Participating Company former employer and/or the employer Participating Company may be aggregated for the purchase of shares of Common Stock under, and subject to the terms and limitations of, the Non-Statutory Plan of the new employer.

19. Amendment or Discontinuance of the Plan.

19.1 The Committee may amend the Plan in such respects as it shall deem advisable; *provided, however* that (a) to the extent required for compliance with Code Section 423 or any applicable law or regulation, stockholder approval will be required for any amendment that will (i) increase the total number of shares as to which options may be granted under the Plan, except as provided in Section 20 hereof, (ii) modify the class of employees eligible to receive options, or (iii) otherwise require stockholder approval under any applicable law or regulation ((i), (ii) and (iii) being collectively referred to as the "**Specified Amendments**"); (b) notwithstanding anything set forth in Section 22, the approval by the Board, which may not be delegated to the Committee, will be required for the approval of any of the Specified Amendments; and (c) except as provided in this Section 19 or Section 24, no amendment to the Plan shall make any change in any option previously granted which adversely affects the rights of any Participant.

19.2 The Plan shall continue in effect for ten (10) years from the Effective Date. Notwithstanding the foregoing, the Board may at any time and for any reason suspend or terminate the Plan. During any period of suspension or upon termination of the Plan, no options shall be granted.

19.3 Except as provided in Section 20 hereof, no such termination of the Plan may affect options previously granted, provided that the Plan or an offering may be terminated by the Board on a Purchase Date or by the Board's setting a new Purchase Date with respect to an offering then in progress if the Board determines that termination of the Plan and/or the offering is in the best interests of the Company and the stockholders or if continuation of the Plan and/or the offering would cause the Company to incur adverse accounting charges as a result of a change after the Effective Date in the generally accepted accounting rules applicable to the Plan.

20. Changes in Capitalization. In the event of reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, offerings of rights, or any other change in the structure of the common shares of the Company, the Committee shall make such adjustment, if any, as it may deem appropriate in the number, kind, and the price of shares available for purchase under the Plan, and in the number of shares which an employee is entitled to purchase including, without limitation, closing an offering early and permitting purchase on the last business day of the reduced offering period, or terminating an offering and refunding participants' Account balances.

21. Share Ownership. Notwithstanding anything in the Plan to the contrary, no employee shall be permitted to subscribe for any shares under the Plan if the employee, immediately after such subscription, owns shares (including all shares that may be purchased under outstanding subscriptions under the Plan) possessing 5% or more of the total combined voting power or value of all classes of shares of the Company or of its parent or subsidiary corporations. For the foregoing purposes the rules of Section 424(d) of the Code shall apply in determining share ownership and shares the employee may purchase under outstanding options shall be treated as owned by the employee. In addition, no employee shall be allowed to subscribe for any shares under the Plan that permit his or her rights to purchase shares under all "employee stock purchase plans" of the Company and its parent or subsidiary corporations to accrue at a rate that exceeds $25,000 of Fair Market Value of such shares (determined at the time such right to subscribe is granted) for each calendar year in which the right to subscribe is outstanding at any time. Notwithstanding the above, lower limitations may be imposed with respect to participants in a Non-Statutory Plan or participants in the Statutory Plan who are subject to laws of another jurisdiction where lower limitations are required.

22. Administration and Board Authority.

22.1 The Plan shall be administered by the Board. Except as expressly set forth in the Plan, the Board has delegated its full authority under the Plan to the Committee, and the Committee may further delegate any or all of its authority under this Plan to such senior officer(s) of the Company as it may designate, to the extent not prohibited by law or rules of the Code and/or the applicable stock exchange under which the Common Stock is traded. Notwithstanding any such delegation of authority, the Board may itself take any action under the Plan in its discretion at any time, and any reference in this Plan document to the rights and obligations of the Committee shall be construed to apply equally to the Board. Any references to the Board mean only the Board. The authority that may be delegated by the Committee includes, without limitation, the authority to (a) establish Non-Statutory Plans and determine the terms of such sub-plans (including, without limitation, rules and procedures regarding handling of payroll deductions or other approved contributions, payment of interest, conversion of local currency, payroll tax, withholding procedures and handling of stock certificates that vary with local requirements and determining the eligible employees that may enroll in a Non-Statutory Plan), (b) designate from time to time which Subsidiaries (that are Participating Companies) will participate in the Statutory Plan and which Participating Companies will participate in a particular Non-Statutory Plan, (c) determine procedures for eligible employees to enroll in or withdraw from a sub-plan, setting or changing payroll deduction amounts, and obtaining necessary tax withholdings, (d) allocate the available shares under the Plan to the sub-plans for particular offerings and (e) adopt amendments to the Plan or any sub-plan including, without limitation, amendments to increase the shares available for issuance under the Plan pursuant to Section 20 hereof (but not including increases in the available shares above the maximum permitted by Sections 6 and 20 hereof which shall require Board and stockholder approval).

22.2 The Committee shall be vested with full authority and discretion to construe the terms of the Plan and make factual determinations under the Plan, and to make, administer, and interpret such rules and regulations as it deems necessary to administer the Plan, and any determination, decision, or action of the Committee in connection with the construction, interpretation, administration, or application of the Plan shall be final, conclusive, and binding upon all participants and any and all persons claiming under or through any participant. The Committee may retain outside entities and professionals to assist in the administration of the Plan including, without limitation, a vendor or vendors to perform enrollment and brokerage services. The authority of the Committee will specifically include, without limitation, the power to make any changes to the Plan with respect to the participation of employees of any Subsidiary or Affiliate that is organized under the laws of a country other than the United States of America when the Committee deems such changes to be necessary or appropriate to achieve a desired tax treatment in such foreign jurisdiction or to comply with the laws applicable to such non-U.S. Subsidiaries or Affiliates. Those changes may include, without limitation, the exclusion of particular Subsidiaries or Affiliates from participation in the Plan; modifications to eligibility criteria, maximum number or value of shares that may be purchased in a given period, or other requirements set forth herein; and procedural or administrative modifications. Any modification relating to offerings to a particular Participating Company will apply only to that Participating Company and will apply equally to all similarly situated employees of that Participating Company. The rights and privileges of all employees granted options under the Statutory Plan shall be the same. To the extent any changes approved by the Committee would jeopardize the tax-qualified status of the Statutory Plan, the change shall cause the Participating Companies affected thereby to be considered Participating Companies under a Non-Statutory Plan or Non- Statutory Plans instead of the Statutory Plan.

22.3 Notwithstanding the provisions of Sections 22.1 and 22.2 above, in the event that Rule 16b-3 promulgated under the Exchange Act or any successor provision thereto ("**Rule 16b-3**") provides specific requirements for the administrators of plans of this type, the Plan shall only be administered by such body and in such a manner as shall comply with the applicable requirements of Rule 16b-3. Unless permitted by Rule 16b-3, no discretion concerning decisions regarding the Plan shall be afforded to any person that is not "disinterested" as that term is used in Rule 16b-3.

23. Notices. All notices or other communications by a participant to the Company or other entity designated for a particular purpose under or in connection with the Plan shall be deemed to have been duly given when received by the Company or other designated entity, or when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

24. Change of Control. In the event of a Change of Control, each outstanding option shall be assumed, continued or an equivalent option substituted by the successor company or parent thereof (the "**Successor Company**"). In the event that the Successor Company refuses to assume, continue or substitute for the option, any offering then in progress shall either be shortened by setting a new Purchase Date or by cancelling such offering and returning all

Account balances to the respective participants. If an offering is to be shorted and not cancelled, then the new Purchase Date shall be a specified date before the date of the Change of Control as determined by the Administrator. The Administrator shall notify each participant in writing, prior to the new Purchase Date (the times period of which shall be determined by the Administrator within its discretion), that the Purchase Date for the participant's option has been changed to the new Purchase Date and that the participant's option shall be exercised automatically on the new Purchase Date, unless prior to such date the participant has withdrawn from an offering then in progress or the Plan as provided in Section 9 hereof.

25. Dissolution or Liquidation of the Company. In the event of the proposed dissolution or liquidation of the Company, the offering then in progress shall be cancelled and all Account balances shall be returned to the respective participants.

26. Limitations on Sale of Stock Purchased Under the Plan. The Plan is intended to provide Common Stock for investment and not for resale. The Company does not, however, intend to restrict or influence any employee in the conduct of the employee's own affairs. An employee, therefore, may sell Common Stock purchased under the Plan at any time the employee chooses, subject to compliance with any applicable Federal, state or foreign securities laws and policies and/or participation rules established by the Committee, and any Company and Participating Company policies. THE EMPLOYEE ASSUMES THE RISK OF ANY MARKET FLUCTUATIONS IN THE PRICE OF THE COMPANY'S STOCK.

27. Governmental Regulation/Compliance with Applicable Law/Separate Offering. The Company's obligation to sell and deliver shares of the Company's Common Stock under this Plan is subject to the approval of any governmental authority required in connection with the authorization, issuance, or sale of such shares. In addition, the terms of an offering under this Plan, or the rights of an employee under an offering, may be modified to the extent required by applicable law. For purposes of this Plan, the Committee also may designate separate offerings under the Plan (the terms of which need not be identical) in which eligible employees of one or more Participating Companies will participate, even if the dates of the offerings are identical.

28. No Employment/Service Rights. Nothing in the Plan shall confer upon any employee the right to continue in employment for any period of specific duration, nor interfere with or otherwise restrict in any way the rights of the Company (or any Subsidiary or Affiliate employing such person), or of any employee, which rights are hereby expressly reserved by each, to terminate such person's employment at any time for any reason, with or without cause.

29. Dates and Times. All references in the Plan to a date or time are intended to refer to dates and times determined pursuant to U.S. Eastern Time. Business days for purposes of the Plan are U.S. business days.

30. Masculine and Feminine, Singular and Plural. Whenever used in the Plan, a pronoun shall include the opposite gender and the singular shall include the plural, and the plural shall include the singular, whenever the context shall plainly so require.

31. Governing Law; Venue; Waiver of Jury trial. The Plan shall be governed by the laws of the State of Delaware without giving effect to principles of conflict of laws, and applicable federal law. The agreed venue and method for resolving disputes relating to an Award Agreement or the Plan shall be as set forth in the applicable Award Agreement, or in the absence of such provision, as applies to disputes relating to or arising out of the Participant's service with the Company and its Affiliates, including the termination thereof. Unless otherwise specifically provided by explicit reference to the jury waiver provision in this Section 31 in an applicable Award Agreement, each Participant, **TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, WAIVES, AND COVENANTS THAT THE PARTICIPANT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THE PLAN OR ANY AWARD AGREEMENT, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AND AGREES THAT ANY OF THE COMPANY OR ANY OF ITS AFFILIATES OR THE PARTICIPANT MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE COMPANY AND ITS AFFILIATES, ON THE ONE HAND, AND THE PARTICIPANT, ON THE OTHER HAND, IRREVOCABLY TO WAIVE ITS RIGHT TO TRIAL BY JURY IN ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THE PLAN OR ANY AWARD AGREEMENT, AND THAT ANY SUCH PROCEEDING WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.**

32. No Liability of Committee Members. No member of the Committee shall be personally liable by reason of any contract or other instrument executed by such Committee member or on his or her behalf in his or her capacity as a member of the Committee nor for any mistake of judgment made in good faith, and the Company shall indemnify and hold harmless each member of the Committee and each other employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of the Plan may be allocated or delegated, against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of a claim) arising out of any act or omission to act in connection with the Plan unless arising out of such person's own fraud or willful bad faith; provided, however, that approval of the Board shall be required for the payment of any amount in settlement of a claim against any such person. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

33. Data Collection. By participating in the Plan or accepting any rights under it, each participant consents to the collection and processing of personal data relating to the participant so that the Company and its Subsidiaries can fulfill their obligations and exercise their rights under the Plan and generally administer and manage the Plan. This data will include, but may not be limited to, data about participation in the Plan and shares offered or received, purchased or sold under the Plan from time to time and other appropriate financial and other data about the participant and the participant's participation in the Plan.

Exhibit 10.22

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made and entered into as of this ___ day of April, 2021, by and among Aveanna Healthcare Holdings Inc., a Delaware corporation ("Parent"), Aveanna Healthcare Intermediate Holdings LLC, a Delaware limited liability company ("Intermediate") and Aveanna Healthcare LLC, a Delaware limited liability company ("Aveanna" and together with Parent, and Intermediate, each a "Company" and, collectively, the "Companies"), and ____________ ("Indemnitee"). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in Section 15 hereof.

WHEREAS, in light of the litigation costs and risks to directors, managers and officers resulting from their service to companies, and the desire of the Companies to attract and retain qualified individuals to serve as directors, managers and officers for the Company Entities, it is reasonable, prudent and necessary for each of the Companies to indemnify and advance expenses on behalf of the Company Entities' directors, managers and officers to the extent permitted by applicable Law so that they will serve or continue to serve the Company Entities free from undue concern regarding such risks;

WHEREAS, the Companies have requested that Indemnitee serve or continue to serve as a director and/or officer of one or more of the Companies and may have requested or may in the future request that Indemnitee serve one or more of the other Company Entities as a director, manager or officer or in other capacities;

WHEREAS, Indemnitee has agreed to serve as a director and/or officer of one or more of the Companies on the condition that Indemnitee be so indemnified; and

WHEREAS, Indemnitee may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Designating Stockholders or former Designating Stockholders (or their respective affiliates), which Indemnitee, the Companies and the Designating Stockholders or former Designating Stockholders (or their respective affiliates) intend to be secondary to the primary obligation of the Companies to indemnify Indemnitee as provided herein, with the Companies' acknowledgement of and agreement to the foregoing being a material condition to Indemnitee's willingness to serve as a director and/or officer of one or more of the Companies.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Companies and Indemnitee do hereby covenant and agree as follows:

1. Services by Indemnitee. Indemnitee agrees to serve as a director and/or officer of one or more of the Companies.

2. Indemnification.

(a) General. On the terms and subject to the conditions of this Agreement, the Companies shall, to the fullest extent permitted by applicable law (as such may be in existence on the date hereof or amended from time to time, "Law"), indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all liabilities, judgments, fines, penalties, costs, Expenses, losses, excise taxes, amounts paid in settlement (including all interest assessments and other charges paid or payable in connection with or in respect of such liabilities, losses, judgements, fines, penalties, costs and amounts paid in settlement) (collectively, "Losses") that Indemnitee incurs and that result from, arise in connection with or are by reason of Indemnitee's Corporate Status, and shall advance Expenses to Indemnitee. The obligations of the Companies under this Agreement (a) are joint and several obligations of each Company, (b) shall continue during the period Indemnitee is a director or officer of any Company and after such time as Indemnitee ceases to serve as a director or officer of the Companies or in any other Corporate Status, and (c) include, without limitation, claims for monetary damages against Indemnitee in respect of any actual or alleged liability or other loss of Indemnitee, to the fullest extent permitted under applicable Law (including, if applicable, Section 145 of the General Corporation Law of the State of Delaware).

(b) Indemnity of Indemnitee by Subsidiary of Company. Notwithstanding and in addition to any other provision of this Agreement, in the event that Indemnitee serves, now or in the future, as a director, member of the board of managers or in a similar position with any of the Companies' subsidiaries, in consideration for such service, Indemnitee shall be indemnified and be entitled to rights of advancement and contribution from any such subsidiary to the maximum extent permitted by this Agreement and by applicable Law. Such indemnification, advancement and contribution shall be made pursuant to comparable procedures as those set forth in this Agreement. Each Company hereby represents that it is or will be duly authorized and empowered on behalf of each such subsidiary described in the preceding sentence to provide such indemnification, advancement and contribution as set forth in this Section 2(b) and further agrees to take any and all actions necessary to cause each such subsidiary to effectuate such indemnification, advancement and contribution. In the event that any such subsidiary against which Indemnitee is entitled to such indemnification, advancement and contribution fails to provide such indemnification, advancement or contribution to the maximum extent permitted by this Agreement and by applicable Law, each Company agrees to provide to Indemnitee any and all indemnification, advancement and contribution to the maximum extent permitted by this Agreement and by applicable Law on behalf of such subsidiary. The rights of indemnification, advancement and contribution provided to Indemnitee by any subsidiary of any Company are not exclusive of any other rights which Indemnitee may have from such subsidiary under statute, bylaw, agreement, vote of the board of directors or board of managers of such subsidiary or otherwise.

3. Proceedings Other Than Proceedings by or in the Right of the Companies. If in connection with, or by reason of, Indemnitee's Corporate Status Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding other than a Proceeding by or in the right of any of the Companies to procure a judgment in its favor, the Companies shall, to the fullest extent permitted by Law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Losses incurred by Indemnitee or on behalf of Indemnitee in connection with such Proceeding or any claim, issue or matter therein.

4. Proceedings by or in the Right of the Companies. If in connection with, or by reason of, Indemnitee's Corporate Status Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding brought by or in the right of any of the Companies to procure a judgment in its favor, the Companies shall, to the fullest extent permitted by Law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses incurred

by Indemnitee or on behalf of Indemnitee in connection with such Proceeding; provided, however, that indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to the applicable Company only if (and only to the extent that) the Court of Chancery of the State of Delaware or other court in which such Proceeding shall have been brought or is pending (the "Trial Court") shall determine that despite such adjudication of liability and in light of all circumstances such indemnification may be made.

5. Mandatory Indemnification in Case of Successful Defense. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to (or a participant in) and is successful, on the merits or otherwise, in defense of any Proceeding (including, without limitation, any Proceeding brought by or in the right of any Company), the Companies shall, to the fullest extent permitted by Law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith. If Indemnitee is not wholly successful in defense of such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Companies shall, to the fullest extent permitted by Law, indemnify Indemnitee against all Expenses incurred by Indemnitee or on behalf of Indemnitee in connection with each successfully resolved claim, issue or matter. For purposes of this Section 5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, on substantive or procedural grounds, shall be deemed to be a successful result as to such claim, issue or matter.

6. Partial Indemnification; Contribution.

(a) Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement or otherwise to indemnification by any of the Companies for some or a portion of the Losses incurred by Indemnitee or on behalf of Indemnitee in connection with a Proceeding or any claim, issue or matter therein, in whole or in part, the Companies shall, to the fullest extent permitted by Law, indemnify Indemnitee to the fullest extent to which Indemnitee is entitled to such indemnification.

(b) Contribution.

(i) Whether or not any indemnification provided elsewhere in this Agreement is available, in respect of any threatened, pending or completed action, suit or proceeding in which one or more of the Companies are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Companies shall pay, in the first instance, the entire amount of any judgment or settlement of such action, suit or proceeding without requiring Indemnitee to contribute to such payment and the Companies hereby waive and relinquish any right of contribution they may have against Indemnitee.

(ii) Without diminishing or impairing the obligations of the Companies set forth in the preceding subsection, if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed action, suit or proceeding in which the Companies are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Companies shall contribute to the amount of Losses actually incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Companies and all officers, directors or employees of the Companies, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction from which such action, suit or proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to Law, be further adjusted by reference to the relative fault of the Companies and all officers, directors or employees of the Companies other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the events that resulted in such Losses, as well as any other equitable considerations that the applicable Law of the State of Delaware (or other applicable Law) may require to be considered. The relative fault of the Companies and all officers, directors or employees of the Companies, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

(iii) The Companies hereby agree to fully indemnify and hold Indemnitee harmless from any claims of contribution that may be brought by officers, directors or employees of the Companies, other than Indemnitee, who may be jointly liable with Indemnitee.

(iv) To the fullest extent permissible under applicable Law and without diminishing or impairing the obligations of the Companies set forth in the preceding subsections of this Section 6, if the indemnification obligations of the Companies provided for in this Agreement are unavailable to Indemnitee for any reason whatsoever, the Companies, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee for Losses in connection with any claim relating to an indemnifiable event under this Agreement in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Companies and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Companies (and their directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

7. Indemnification for Additional Expenses Incurred to Secure Recovery or as Witness.

(a) The Companies shall, to the fullest extent permitted by Law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, any and all Expenses and, if requested by Indemnitee, shall advance on an as-incurred basis (as provided in Section 9 of this Agreement) such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action or proceeding or part thereof brought by Indemnitee for (i) indemnification or advance payment of Expenses by the Companies under this Agreement, any other agreement, or the Organizational Documents of the applicable Company as now or hereafter in effect; or (ii) recovery under any director and officer liability insurance policies maintained by any Company Entity.

(b) To the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness (or is forced or asked to respond to discovery requests) in any Proceeding to which Indemnitee is not a party, the Companies shall, to the fullest extent permitted by Law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against, and the Companies will advance on an as-incurred basis (as provided in Section 9 of this Agreement), all Expenses reasonably incurred by Indemnitee or on behalf of Indemnitee in connection therewith.

8. Additional Indemnity. In addition to, and without regard to any limitations on, the indemnification provided for elsewhere in this Agreement, the Companies shall and hereby do, to the fullest extent permitted by Law, indemnify Indemnitee with respect to, and hold Indemnitee harmless from and against all Losses incurred by Indemnitee or on behalf of Indemnitee, if, by reason of Indemnitee's Corporate Status, Indemnitee was, is, or is threatened to be made, a party to or a participant in any Proceeding (including a Proceeding by or in the right of the Companies), including, without limitation, all liability arising out of the ordinary negligence of Indemnitee (other than the fraud of Indemnitee). The only limitation that shall exist upon the Companies' obligations pursuant to this Agreement shall be that the Companies shall not be obligated to make any payment to Indemnitee if a Trial Court issues a final non-appealable judicial determination that Indemnitee is not entitled to indemnification.

9. Advancement of Expenses. The Companies shall, to the fullest extent permitted by Law, pay on a current and as-incurred basis all Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding in any way connected with, resulting from or relating to Indemnitee's Corporate Status. Such Expenses shall be paid in advance of the final disposition of such Proceeding, without regard to whether Indemnitee will ultimately be entitled to be indemnified for such Expenses and without regard to whether an Adverse Determination has been or may be made, except as contemplated by Section 10(f) of this Agreement. Following a final disposition of such Proceeding, if any, Indemnitee shall repay such amounts advanced only if and to the extent that an Adverse Determination is made and not challenged, as provided in Section 10(f), or if it shall ultimately be determined in a decision by a court of competent jurisdiction from which no appeal can be taken, following a challenge to an Adverse Determination as provided in Section 10(f), that Indemnitee is not entitled to be indemnified by the Companies for such Expenses.

10. Indemnification Procedures.

(a) Notice of Proceeding. Indemnitee agrees to notify the Companies promptly upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter that may be subject to indemnification or advancement of Expenses hereunder. Any failure by Indemnitee to notify any Company will relieve the Companies of its advancement or indemnification obligations under this Agreement only to the extent the Companies can establish that such omission to notify resulted in actual and material prejudice to it, and the omission to notify such Companies will, in any event, not relieve any Company from any liability that it may have to indemnify Indemnitee otherwise than under this Agreement.

(b) Defense; Settlement. The Companies shall have the sole right and obligation to control the defense or conduct of any claim or Proceeding with respect to Indemnitee. The Companies shall not, without the prior written consent of Indemnitee, which may not be unreasonably withheld, effect any settlement or compromise of any Proceeding against Indemnitee which imposes any cost or liability on Indemnitee unless such settlement or compromise solely involves the payment of money for which the Indemnitee will be fully indemnified or performance of any obligation by persons other than Indemnitee. The Companies shall not be obligated to indemnify Indemnitee against amounts paid in settlement of a Proceeding against Indemnitee if such settlement is effected by Indemnitee without the Companies' prior written consent.

(c) Request for Advancement; Request for Indemnification.

(i) To obtain advancement of Expenses under this Agreement, Indemnitee shall submit to the Companies a written request therefor, together with such invoices or other supporting information as may be reasonably requested by the Companies and reasonably available to Indemnitee, and, only to the extent required by applicable Law and/or any applicable Organizational Documents that cannot be waived, an unsecured written undertaking to repay Expenses advanced. The Companies shall make advance payment of Expenses to Indemnitee no later than ten (10) days after receipt of the written request for advancement (and each subsequent request for advancement) by Indemnitee.

(ii) To obtain indemnification under this Agreement, at any time after submission of a request for advancement of Expenses pursuant to Section 10(c)(i) of this Agreement, Indemnitee may submit a written request for indemnification hereunder. The time at which Indemnitee submits a written request for indemnification shall be determined by the Indemnitee in the Indemnitee's sole discretion. Once Indemnitee submits such a written request for indemnification (and only at such time that Indemnitee submits such a written request for indemnification), a Determination shall thereafter be made, as provided in and only to the extent required by Section 10(d) of this Agreement. In no event shall a Determination be made, or required to be made, as a condition to or otherwise in connection with any advancement of Expenses pursuant to Section 9 and Section 10(c)(i) of this Agreement. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Companies, or to provide such a request in a timely fashion, shall not relieve the Companies of any liability that they may have to Indemnitee under this Agreement unless, and to the extent that, such failure actually and materially prejudices the interests of the Companies.

(d) Determination. The Companies agree that Indemnitee shall be indemnified to the fullest extent permitted by Law and that no Determination shall be required in connection with such indemnification unless specifically required by applicable Law that cannot be waived. In no event shall a Determination be required in connection with indemnification for Expenses incurred as a witness pursuant to Section 7 of this Agreement or incurred in connection with any Proceeding or portion thereof with respect to which Indemnitee has been successful on the merits or otherwise. Any decision that a Determination is required by Law in connection with any other indemnification of Indemnitee, and any such Determination, shall be made within thirty (30) days after receipt of Indemnitee's written request for indemnification pursuant to Section 10(c)(ii) (the "Determination Period") and such Determination shall be made either (i) by the Board of Directors by majority vote or consent of a quorum consisting of only Disinterested Directors, or (ii) if such a quorum of Disinterested Directors cannot be obtained, by Independent Counsel in a written opinion to the Companies and Indemnitee. If a Determination is requested but is not made during the Determination Period, then the requisite Determination shall be deemed a Favorable

Determination and Indemnitee shall be entitled to such indemnification absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable Law; provided, however, that such 30-day period may be extended for a reasonable time, not to exceed an additional fifteen (15) days, if the person, persons or entity making such Determination in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto. If a Determination is made that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within twenty (20) days after such Determination. Indemnitee shall reasonably cooperate with the person, persons or entity making such Determination, including providing to such person, persons or entity upon reasonable advance request any documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnitee and reasonably necessary to such Determination. Any Independent Counsel or Disinterested Directors, as the case may be, shall act reasonably and in good faith in making a Determination under this Agreement. Any Expenses incurred by Indemnitee in so cooperating with the Disinterested Directors or Independent Counsel, as the case may be, making such Determination shall be advanced and borne by the Companies (irrespective of the Determination as to Indemnitee's entitlement to indemnification) and each Company is liable to indemnify and hold Indemnitee harmless therefrom. Notwithstanding anything in this Agreement to the contrary, no Determination shall be required to be made prior to the final disposition of the Proceeding.

(e) Independent Counsel. In the event that the Determination is to be made by Independent Counsel pursuant to Section 10(d) of this Agreement, the Independent Counsel shall be selected as provided in this Section 10(e). The Independent Counsel shall be selected by the Disinterested Directors (unless there are no Disinterested Directors, in which case Indemnitee shall select the Independent Counsel in the Indemnitee's sole discretion), and the Board of Directors or the Indemnitee, as the case may be, shall give written notice to the other, advising the Board of Directors or Indemnitee, as the case may be, of the identity of the Independent Counsel so selected. The Board of Directors or the Indemnitee, as the case may be, may, within ten (10) days after such written notice of selection shall have been received, deliver to the Indemnitee or the Board of Directors, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of competent jurisdiction has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 10(c)(ii) of this Agreement, no Independent Counsel shall have been selected and not objected to, either the Board of Directors or Indemnitee may petition a court of competent jurisdiction for resolution of any objection that shall have been made by the Board of Directors or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(d) of this Agreement. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 10(f) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing). Any expenses incurred by Independent Counsel shall be borne by the Companies (irrespective of the Determination of Indemnitee's entitlement to indemnification) and not by Indemnitee.

(f) Consequences of Determination; Remedies of Indemnitee. The Companies shall be bound by and shall have no right to challenge a Favorable Determination. If an Adverse Determination is made, or if for any other reason the Companies do not make timely indemnification payments or advances of Expenses, or the Companies or any other person takes any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided hereunder, Indemnitee shall have the right to commence a Proceeding before a court of competent jurisdiction to challenge such Adverse Determination, and/or to require the Companies to make such payments or advances, and/or to recover damages for breach of this Agreement, and/or to recover under any directors' and officers' liability insurance policies maintained by the Companies (and the Companies shall have the right to defend their position in such Proceeding and to appeal any adverse judgment in such Proceeding but shall not oppose Indemnitee's right to seek such adjudication). Indemnitee shall be entitled to be indemnified for all Expenses incurred in connection with such a Proceeding and to have such Expenses advanced by the Companies in accordance with Section 9 of this Agreement, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of expenses or insurance recovery. The Companies shall not oppose Indemnitee's right to seek any such adjudication. If Indemnitee fails to challenge an Adverse Determination, or if Indemnitee challenges an Adverse Determination and such Adverse Determination has been upheld by a final judgment of a court of competent jurisdiction from which no appeal can be taken, then, to the extent and only to the extent required by such Adverse Determination or final judgment, the Companies shall not be obligated to indemnify or advance Expenses to Indemnitee under this Agreement. In the event that an Adverse Determination has been made, any judicial proceeding commenced pursuant to this Section 10(f) shall be conducted in all respects as a *de novo* trial on the merits, and Indemnitee shall not be prejudiced by reason of the Adverse Determination. The Companies authorize the Indemnitee from time to time to retain one counsel of Indemnitee's choice reasonably acceptable to the Board of Directors, at the expense of the Companies to the extent provided under applicable Law, to advise and represent Indemnitee in connection with any such judicial adjudication or recovery, including without limitation, the initiation or defense of any litigation or other legal action, whether by or against the Companies or any director, officer, stockholder or other person affiliated with the Companies; provided that (A) the employment of counsel by Indemnitee has been previously authorized by the Companies and (B) Indemnitee shall have reasonably concluded that there is a conflict of interest between the Companies and Indemnitee with respect to any judicial action. The Companies shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 10 that the procedures and presumptions of this Agreement are not valid, binding and enforceable.

(g) Presumptions; Burden and Standard of Proof. The parties intend and agree that, to the extent permitted by Law, in connection with any Determination with respect to Indemnitee's entitlement to indemnification hereunder by any person, including a court:

(i) it will be presumed that Indemnitee is entitled to indemnification under this Agreement, and (A) the Company Entities or any other person or entity challenging such right will have the burden of proof and the burden of persuasion by clear and convincing evidence to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption, and (B) neither the failure of the Companies (including by its directors or Independent Counsel) to have made a Determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual Determination by the Companies (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall create a presumption that Indemnitee has not met the applicable standard of conduct;

(ii) a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty, and therefore in the event that any action, claim or proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such action, suit or proceeding, and anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence;

(iii) the termination of any action, suit or Proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create an unfavorable presumption against Indemnitee; and

(iv) Indemnitee will be deemed to have acted reasonably if Indemnitee’s action is based on the records or books of account of the applicable Company Entity, including financial statements, or on information supplied to Indemnitee by the officers, employees, or committees of the board of directors (or equivalent governing body) of the applicable Company Entity, or on the advice of legal counsel for the applicable Company Entity or on information or records given in reports made to the applicable Company Entity by an independent certified public accountant or by an appraiser or other expert or advisor selected with reasonable care by the applicable Company Entity.

The provisions of this Section 10(g) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement. In addition, whether or not the foregoing provisions of this Section 10(g) are satisfied, it shall in no event create any unfavorable presumption with respect to Indemnitee’s actions. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

11. Insurance; Subrogation; Other Rights of Recovery, etc.

(a) Each Company may purchase and maintain a policy or policies of insurance with reputable insurance companies, providing Indemnitee with coverage for any liability asserted against, and incurred by, Indemnitee or on Indemnitee's behalf by reason of Indemnitee's Corporate Status, or arising out of Indemnitee's status as such, whether or not any such Company would have the power to indemnify Indemnitee against such liability. With respect to each Company, such insurance policies shall have coverage terms and policy limits at least as favorable to Indemnitee as the insurance coverage provided to any other director or officer of such Company Entity.

(b) In the event of any payment by any Company under this Agreement, such Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee against any other Company Entity, and Indemnitee hereby agrees, as a condition to obtaining any advancement or indemnification from the Companies, to assign to such Company all of Indemnitee's rights to obtain from such other Company Entity such amounts to the extent that they have been paid by such Company to or for the benefit of Indemnitee as advancement or indemnification under this Agreement and are adequate to indemnify Indemnitee with respect to the costs, Expenses or other items to the full extent that Indemnitee is entitled to indemnification or other payment hereunder; and Indemnitee will (upon request by the Companies) execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable such Company to bring suit or enforce such rights.

(c) Each of the Companies hereby acknowledges that Indemnitee has or may have certain rights to indemnification, advancement of expenses and/or insurance provided by a Designating Stockholder (or former Designating Stockholder) or any affiliate thereof. Each of the Companies hereby unconditionally and irrevocably waives, relinquishes and releases, and covenants and agrees not to exercise (and to cause each of the other Company Entities not to exercise), any rights that such Company may now have or hereafter acquire against any Designating Stockholder (or former Designating Stockholder) or any affiliate thereof or Indemnitee that arise from or relate to the existence, payment, performance or enforcement of the Companies' obligations under this Agreement or under any other indemnification agreement (whether pursuant to contract or Organizational Documents) with any person or entity, including, without limitation, any right of subrogation (whether pursuant to contract or common law), reimbursement, exoneration, contribution or indemnification, or to be held harmless, and any right to participate in any claim or remedy of Indemnitee against any Designating Stockholder (or former Designating Stockholder) or any affiliate thereof or Indemnitee, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from any Designating Stockholder (or former Designating Stockholder) or any affiliate thereof or Indemnitee, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right. If any Designating Stockholder or former Designating Stockholder (or any affiliate thereof) is or was a party or is threatened to be made a party to or is otherwise involved in (including, without limitation, as a witness or responding to discovery) any Proceeding, and such Designating Stockholder's or former Designating Stockholder's (or such affiliate's) involvement in the Proceeding arises from the Indemnitee's Corporate Status, or from such Designating Stockholder's or former Designating Stockholder's (or such affiliate's) financial interest (whether through equity, debt or otherwise) in or control or alleged control of a Company Entity, then such Designating Stockholder or former Designating Stockholder (or such affiliate) shall be entitled to all of the indemnification rights and remedies (including, without limitation, the advancement of Expenses), and shall to the extent indemnified hereunder undertake the obligations, of the Indemnitee under this Agreement to the same extent as the Indemnitee.

(d) Except as provided in Section 11(c) and in this Section 11(d), the Companies shall not be liable to pay or advance to Indemnitee any amounts otherwise indemnifiable under this Agreement or under any other indemnification agreement if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise; provided, however, that: (i) the Companies hereby agree that they are the indemnitors of first resort under this Agreement and under any other indemnification agreement (i.e., their obligations to Indemnitee under this Agreement or any other agreement or undertaking to provide advancement and/or indemnification to Indemnitee are primary and any obligation of any Designating Stockholder or former Designating Stockholder (or any affiliate thereof other than a Company) to provide advancement or indemnification for the same Expenses, liabilities, losses, judgments, fines, penalties, costs and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, liabilities, losses, judgments, fines, penalties, costs and amounts paid in settlement) incurred by Indemnitee, whether pursuant to contract or Organizational Documents or otherwise, are secondary); (ii) the Companies hereby agree that, subject to the other terms and conditions of this Agreement, they shall be required to advance the full amount of Expenses incurred by Indemnitee and shall be liable for the full amount of all Losses to the extent legally permitted and as required by the terms of this Agreement and/or the Organizational Documents of the Companies (or any other agreement between any Company and Indemnitee), without regard to any rights Indemnitee may have against the Designating Stockholder (or former Designating Stockholder) or any affiliate thereof; and (iii) if any Designating Stockholder or former Designating Stockholder (or any affiliate thereof other than a Company Entity) pays or causes to be paid, for any reason, any amounts otherwise indemnifiable hereunder or under any other indemnification agreement (whether pursuant to contract or Organizational Documents) with Indemnitee, then (x) such Designating Stockholder or former Designating Stockholder (or such affiliate, as the case may be) shall have a right to contribution and/or be fully subrogated to all rights of Indemnitee with respect to such payment and (y) the Companies shall fully indemnify, reimburse and hold harmless such Designating Stockholder or former Designating Stockholder (or such affiliate) for all such payments actually made by such Designating Stockholder or former Designating Stockholder (or such affiliate).

(e) The Companies' obligation to indemnify or advance Expenses hereunder to Indemnitee in respect of or relating to Indemnitee's service at the request of any of the Companies as a director, officer, employee, fiduciary, representative, partner or agent of any other Company Entity shall be reduced by any amount Indemnitee has actually received as payment of indemnification or advancement of Expenses from such other Company Entity, except to the extent that such indemnification payments and advance payment of Expenses when taken together with any such amount actually received from other Company Entities or under director and officer insurance policies maintained by one or more Company Entities are inadequate to fully pay all costs, Expenses or other items to the full extent that Indemnitee is otherwise entitled to indemnification or other payment hereunder.

(f) Except for the rights set forth in Sections 11(c), 11(d) and 11(e) of this Agreement, the rights to indemnification and advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time, whenever conferred or arising, be entitled under applicable Law, under the Company Entities' Organizational Documents or under any other agreement, vote of stockholders or resolution of directors or managers of any Company Entity, or otherwise, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. Indemnitee's rights under this Agreement are present contractual rights that fully vest upon Indemnitee's first service as a director or officer of any of the Companies.

(g) No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the applicable Laws of the State of Delaware (or other applicable Law), whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company Entities' Organizational Documents and this Agreement, it is the intent of the parties hereto that Indemnitee enjoy by this Agreement the greater benefits so afforded by such change. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

12. Employment Rights; Successors; Third Party Beneficiaries.

(a) This Agreement shall not be deemed an employment contract between the Companies and Indemnitee. This Agreement shall continue in force as provided above after Indemnitee has ceased to serve as a director and/or officer of the Companies or any other Corporate Status.

(b) This Agreement shall be binding upon each of the Companies and their successors and assigns and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators.

(c) All former, current and future Designating Stockholders (and their respective affiliates) are express third party beneficiaries of this Agreement, are entitled to rely upon this Agreement, and may specifically enforce the Companies' obligations hereunder (including but not limited to the obligations specified in Section 11 of this Agreement) as though a party hereunder.

13. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable Law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee indemnification rights to the fullest extent permitted by applicable Law. In the event any provision hereof conflicts with any applicable Law, such provision shall be deemed modified, consistent with the aforementioned intent, to the extent necessary to resolve such conflict.

14. Exception to Right of Indemnification or Advancement of Expenses. Notwithstanding any other provision of this Agreement and except as provided in Section 7(a) of this Agreement or as may otherwise be agreed by any Company, Indemnitee shall not be entitled to indemnification or advancement of Expenses under this Agreement with respect to any Proceeding brought by Indemnitee (other than a Proceeding by Indemnitee (i) by way of defense or counterclaim, (ii) to enforce Indemnitee's rights under this Agreement or (iii) to enforce any other rights of Indemnitee to indemnification, advancement or contribution from the Companies under any other contract, Organizational Documents or under statute or other Law, including any rights under Section 145 of the General Corporation Law of the State of Delaware), unless the bringing of such Proceeding or making of such claim shall have been approved by the board of directors of the applicable Company.

15. Definitions. For purposes of this Agreement:

(a) "Agreement" shall have the meaning set forth in the Preamble.

(b) "Aveanna" shall have the meaning set forth in the Preamble.

(c) "Bain" means Bain Capital Private Equity, LP, and any investment fund, co-investment vehicle or other entity, or related management company or general partner, that is an affiliate of, managed by, advised by or sub-advised by the foregoing entity (other than any Company) or that is managed by, advised by or sub-advised by the same investment adviser as any of the foregoing entities or by an affiliate of such investment adviser.

(d) "Board of Directors" means the board of directors of Parent.

(e) "Companies" shall have the meaning set forth in the Preamble.

(f) "Company" shall have the meaning set forth in the Preamble.

(g) "Company Entity" means (i) any Company, (ii) any of their respective direct or indirect subsidiaries and (iii) any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise with respect to which Indemnitee serves as a director, officer, employee, partner, representative, fiduciary or agent, or in any similar capacity, at the request of any Company.

(h) "Corporate Status" describes the status of a person by reason of such person's past, present or future service as a director or officer of any of the Companies or any of their respective direct or indirect subsidiaries or by reason of such person's past, present or future service, at the request of any of the Companies, as a director, manager, officer, employee, fiduciary or agent of any other Company Entity.

(i) "Designated Court" shall have the meaning set forth in Section 19.

(j) "Designating Stockholder" means each of Bain and Whitney, so long as an individual designated (directly or indirectly) by Bain or Whitney or by a group of stockholders including Bain or Whitney or any of Bain's or Whitney's affiliates (as provided by Parent's Organizational Documents and/or the Stockholders' Agreement) serves as a director (or equivalent function) of any Company Entity.

(k) "Determination" means a determination that either (x) there is a reasonable basis for the conclusion that indemnification of Indemnitee is proper in the circumstances because Indemnitee met a particular standard of conduct (a "Favorable Determination") or (y) there is no reasonable basis for the conclusion that indemnification of Indemnitee is proper in the circumstances because Indemnitee met a particular standard of conduct (an "Adverse Determination"). An Adverse Determination shall include both the decision that a Determination was required in connection with indemnification and the decision as to the applicable standard of conduct.

(l) "Determination Period" shall have the meaning set forth in Section 10(d).

(m) "Disinterested Director" means a director of Parent who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(n) "Expenses" shall mean all reasonable direct and indirect costs, fees and expenses of any type or nature whatsoever and shall specifically include, without limitation, all reasonable attorneys' fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness, in, or otherwise participating in, a Proceeding, including, but not limited to, the premium for appeal bonds, attachment bonds or similar bonds and all interest, assessments and other charges paid or payable in connection with or in respect of any such Expenses, and shall also specifically include, without limitation, all reasonable attorneys' fees and all other expenses incurred by or on behalf of Indemnitee in connection with preparing and submitting any requests or statements for indemnification, advancement, contribution or any other right provided by this Agreement. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amounts of judgments or fines against Indemnitee.

(o) "Indemnitee" shall have the meaning set forth in the Preamble.

(p) "Independent Counsel" means, at any time, any law firm, or a member of a law firm, that (a) is experienced in matters of corporation law and (b) is not, at such time, or has not been in the five years prior to such time, retained to represent: (i) any Company Entity or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnities under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Companies or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Companies agree to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto and to be jointly and severally liable therefor.

(q) "Intermediate" shall have the meaning set forth in the Preamble.

(r) "Law" shall have the meaning set forth in Section 2(a).

(s) "Loss" shall have the meaning set forth in Section 2(a).

(t) "Organizational Documents" means an entity's charter, by-laws, partnership agreement, limited liability company agreement, operating agreement, indemnification agreement, or other similar or equivalent agreement or document.

(u) "Parent" shall have the meaning set forth in the Preamble.

(v) "Proceeding" includes any actual, threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened, pending or completed proceeding, whether brought by or in the right of any Company or otherwise and whether civil, criminal, administrative or investigative in nature, in which Indemnitee was, is, may be or will be involved as a party, witness or otherwise, by reason of Indemnitee's Corporate Status or by reason of any action taken by Indemnitee or of any inaction on Indemnitee's part while acting as director or officer (or equivalent position) of any Company Entity (in each case whether or not Indemnitee is acting or serving in any such capacity or has such status at the time any liability or expense is incurred for which indemnification or advancement of Expenses can be provided under this Agreement), including any pending on or before the date of this Agreement, but excluding any initiated by an Indemnitee pursuant to Section 10(f) of this Agreement to enforce Indemnitee's rights under this Agreement.

(w) "Stockholders Agreement means the Amended and Restated Stockholders Agreement, dated as of [   ], 2021, by and among Parent, the Sponsors (as defined therein) and certain other stockholders of Parent, as the same may be amended from time to time.

(x) "Trial Court" shall have the meaning set forth in Section 4.

(y) Construction. Whenever required by the context, as used in this Agreement the singular number shall include the plural, the plural shall include the singular, and all words herein in any gender shall be deemed to include (as appropriate) the masculine, feminine and neuter genders.

16. Reliance; Integration.

(a) The Companies expressly confirm and agree that they have entered into this Agreement and assumed the obligations imposed on each of them hereby in order to induce Indemnitee to serve as a director and/or officer of the Companies, and the Companies acknowledge that Indemnitee is relying upon this Agreement in serving as a director and/or officer of the Companies.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersede all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

17. Modification and Waiver. No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in a writing identified as such by each of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

18. Notice. All notices and other communications hereunder shall be in writing and shall be deemed duly delivered: (i) upon receipt if delivered personally, (ii) one Business Day after it is sent by commercial overnight courier service, or (iii) upon transmission if sent via facsimile (with acknowledgment of complete transmission or confirmation of receipt) to the parties at the following addresses (or at such other address for a party as shall be specified by such party by like notice):

(a) If to Indemnitee, to:

c/o Aveanna Healthcare LLC
Suite 1600
400 Interstate North Parkway, SE
Atlanta, GA 30339
Attention: Chief Legal Officer and General Counsel

with a copy (which shall not constitute notice) to:

Greenberg Traurig LLP
3333 Piedmont Road, NE Suite 2500
Atlanta, GA 30305
Attention: Gary Snyder
Facsimile No.: 678-553-2120

(b) If to any Company, to:

Aveanna Healthcare LLC
Suite 1600
400 Interstate North Parkway, SE
Atlanta, GA 30339
Attention: Shannon Drake, Chief Legal Officer and General Counsel
Facsimile No.: 678-784-4705

with a copy (which shall not constitute notice) to:

Greenberg Traurig, LLP
3333 Piedmont Road, NE
Suite 2500
Atlanta, GA 30305
Attn: Gary E. Snyder
Facsimile: (678) 553-2120
Email: snyderg@gtlaw.com

or to such other address as may have been furnished (in the manner prescribed above) as follows: (a) in the case of a change in address for notices to Indemnitee, furnished by Indemnitee to the Companies and (b) in the case of a change in address for notices to any Company, furnished by the Companies to Indemnitee.

19. Governing Law; Submission to Jurisdiction; Appointment of Agent for Service of Process. This Agreement and the legal relations among the parties shall, to the fullest extent permitted by Law, be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflicts of laws rules. The Companies and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Court of Chancery of the State of Delaware (the "Designated Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Designated Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Designated Court, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Designated Court has been brought in an improper or otherwise inconvenient forum.

20. Headings. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

21. Counterparts. This Agreement may be executed in two or more consecutive counterparts (including by facsimile), each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument, and shall become effective when one or more counterparts have been signed by each of the parties and delivered (by telecopy or otherwise) to the other parties.

22. Other Agreements. In the event that any Company or its direct or indirect subsidiaries enters into or amends any agreement or arrangement related to the subject matter covered herein with any other officer or director of a Company that is designated on behalf of a Designating Stockholder (or any affiliate thereof), whether on the date hereof or from time to time hereafter, and such agreement or amendment contains terms that are more favorable to such

director or officer than the terms of this Agreement are to the Indemnitee, this Agreement shall be automatically revised so that the terms of such other Agreement are no more favorable to such other director or officer as the terms of this Agreement are to Indemnitee.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

Parent:	**AVEANNA HEALTHCARE HOLDINGS INC.**
	______________________________ By: Rodney D. Windley Title: Executive Chairman
Intermediate:	**AVEANNA HEALTHCARE INTERMEDIATE HOLDINGS LLC**
	______________________________ By: Rodney D. Windley Title: Executive Chairman
Aveanna:	**AVEANNA HEALTHCARE LLC**
	______________________________ By: Rodney D. Windley Title: Executive Chairman
Indemnitee:	
	______________________________ Name:

Signature Page to Director Indemnification Agreement

Exhibit 21.1

AVEANNA HEALTHCARE HOLDINGS INC.

List of Subsidiaries as of March 31, 2021

Subsidiary	State or Other Jurisdiction of Formation	DBA Name(s)
AB Innovations Health Services Incorporated	Texas	Aveanna Healthcare
American Staffing Services, Inc.	Pennsylvania	Aveanna Healthcare
AndVenture, LLC	Pennsylvania	Aveanna Healthcare
Angel’s Touch Home Care, LLC	Pennsylvania	Aveanna Home Health
Assure Home Healthcare, Inc.	Texas	None
Aveanna Healthcare AS, LLC	Delaware	Aveanna Healthcare
Aveanna Healthcare Intermediate Holdings LLC	Delaware	Aveanna Healthcare
Aveanna Healthcare LLC	Delaware	Aveanna Healthcare
Aveanna Healthcare Senior Services LLC	Delaware	None
Care America Home Care Services, Inc.	Pennsylvania	Aveanna Healthcare
Care Unlimited, Inc.	Pennsylvania	Aveanna Healthcare
Child’s Play Therapeutic Homecare Inc	Texas	Aveanna Healthcare
D & D Services, Inc.	Oklahoma	Preferred Pediatric Home Health Care
Dawson Thomas, Inc.	Colorado	Aveanna Healthcare
DM Holdco, Inc.	Delaware	Aveanna Healthcare
EHS DE Holdings, Inc.	Delaware	Aveanna Healthcare
Epic Acquisition, Inc.	Delaware	Aveanna Healthcare
Epic Health Services (DE), LLC	Delaware	Aveanna Healthcare
Epic Health Services (PA), LLC	Pennsylvania	Aveanna Healthcare
Epic Health Services, Inc.	Delaware	Aveanna Healthcare
Epic Health Services, Inc.	Massachusetts	Aveanna Healthcare
Epic Health Services, Inc.	Texas	Aveanna Healthcare
Epic Pediatric Therapy, L.P.	Texas	Aveanna Healthcare
Evergreen Home Healthcare, LLC	Colorado	Aveanna Healthcare
FHH Holdings, Inc.	Delaware	Aveanna Healthcare
Firstaff Nursing Services, Inc.	Pennsylvania	Aveanna Healthcare
Five Points Healthcare of Alabama, LLC	Delaware	Aveanna Home Health; Aveanna Hospice
Five Points Healthcare of DE, LLC	Delaware	Aveanna Hospice
Five Points Healthcare of GA, LLC	Delaware	Aveanna Home Health
Five Points Healthcare of Louisiana, LLC	Delaware	None
Five Points Healthcare of NC, LLC	Delaware	Aveanna Home Health
Five Points Healthcare of PA, LLC	Delaware	None
Five Points Healthcare of Virginia, LLC	Delaware	Aveanna Home Health

Five Points Healthcare, LLC	Delaware	None
Freedom Eldercare NY, Inc.	New York	Aveanna Healthcare
Freedom Home Healthcare, Inc.	Delaware	Aveanna Healthcare
HealthCorps, Inc.	Minnesota	Recover Care
Home Health Care of Northern Nevada, LLC	Nevada	Aveanna Healthcare
HomeFirst Healthcare Services, LLC.	North Carolina	Aveanna Healthcare
JED ADAM Enterprises, LLC	Nevada	Aveanna Healthcare
LCA Holding, Inc.	Delaware	Aveanna Healthcare
Loving Care Agency, Inc.	New Jersey	Aveanna Healthcare
Medco Respiratory Instruments, Incorporated	Texas	Aveanna Healthcare Medical Solutions
Millenium Home Health Care, Inc.	Pennsylvania	Aveanna Home Health
Nurses To Go, LLC	Missouri	None
Option 1 Billing Group, LLC	Arizona	Aveanna Healthcare
Option 1 Northwest Enteral, LLC	Washington	Aveanna Healthcare Medical Solutions
Option 1 Nutrition Group, LLC	Delaware	Aveanna Healthcare
Option 1 Nutrition Holdings, Inc.	Delaware	Aveanna Healthcare
Option 1 Nutrition Solutions CA, Inc.	California	None
Option 1 Nutrition Solutions, LLC	Arizona	Aveanna Healthcare Medical Solutions
Option 1 Nutrition Solutions, LLC	Colorado	Aveanna Healthcare Medical Solutions
Pediatria HealthCare LLC	Delaware	Aveanna Healthcare
Pediatric Home Care, Inc.	Washington	Aveanna Healthcare
Pediatric Home Health Care Holdings, Inc.	Delaware	Aveanna Healthcare
Pediatric Home Nursing Services, Inc.	New York	Aveanna Healthcare
Pediatric Services Holding, LLC	Delaware	Aveanna Healthcare
Pediatric Services of America, LLC	Delaware	Aveanna Healthcare
Pediatric Services of America, LLC	Georgia	Aveanna Healthcare
Pediatric Special Care, Inc.	Michigan	Aveanna
Pennhurst Group, LLC	Nevada	Aveanna Healthcare
Premier Healthcare Services, LLC	California	Aveanna Healthcare
PSA Healthcare Intermediate Holding, LLC	Delaware	Aveanna Healthcare
PYRA Med Health Services, LLC	Texas	Aveanna Healthcare
Recover Health of Iowa, Inc.	Iowa	None
Recover Health of Minnesota, Inc.	Minnesota	Recover Health; Sprout Pediatrics
Recover Health of Wisconsin, Inc.	Wisconsin	None
Recover Health Services, LLC	Minnesota	Recover Health
Recover Health, Inc.	Florida	None
Rehabilitation Associates, Inc.	Virginia	Aveanna Healthcare
Saints Home Healthcare, LLC	Delaware	Aveanna Home Health
Santé GP, LLC	Delaware	Aveanna Healthcare
Santé Holdings, Inc.	Delaware	Aveanna Healthcare

TCG Home Health, LLC	Texas	Aveanna Healthcare
TCGHHA, LLC	Texas	Aveanna Healthcare
Total Care, Inc.	Washington	None
Willowbrook Health Systems, Inc.	Tennessee	None
Willowbrook Home Health Care Agency, Inc.	Tennessee	Aveanna Home Health
Willowbrook Hospice, Inc.	Tennessee	Aveanna Hospice

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated March 19, 2021 (except as to the paragraphs, and the effects thereto, related to the acquisition, change in capital structure and stock incentive plan as described in Note 21 to the financial statements, as to which the date is April 19, 2021), in the Registration Statement (Form S-1 No. 333-254981) and related Prospectus of Aveanna Healthcare Holdings Inc. for the registration of shares of its common stock.

/s/ Ernst & Young LLP

Atlanta, Georgia

April 20, 2021