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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **July 28, 2020**

**PETIQ, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-38163**  
(Commission  
File Number)

**35-2554312**  
(I.R.S. Employer  
Identification No.)

**923 S. Bridgeway Pl**  
**Eagle, Idaho**  
(Address of principal executive offices)

**83616**  
(Zip Code)

**(208) 939-8900**  
(Registrant's telephone number, including area code)

**N/A**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of Exchange on Which Registered</u>
Class A common stock, par value \$0.001 per share	PETQ	Nasdaq Global Select

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act (17 CFR 240.12b-2)

Indicate by check mark if the registrant has elected not to use the extended transition period for complying with new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act (17 CFR 240.13(a)-1)  
Securities registered pursuant to Section 12(b) of the Act:

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**Item 1.01. Entry into a Material Definitive Agreement**

In connection with the closing of the previously announced acquisition (the “Acquisition”) by PetIQ, LLC (“Buyer”), the operating subsidiary of PetIQ, Inc. (“Company”), of the U.S. rights to Capstar® and CapAction® and related assets (the “Assets”) from Elanco, US Inc. (the “Seller”), as described in Item 2.01 of this Current Report on Form 8-K, on July 28, 2020, Buyer entered into an amendment to its existing revolving credit agreement (the “Credit Agreement Amendment”) to allow for the completion of the Acquisition as well as the incurrence of up to \$14.5 million of additional indebtedness relating to the construction of the Company’s new headquarters. In addition, on July 28, 2020, Buyer entered into an amendment to its term loan credit agreement (the “Term Loan Agreement Amendment”) to allow for the incurrence of up to \$14.5 million of additional indebtedness relating to the construction of the Company’s new headquarters. The foregoing descriptions of the Credit Agreement Amendment and the Term Loan Agreement Amendment are summaries only and are qualified in their entirety by reference to the full text of the Credit Agreement Amendment and the Term Loan Agreement Amendment, which are attached hereto as Exhibits 10.1 and 10.2, respectively, and incorporated by reference herein.

**Item 2.01. Completion of Acquisition or Disposition of Assets**

On July 31, 2020, the Company completed the Acquisition. The purchase price for the Acquisition was \$95 million in cash, plus the cost of certain outstanding finished goods inventory in saleable condition. Following closing, the Seller will manufacture and supply the Assets and provide certain technology transfer services to Buyer over a 24-month period pursuant to a manufacturing and supply agreement.

**Item 7.01 Regulation FD**

On August 3, 2020, the Company issued a press release announcing the closing of the Acquisition, which is included as Exhibit 99.1 to this Current Report on Form 8-K.

*The information furnished under Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, is being furnished and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.*

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
10.1	<a href="#"><u>Fourth Amendment to Term Loan Credit Agreement, dated July 28, 2020, by and among PetIQ, LLC, the guarantors party thereto, Ares Capital Corporation and the other lenders party thereto and Ares Capital Corporation, as administrative agent.</u></a>
10.2	<a href="#"><u>Six Amendment to Amended and Restated Credit Agreement, dated July 28, 2020, by and among PetIQ, LLC, and the other credit parties thereto, the lenders party thereto and East West Bank, as administrative agent.</u></a>
99.1	<a href="#"><u>Press release dated August 3, 2020.</u></a>

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PETIQ, INC.

Dated: August 3, 2020

By           /s/ John Newland          

Name: John Newland

Title: Chief Financial Officer

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**FOURTH AMENDMENT TO TERM LOAN CREDIT AGREEMENT  
AND FIRST AMENDMENT TO SECURITY AGREEMENT**

This **FOURTH AMENDMENT TO TERM LOAN CREDIT AGREEMENT AND FIRST AMENDMENT TO SECURITY AGREEMENT** (this “**Amendment**”) is dated as of July 28, 2020 and is entered into by and among **PETIQ, LLC**, an Idaho limited liability company (the “**Borrower**”), the Guarantors party hereto, **ARES CAPITAL CORPORATION** and each other Lender party hereto (consisting of the Required Lenders) and **ARES CAPITAL CORPORATION**, as the administrative agent (in such capacity, the “**Administrative Agent**”). Capitalized terms used herein without definition shall have the same meanings herein as set forth in the Existing Credit Agreement (as defined below) after giving effect to this Amendment.

**RECITALS**

**WHEREAS**, the Borrower, Ares Capital Corporation and the Lenders party thereto and the Administrative Agent have entered into that certain Amended and Restated Term Loan Credit Agreement, dated as of July 8, 2019 (as amended by the Second Amendment to the Term Loan Credit Agreement dated as of May 14, 2020 and the Third Amendment to Term Loan Credit Agreement dated as of July 9, 2020 and as further amended, restated, amended and restated, supplemented, or otherwise modified prior to the date hereof, the “**Existing Credit Agreement**”);

**WHEREAS**, the Borrower has requested that the Lenders (i) amend the Existing Credit Agreement on the terms set forth herein (such Existing Credit Agreement, as hereby amended on the Amendment Effective Date (as defined below), the “**Amended Credit Agreement**”) and (ii) amend that certain Security Agreement, dated as of January 17, 2018, by and among the Borrower, each Grantor party thereto and the Administrative Agent (the “**Existing Security Agreement**” and as hereby amended on the Amendment Effective Date, the “**Amended Security Agreement**”); and

**WHEREAS**, on the Amendment Effective Date, the Lenders party hereto (consisting of the Required Lenders) are willing to agree to the amendments requested by the Borrower, on the terms and conditions set forth in this Amendment.

**NOW, THEREFORE**, in consideration of the premises and the mutual agreements set forth herein, the Borrower, the Guarantors party hereto, the Lenders party hereto (consisting of the Required Lenders) and the Administrative Agent hereby agree as follows:

**Amendments**

Subject to the satisfaction of the conditions set forth in Section 3 of this Amendment, on the Amendment Effective Date, each of the Existing Credit Agreement and the Existing Security Agreement is hereby amended as follows:

The following new definitions are hereby added to Section 1.01 of the Existing Credit Agreement in the appropriate alphabetical order:

“**Fourth Amendment**” means that certain Fourth Amendment to the Amended and Restated Credit Agreement, dated as of the Fourth Amendment Effective Date, by and among the Borrower, the Guarantors party thereto, the Lenders party thereto and the Administrative Agent.

“**Fourth Amendment Effective Date**” means the date on which the Fourth Amendment became effective in accordance with its terms and conditions, such date being July 28, 2020.

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**“New Headquarters”** means the new corporate headquarters of the Credit Parties to be located at 230 E. Riverside Drive, Eagle, Idaho 83616 and whose construction is expected to be completed by July 12, 2021.

**“New Headquarters Completion Date”** means the date on which the construction of the New Headquarters is completed and all required certificates of occupancy are issued.

**“New Headquarters Real Estate Assets”** means (a) the parcel on which the New Headquarters sits, (b) the New Headquarters itself and (c) any fixtures attached thereto.

**“Option Parcel”** means the 3.47+ acre portion of Parcel #R5760250170 as outlined in that certain Option Agreement, by and between the Borrower, Eagle River L.L.C. and First American Title Insurance Company, as escrow agent.

The following definition in Section 1.01 of the Existing Credit Agreement is hereby amended and restated in its entirety as set forth below:

**“Loan Documents”** means this Agreement, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, each Note, each Security Document, the Fee Letter, each Subordination Agreement, each Compliance Certificate, the ABL Intercreditor Agreement, any Junior Lien Intercreditor Agreement, any Pari Passu Intercreditor Agreement, any agreement creating or perfecting rights in cash collateral pursuant to the provisions of **Section 2.14** (but specifically excluding any Secured Cash Management Agreement and Secured Hedge Agreement), and each other agreement, document or instrument delivered by any Credit Party in connection with any Loan Document, whether or not specifically mentioned herein or therein.

Section 7.02(q) of the Existing Credit Agreement is hereby amended by replacing “and” with “;” at the end thereof;

Section 7.02(r) of the Existing Credit Agreement is hereby amended by replacing “.” with “and” at the end thereof;

Section 7.02 of the Existing Credit Agreement is hereby amended by adding clause (s) as set forth below:

(s) Indebtedness of the Credit Parties and their Restricted Subsidiaries incurred in connection with the construction of the New Headquarters Real Estate Assets in an aggregate amount not to exceed \$14,500,000 and any Permitted Refinancing thereof.

Section 7.03(a)(xii) of the Existing Credit Agreement is hereby amended by replacing “and” with “;” at the end thereof;

Section 7.03(a)(xiii) of the Existing Credit Agreement is hereby amended by replacing “.” with “and” at the end thereof;

Section 7.03(a) of the Existing Credit Agreement is hereby amended by adding clause (xiv) as set forth below:

(xiv) first priority Liens securing on the New Headquarters Real Estate Assets permitted pursuant to Section 7.02(s).

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The definition of “Material Owned Real Estate” set forth in Section 1.02 of the Existing Security Agreement is hereby amended and restated in its entirety to read as follows:

“**Material Owned Real Estate**” shall mean any Real Estate, or group of related tracts of Real Estate, acquired (whether in a single transaction or a series of transactions) or owned in fee by any Credit Party, in each case, in respect of which the fair market value (including the fair market value of improvements owned or leased by such Credit Party and located thereon) on such date of determination exceeds \$5,000,000; provided, for all purposes under the Loan Documents, the New Headquarters Real Estate Assets and the Option Parcel shall not be considered related tracts of Real Estate.

### **Conditions to Effectiveness**

This Amendment shall become effective as of the date hereof only upon the satisfaction or waiver of all of the conditions precedent (the date of satisfaction or waiver of such conditions being referred to herein as the “**Amendment Effective Date**”) set forth below have been satisfied:

Amendment. The Administrative Agent shall have received counterparts of this Amendment executed and delivered by each of the (i) Borrower and each other Guarantor party hereto and (ii) the Lenders party hereto (consisting of the Required Lenders);

Amendment to ABL Credit Agreement. The Administrative Agent shall have received a copy of a fully executed amendment to the ABL Credit Agreement, in form and substance reasonably satisfactory to the Required Lenders;

Default. No Default or Event of Default shall have occurred and be continuing at the time of incurrence of this Amendment or the transactions contemplated hereby or could result therefrom;

Closing Certificate. The Administrative Agent shall have received a customary certificate, dated as of the Amendment Effective Date, signed by a chief executive officer, chief financial officer or another senior officer of the Borrower, confirming compliance with the conditions precedent set forth in clauses (c) and (e) of this Section 3 has been satisfied;

Representations and Warranties. Each of the representations and warranties made by any Credit Party in or pursuant to the Loan Documents shall be true and correct in all material respects on and as of the date hereof as if made on and as of such date except, (i) to the extent that such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects as of such date and (ii) that any representation and warranty that is qualified as to “materiality” or “Material Adverse Effect” shall be true and correct in all respects; and

Fees and Expenses. The Borrower shall have paid all reasonable documented out-of-pocket expenses incurred by the Administrative Agent (including the reasonable and documented fees, charges and disbursements of counsel) in connection with this Amendment, to the extent invoiced three (3) Business Days prior to the Amendment Effective Date (except as otherwise reasonably agreed by the Borrower).

### **Post-Closing Obligation**

On or prior to the date that is forty-five (45) days after the New Headquarters Completion Date or such later date as may be agreed by the Administrative Agent in its reasonable discretion, the Borrower shall (i) enter into a second priority Mortgage over the New Headquarters Real Estate Assets with the Administrative Agent and (ii) otherwise comply with Section 6.12(b) of the Amended Credit Agreement as

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it relates to the New Headquarters Real Estate Assets, including the delivery of a title insurance policy, surveys, flood hazard determination forms and (if applicable) flood insurance, and other documentation that the Administrative Agent shall reasonably require, which each shall be in form and substance reasonably acceptable to the Administrative Agent; *provided* that such Mortgage may be subject to a customary lien subordination agreement in favor of the holder(s) of the Lien described in Section 7.03(a)(xiv) of the Amended Credit Agreement to the extent required by such holder(s); *provided further*, this Section 3 shall replace in full all obligations of the Borrower with respect to the New Headquarters Real Estate Assets under Section 6.12(b) of the Amended Credit Agreement.

### **Reaffirmation, Acknowledgment and Consent**

The Borrower hereby confirms its pledges, grants of security interests and other obligations, as applicable, under and subject to the terms of each of the Loan Documents to which it is party, and agrees that, notwithstanding the effectiveness of this Amendment or any of the transactions contemplated hereby, such pledges, grants of security interests and other obligations, and the terms of each of the Loan Documents to which it is a party, as supplemented in connection with this Amendment and the transactions contemplated hereby, are not impaired or affected in any manner whatsoever and shall continue to be in full force and effect and shall continue to secure all the Obligations.

Each Guarantor hereby acknowledges that it has reviewed the terms and provisions of the Existing Credit Agreement, the Existing Security Agreement and this Amendment and consents to the amendments to the Existing Credit Agreement and the Existing Security Agreement effected pursuant to this Amendment. Each Guarantor hereby confirms its guarantees, pledges, grants of security interests and other obligations under and subject to the terms of each of the Loan Documents to which it is party, and agrees that, notwithstanding the effectiveness of this Amendment or any of the transactions contemplated hereby, such guarantees, pledges, grants of security interests and other obligations, and the terms of each of the Loan Documents to which it is a party, as modified or supplemented in connection with this Amendment and the transactions contemplated hereby, are not impaired or affected in any manner whatsoever and shall continue to be in full force and effect and shall continue to secure all the Obligations.

Each Guarantor acknowledges and agrees that each Loan Document 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 Amendment.

### **Miscellaneous**

#### **Reference to and Effect on the Credit Agreement and the other Loan Documents.**

On and after the Amendment Effective Date, each reference in the Existing Credit Agreement to “this Agreement,” “hereunder,” “hereof,” “herein” or words of like import referring to the Existing Credit Agreement, and each reference in the other Loan Documents to the “Credit Agreement,” “thereunder,” “thereof” or words of like import referring to the Existing Credit Agreement, shall mean and be a reference to the Amended Credit Agreement.

On and after the Amendment Effective Date, each reference in the Existing Security Agreement to “this Agreement,” “hereunder,” “hereof,” “herein” or words of like import referring to the Existing Security Agreement, and each reference in the other Loan Documents to the “Security Agreement,” “thereunder,” “thereof” or words of like import referring to the Existing Security Agreement, shall mean and be a reference to the Amended Security Agreement.

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Except as specifically amended by this Amendment, the Existing Credit Agreement, the Existing Security Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

**Loan Document.** This Amendment shall constitute a Loan Document under the terms of the Amended Credit Agreement.

**Non-Reliance on Administrative Agent.** Each Lender acknowledges that it has independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Amendment. Each Lender also acknowledges that it will, without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit decisions in taking or not taking action under or based upon this Amendment, the Amended Credit Agreement, any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

**No Novation.** By its execution of this Amendment, each of the parties hereto acknowledges and agrees that the terms of this Amendment do not constitute a novation, but, rather, an amendment of the terms of a pre-existing Indebtedness and related agreement, as evidenced by the Amended Credit Agreement.

**Headings.** Section and Subsection headings in this Amendment are included for convenience of reference only and shall not affect the interpretation of this Amendment.

**Governing Law.** THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD OF CONFLICTS OF LAW RULES THAT WOULD RESULT IN THE APPLICATION OF A DIFFERENT GOVERNING LAW. The provisions of Sections 10.04 and 10.14(b), (c), (d) and (e) of the Amended Credit Agreement are incorporated by reference herein and made a part hereof.

**Counterparts.** This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Amendment. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Amendment or any document to be signed in connection with this Amendment and the transactions contemplated hereby shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof 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 state laws based on the Uniform Electronic Transactions Act, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

**Severability.** If any provision of this Amendment is held to be illegal, invalid or unenforceable, (i) the legality, validity and enforceability of the remaining provisions of this Amendment shall not be affected or impacted thereby and (ii) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in

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a particular jurisdiction shall not invalidate or render unenforceable such provisions in any other jurisdiction.

*[Signature pages follow]*

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**IN WITNESS WHEREOF**, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**Borrower:**

**PETIQ, LLC**, an Idaho limited liability company

By: /s/ McCord Christensen

Name: McCord Christensen

Title: Chief Executive Officer

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**Guarantors:**

**PETIQ HOLDINGS, LLC**, a Delaware limited liability company

By: /s/ McCord Christensen  
Name: McCord Christensen  
Title: Chief Executive Officer

**TRUE SCIENCE HOLDINGS, LLC**, a Florida limited liability company

By: /s/ McCord Christensen  
Name: McCord Christensen  
Title: Chief Executive Officer

**TRURX LLC**, an Idaho limited liability company

By: /s/ McCord Christensen  
Name: McCord Christensen  
Title: Chief Executive Officer

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**TRU PRODIGY, LLC**, a Texas limited liability company

By: /s/ McCord Christensen

Name: McCord Christensen

Title: Chief Executive Officer

**COMMUNITY VETERINARY CLINICS, LLC**, a Delaware limited liability company

By: /s/ McCord Christensen

Name: McCord Christensen

Title: Chief Executive Officer

**PET SERVICES OPERATING, LLC**, a Delaware limited liability company

By: /s/ McCord Christensen

Name: McCord Christensen

Title: Chief Executive Officer

**VIP PETCARE, LLC**, a California limited liability company

By: /s/ McCord Christensen

Name: McCord Christensen

Title: Chief Executive Officer

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**PAWSPLUS MANAGEMENT, LLC**, a Delaware limited liability company

By: /s/ McCord Christensen

Name: McCord Christensen

Title: Chief Executive Officer

**COMMUNITY CLINICS, INC.**, a California corporation

By: /s/ McCord Christensen

Name: McCord Christensen

Title: Chief Executive Officer

**PETIQ MFG, LLC (F/K/A HBH ENTERPRISES LLC)**,  
a Utah limited liability company

By: /s/ McCord Christensen

Name: McCord Christensen

Title: Chief Executive Officer

**SERGEANT'S PET CARE PRODUCTS, LLC.**,  
a Michigan limited liability company

By: /s/ McCord Christensen

Name: McCord Christensen

Title: Chief Executive Officer

**SPC TRADEMARKS, LLC**,  
a Texas limited liability company

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By: /s/ McCord Christensen

Name: McCord Christensen

Title: Chief Executive Officer

**VELCERA, LLC.,**

a Delaware limited liability company

By: /s/ McCord Christensen

Name: McCord Christensen

Title: Chief Executive Officer

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**ARES CAPITAL CORPORATION**, as Administrative  
Agent and a Lender

By: /s/ Scott Lem  
Name: Scott Lem  
Title: Authorized Signatory

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**LENDERS:**

**ARES CAPITAL CORPORATION**

By: /s/ Scott Lem  
Name: Scott Lem  
Title: Authorized Signatory

**CADEX CREDIT FINANCING, LLC**

By: /s/ Scott Lem  
Name: Scott Lem  
Title: Authorized Signatory

**ARES JASPER FUND HOLDINGS, LLC**

By: Ares Capital Management LLC, as servicer

By: /s/ Scott Lem  
Name: Scott Lem  
Title: Authorized Signatory

**ARES ND CSF HOLDINGS LLC**

By: Ares Capital Management LLC, as servicer

By: /s/ Scott Lem  
Name: Scott Lem  
Title: Authorized Signatory

**ARES CREDIT STRATEGIES INSURANCE  
DEDICATED FUND SERIES INTERESTS OF THE  
SALI MULTI-SERIES FUND, L.P.**

By: Ares Management LLC, its investment subadvisor

By: Ares Capital Management LLC, as subadvisor

By: /s/ Scott Lem  
Name: Scott Lem  
Title: Authorized Signatory

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**ARES CSIDF HOLDINGS, LLC**

By: Ares Capital Management LLC, as servicer

By: /s/ Scott Lem

Name: Scott Lem

Title: Authorized Signatory

**AC AMERICAN FIXED INCOME IV, L.P.**

By: Ares Capital Management LLC, its investment manager

By: /s/ Scott Lem

Name: Scott Lem

Title: Authorized Signatory

**FEDERAL INSURANCE COMPANY**

By: Ares Capital Management LLC, its investment manager

By: /s/ Scott Lem

Name: Scott Lem

Title: Authorized Signatory

**NATIONWIDE LIFE INSURANCE COMPANY**

By: Ares Capital Management LLC, its investment manager

By: /s/ Scott Lem

Name: Scott Lem

Title: Authorized Signatory

**NATIONWIDE MUTUAL INSURANCE COMPANY**

By: Ares Capital Management LLC, its investment manager

By: /s/ Scott Lem

Name: Scott Lem

Title: Authorized Signatory

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**GREAT AMERICAN LIFE INSURANCE COMPANY**

By: Ares Capital Management LLC, its investment manager

By: /s/ Scott Lem

Name: Scott Lem

Title: Authorized Signatory

**GREAT AMERICAN INSURANCE COMPANY**

By: Ares Capital Management LLC, its investment manager

By: /s/ Scott Lem

Name: Scott Lem

Title: Authorized Signatory

**BOWHEAD IMC LP**

By: Ares Capital Management LLC, its investment manager

By: /s/ Scott Lem

Name: Scott Lem

Title: Authorized Signatory

**AN CREDIT STRATEGIES FUND, L.P.**

By: Ares Capital Management LLC, its investment manager

By: /s/ Scott Lem

Name: Scott Lem

Title: Authorized Signatory

**DIVERSIFIED LOAN FUND – PRIVATE DEBT A S.A  
R.L**

By: Ares Management Limited, its portfolio manager

By: Ares Capital Management LLC, its subadvisor

By: /s/ Scott Lem

Name: Scott Lem

Title: Authorized Signatory

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**SA REAL ASSETS 20 LIMITED**

By: Ares Management LLC, its investment manager

By: Ares Capital Management LLC, its subadvisor

By: /s/ Scott Lem

Name: Scott Lem

Title: Authorized Signatory

**AO MIDDLE MARKET CREDIT L.P.**

By: Ares Capital Management LLC, its investment manager

By: /s/ K Patel

Name: K. Patel

Title: Director

By: /s/ Jeremy Ehrlich

Name: Jeremy Ehrlich

Title: Director

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**IVY HILL MIDDLE MARKET CREDIT FUND XV,  
LTD.**

By: Ivy Hill Asset Management, L.P., as Asset Manager

By: /s/ Kevin Braddish

Name: Kevin Braddish

Title: Authorized Signatory

**IVY HILL MIDDLE MARKET CREDIT FUND XIV,  
LTD.**

By: Ivy Hill Asset Management, L.P., as Asset Manager

By: /s/ Kevin Braddish

Name: Kevin Braddish

Title: Authorized Signatory

**IVY HILL MIDDLE MARKET CREDIT FUND XII,  
LTD.**

By: Ivy Hill Asset Management, L.P., as Asset Manager

By: /s/ Kevin Braddish

Name: Kevin Braddish

Title: Authorized Signatory

**IVY HILL MIDDLE MARKET CREDIT FUND VIII,  
LTD.**

By: Ivy Hill Asset Management, L.P., as Asset Manager

By: /s/ Kevin Braddish

Name: Kevin Braddish

Title: Authorized Signatory

**IVY HILL MIDDLE MARKET CREDIT FUND V,  
LTD.**

By: Ivy Hill Asset Management, L.P., as Asset Manager

By: /s/ Kevin Braddish

Name: Kevin Braddish

Title: Authorized Signatory

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**IVY HILL MIDDLE MARKET CREDIT FUND IV,  
LTD.**

By: Ivy Hill Asset Management, L.P., as Asset Manager

By: /s/ Kevin Braddish

Name: Kevin Braddish

Title: Authorized Signatory

**IVY HILL MIDDLE MARKET CREDIT FUND XVI,  
LTD.**

By: Ivy Hill Asset Management, L.P., as Asset Manager

By: /s/ Kevin Braddish

Name: Kevin Braddish

Title: Authorized Signatory

**FEDERAL INSURANCE COMPANY**

By: Ivy Hill Asset Management, L.P., as Investment  
Manager

By: /s/ Kevin Braddish

Name: Kevin Braddish

Title: Authorized Signatory

**IVY HILL MIDDLE MARKET CREDIT FUND XVII,  
LTD.**

By: Ivy Hill Asset Management, L.P., as Servicer

By: /s/ Kevin Braddish

Name: Kevin Braddish

Title: Authorized Signatory

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SIXTH AMENDMENT TO AMENDED AND RESTATED  
CREDIT AGREEMENT AND FIRST AMENDMENT TO SECURITY AGREEMENT

THIS SIXTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT AND FIRST AMENDMENT TO SECURITY AGREEMENT (this "Amendment"), dated as of July 28, 2020, is entered into by and among PETIQ, LLC, an Idaho limited liability company ("PetIQ"), the other Credit Parties signatory hereto (collectively with PetIQ, the "Borrowers"), the LENDERS signatory hereto, and EAST WEST BANK, a California banking corporation, as Administrative Agent for the Lenders (in such capacity, "Administrative Agent"), with reference to the following facts:

RECITALS

A. The Borrowers, the Lenders, and Administrative Agent are parties to an Amended and Restated Credit Agreement dated as of January 17, 2018, as amended by the First Amendment to Amended and Restated Credit Agreement and Joinder dated as of August 9, 2018, the Second Amendment to Amended and Restated Credit Agreement dated as of March 25, 2019, and the Third Amendment to Amended and Restated Credit Agreement dated as of July 8, 2019, and as supplemented by the Consent Agreement dated as of October 17, 2018, the Joinder No. 1 to Amended and Restated Credit Agreement dated as of December 10, 2018, the consent letter dated May 7, 2019 from Administrative Agent to Borrower Representative, the Joinder No. 2 to Amended and Restated Credit Agreement dated as of July 23, 2019, the Fourth Amendment to Amended and Restated Credit Agreement dated as of May 14, 2020 and the Fifth Amendment to Amended and Restated Credit Agreement dated as of July 9, 2020 (collectively, the "Credit Agreement") and certain other related Loan Documents, pursuant to which the Lenders provide the Borrowers a revolving credit facility with sub-facilities for letters of credit and swing line loans.

B. The Borrowers, each other Grantor party thereto and the Administrative Agent are also parties to an Amended and Restated Security Agreement dated as of January 17, 2018 (the "Security Agreement").

B. The parties hereto desire to amend the Credit Agreement and the Security Agreement as set forth below.

NOW, THEREFORE, the parties hereby agree as follows:

Defined Terms. All initially capitalized terms used in this Amendment (including in the recitals hereto) without definition shall have the respective meanings set forth for such terms in the Credit Agreement.

Addition of Definitions Relating to Capstar Acquisition and New Headquarters.

(a) Addition of Definition of Capstar Acquisition. Section 1.01 of the Credit Agreement is hereby amended and supplemented by adding therein a definition of "Capstar Acquisition" as follows:

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“Capstar Acquisition” means the acquisition by PetIQ of the “Purchased Assets”, as defined in and pursuant to that certain Amended and Restated Asset Purchase Agreement, dated as of June 21, 2020, by and between Elanco US, Inc. and PetIQ, and for purposes of Section 9.16 thereof only, PetIQ, Inc.

(b) Addition of Definition of New Headquarters. Section 1.01 of the Credit Agreement is hereby amended and supplemented by adding therein a definition of “New Headquarters” as follows:

“New Headquarters” means the new corporate headquarters of the Borrowers to be located at 230 E. Riverside Drive, Eagle, Idaho 83616, and whose construction is expected to be completed by July 12, 2021.

(c) Addition of Definition of New Headquarters Completion Date. Section 1.01 of the Credit Agreement is hereby amended and supplemented by adding therein a definition of “New Headquarters Completion Date” as follows:

“New Headquarters Completion Date” means the date on which the construction of the New Headquarters is completed and all required certificates of occupancy are issued.

(d) Addition of Definition of New Headquarters Real Estate Assets. Section 1.01 of the Credit Agreement is hereby amended and supplemented by adding therein a definition of “New Headquarters Real Estate Assets” as follows:

“New Headquarters Real Estate Assets” means (a) the parcel on which the New Headquarters sits, (b) the New Headquarters itself and (c) any fixtures attached thereto.

(e) Addition of Definition of Option Parcel. Section 1.01 of the Credit Agreement is hereby amended and supplemented by adding therein a definition of “Option Parcel” as follows:

“Option Parcel” means the 3.47+ acre portion of Parcel #R5760250170 as outlined in that certain Option Agreement, by and between PetIQ, Eagle River L.L.C. and First American Title Insurance Company, as escrow agent.

(f) Addition of Definition of Sixth Amendment. Section 1.01 of the Credit Agreement is hereby amended and supplemented by adding therein a definition of “Sixth Amendment” as follows:

“Sixth Amendment” means that certain Sixth Amendment to Amended and Restated Credit Agreement, dated as of the Sixth Amendment Effective Date, by and among the Borrowers, the Lenders party thereto and the Administrative Agent.

(g) Addition of Definition of Sixth Amendment Effective Date. Section 1.01 of the Credit Agreement is hereby amended and supplemented by adding therein a definition of “Sixth Amendment Effective Date” as follows:

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“Sixth Amendment Effective Date” means the date on which the Sixth Amendment became effective in accordance with its terms and conditions, such date being July 28, 2020.

Amendment of Definition of Consolidated Fixed Charge Coverage Ratio. Section 1.01 of the Credit Agreement is hereby amended by amending and restating the definition of “Consolidated Fixed Charge Coverage Ratio” so that it reads in full as follows (changes to text are indicated, in the case of deletions, with a ~~strike through~~ or, in the case of additions, in ***bold, italicized and underscored*** type):

“Consolidated Fixed Charge Coverage Ratio” means, as at any date of determination, the ratio of (a) the result of (i) Consolidated EBITDA for the Reference Period most recently ended at such date of determination, minus (ii) the aggregate amount of all Unfinanced Capital Expenditures during such period minus (iii) ***the aggregate amount (without duplication) of all cash Restricted Payments made during such period in reliance on Sections 7.04(a)(v), 7.04(a)(vi) and 7.04(a)(viii) minus (iv)*** the aggregate amount paid, or required to be paid (without duplication), in cash in respect of the current portion of all federal, state, local and foreign income taxes for such period to (b) the sum of (i) the aggregate amount of Consolidated Interest Expense paid or payable in cash for such period and (ii) the aggregate amount of all regularly scheduled payments of principal of Indebtedness for borrowed money during such period paid or required to be paid by the Credit Parties, but not including any principal payments in respect of the Revolving Credit Loans hereunder or any other revolving credit facility unless such payment of the Revolving Credit Loans or under such revolving credit facility, as applicable, results in a permanent reduction thereunder.

Amendment of Definition of Permitted Acquisition. Clauses (e) and (g) set forth in the definition of “Permitted Acquisition” set forth in Section 1.01 of the Credit Agreement is each hereby amended and restated in its entirety as follows:

(e) the total consideration (including deferred payment obligations, Indebtedness assumed or incurred and assumed liabilities) is less than \$2,500,000 and, when aggregated with the total consideration (including deferred payment obligations, Indebtedness assumed or incurred and assumed liabilities) for all other Acquisitions made during the preceding 12 months, is less than \$5,000,000; *provided*, however, that the Capstar Acquisition shall be excluded from the calculation of total consideration set forth in this clause (e);

(g) Borrower shall have delivered to Administrative Agent, at least 10 Business Days prior to the Acquisition, (1) copies of all material agreements relating to such Acquisition, (2) a certificate, in form and substance satisfactory to Administrative Agent, stating that the Acquisition is a “Permitted Acquisition” and demonstrating compliance with the requirements set forth in clauses (a) through (f) and (h) of this definition, and (3) such other information or reports (including financial statements) as the Administrative Agent may request with respect to such Acquisition and which are available to the Borrowers; *provided*, notwithstanding the foregoing, the certificate required by subclause (2) (i) may be delivered at least 3 Business Days prior to the Capstar Acquisition (or such later date as the

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Administrative Agent may agree in its reasonable discretion) and (ii) solely with respect to the Capstar Acquisition, shall not be required to demonstrate or certify as to compliance with the requirements set forth in clauses (e), (f) or (h) of this definition;

Amendment of Indebtedness Negative Covenant to Permit New Headquarters Indebtedness. Section 7.02 of the Credit Agreement is hereby amended by (i) deleting the word “and” from the end of subsection (p), (ii) re-labelling current subsection (q) so that it becomes new subsection (r), and (iii) adding therein a replacement subsection (q) which shall read in full as follows:

“(q) Indebtedness of the Credit Parties and their Restricted Subsidiaries incurred in connection with the construction of the New Headquarters Real Estate Assets in an aggregate amount not to exceed \$14,500,000 and any Permitted Refinancing thereof; and”

Amendment of Liens to Permitted New Headquarters Mortgage. Section 7.03(a) of the Credit Agreement is hereby amended by adding therein a new clause xiii which shall read in full as follows:

“xiii. first priority Liens on the New Headquarters Real Estate Assets permitted pursuant to Section 7.02(q).”

Amendment of the Definition of Material Owned Real Estate. Section 1.02 of the Security Agreement is hereby amended and restated in full to read as follows:

“Material Owned Real Estate” shall mean any Real Estate, or group of related tracts of Real Estate, acquired (whether in a single transaction or a series of transactions) or owned in fee by any Credit Party, in each case, in respect of which the fair market value (including the fair market value of improvements owned or leased by such Credit Party and located thereon) on such date of determination exceeds \$5,000,000; provided, for all purposes under the Loan Documents, the New Headquarters Real Estate Assets and the Option Parcel shall not be considered related tracts of Real Estate.

Conditions Precedent. The effectiveness of this Amendment shall be subject to the satisfaction of each of the following conditions:

A. This Amendment. Administrative Agent shall have received this Amendment, duly executed by the Borrowers, the Required Lenders, and Administrative Agent; and

B. Amendment to Term Credit Agreement. Administrative Agent shall have received a copy of a fully executed amendment under the Term Credit Agreement, in form and substance reasonably satisfactory to the Required Lenders.

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1. Post-Closing Obligation. On or prior to the date that is forty-five (45) days after the New Headquarters Completion Date (or such later date as may be agreed by the Administrative Agent in its reasonable discretion), PetIQ shall (i) enter into a third priority Mortgage over the New Headquarters Real Estate Assets with the Administrative Agent and (ii) otherwise comply with Section 6.12(b) of the Credit Agreement as it relates to the New Headquarters Real Estate Assets, including the delivery of a title insurance policy, surveys, flood hazard determination forms and (if applicable) flood insurance, and other documentation the Administrative Agent shall reasonably require, which each shall be in form and substance reasonably acceptable to the Administrative Agent; *provided* that such Mortgage may be subject to a customary lien subordination agreement in favor of the holder(s) of the Lien described in Section 7.03(a)(xiii) of the Credit Agreement to the extent required by such holder(s); *provided further*, this Section 9 shall replace in full all obligations of the Borrowers with respect to the New Headquarters Real Estate Assets under Section 6.12(b) of the Credit Agreement.

2. General Amendment Provisions.

Each of the Credit Agreement and the Security Agreement, as amended hereby, shall be and remain in full force and effect in accordance with its terms, and the Borrowers hereby ratify and confirm the Credit Agreement and the Security Agreement in all respects and reaffirm their obligations under the Credit Agreement and the Security Agreement in all respects. Except as expressly set forth herein, the execution, delivery, and performance of this Amendment shall not operate as a waiver of, an amendment to, or a consent to a deviation from, any right, power, or remedy of Administrative Agent or the Lenders under the Credit Agreement or any other Loan Document, as in effect prior to the date hereof.

The Borrowers represent and warrant to Administrative Agent and the Lenders that the representations and warranties contained in the Credit Agreement are true and correct in all material respects as of the date of this Amendment (except for representations and warranties that expressly relate to an earlier date, which are true and correct in all material respects as of such earlier date) and that no Event of Default has occurred and is continuing.

This Amendment constitutes the entire agreement of the parties in connection with the subject matter hereof and cannot be changed or terminated orally. All prior agreements, understandings, representations, warranties and negotiations regarding the subject matter hereof, if any, are merged into this Amendment.

This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing this Amendment (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original hereof.

This Amendment shall be governed by, and construed and enforced in accordance with, the internal laws (as opposed to the conflicts of law principles) of the State of New York.

*[Remainder of page intentionally left blank; signature pages follow]*

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IN WITNESS WHEREOF, the undersigned have executed this Amendment by their respective duly authorized officers as of the date first above written.

**The Borrowers:**

**PETIQ, LLC,**  
an Idaho limited liability company

By: /s/ McCord Christensen  
Name: \_McCord Christensen  
Title: Chief Executive Officer

**PETIQ, LLC,**  
a Florida limited liability company

By: /s/ McCord Christensen  
Name: \_McCord Christensen  
Title: Chief Executive Officer

**TRURX LLC,**  
an Idaho limited liability company

By: /s/ McCord Christensen  
Name: \_McCord Christensen  
Title: Chief Executive Officer

**TRU PRODIGY, LLC,**  
a Texas limited liability company

By: /s/ McCord Christensen  
Name: \_McCord Christensen  
Title: Chief Executive Officer

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**COMMUNITY VETERINARY CLINICS, LLC,**  
a Delaware limited liability company

By: /s/ McCord Christensen  
Name: \_McCord Christensen  
Title: Chief Executive Officer

**PET SERVICES OPERATING, LLC,**  
a Delaware limited liability company

By: /s/ McCord Christensen  
Name: \_McCord Christensen  
Title: Chief Executive Officer

**PAWSPLUS MANAGEMENT, LLC,**  
a Delaware limited liability company

By: /s/ McCord Christensen  
Name: \_McCord Christensen  
Title: Chief Executive Officer

**VIP PETCARE, LLC,**  
a California limited liability company

By: /s/ McCord Christensen  
Name: \_McCord Christensen  
Title: Chief Executive Officer

**COMMUNITY CLINICS, INC.,**  
a California corporation

By: /s/ McCord Christensen  
Name: \_McCord Christensen  
Title: Chief Executive Officer

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**PETIQ MFG, LLC,**  
a Utah limited liability company

By: PETIQ, LLC  
Its: Sole Member

By: /s/ McCord Christensen  
Name: McCord Christensen  
Title: Chief Executive Officer

**SERGEANT'S PET CARE PRODUCTS, LLC,**  
a Michigan limited liability company

By: /s/ McCord Christensen  
Name: McCord Christensen  
Title: Chief Executive Officer

**VELCERA, LLC,**  
a Delaware limited liability company

By: /s/ McCord Christensen  
Name: McCord Christensen  
Title: Chief Executive Officer

**SPC TRADEMARKS, LLC,**  
a Texas limited liability company

By: /s/ McCord Christensen  
Name: McCord Christensen  
Title: Chief Executive Officer

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**The Agent, L/C Issuer and Swingline Lender:**

**EAST WEST BANK,**  
as Administrative Agent, LC/Issuer and  
Swingline Lender

By: /s/ David A. Lehner  
David A. Lehner  
Senior Vice President

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**The Syndication Agent:**

**KEYBANK NATIONAL ASSOCIATION,**  
as Syndication Agent

By: /s/ Anthony Alexander  
Name: Anthony Alexander  
Title: Vice President

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**The Lenders:**

**EAST WEST BANK,**  
as a Lender

By: /s/ David A. Lehner  
David A. Lehner  
Senior Vice President

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**COMERICA BANK,**  
as a Lender

By: /s/ Catherine M. Vyeniolo  
Name: Catherine M. Vyeniolo  
Title: SVP

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**KEYBANK NATIONAL ASSOCIATION,**  
as a Lender

By: /s/ Anthony Alexander  
Name: Anthony Alexander  
Title: Vice President

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## **PetIQ, Inc. Closes Acquisition of Capstar® Portfolio of Products**

*Accretive, Strategic Transaction Adds High-margin Sales and Enhances Product Manufacturing*

EAGLE, Idaho – August 3, 2020 – PetIQ, Inc. (“PetIQ” or the “Company”) (Nasdaq: PETQ), a leading pet medication and wellness company today announced the closing of the acquisition of the Capstar® portfolio of products, effective July 31, 2020. Capstar® is the #1 oral over-the-counter (“OTC”) flea treatment product in the United States.

“We are excited to complete this transaction and believe Capstar’s® highly profitable product offering fits perfectly with PetIQ’s product offerings. This further advances our leadership position in helping pet parents find affordable animal health products for their pets,” stated Cord Christensen, PetIQ’s Chairman and CEO. “In a dynamic operating environment, we are very pleased that Capstar® has generated strong results year to date, increasing our confidence in its accretive growth opportunities and long-term value creation.”

The Capstar portfolio is comprised of seven SKUs, including three private label SKUs which are sold under the Capaction® brand. Capstar® is an oral tablet for the treatment of flea infestations on dogs, puppies, cats and kittens and is currently the best-selling oral OTC flea treatment product in the United States. Additionally, Capstar® is the only oral OTC product for cats in the market today.

### **About PetIQ**

PetIQ is a leading pet medication and wellness company delivering a smarter way for pet parents to help their pets live their best lives through convenient access to affordable veterinary products and services. The company engages with customers through more than 60,000 points of distribution across retail and e-commerce channels with its branded distributed medications, which is further supported by its own world-class medications manufacturing facility in Omaha, Nebraska. The company’s national service platform, VIP Petcare, operates in over 3,400 retail partner locations in 41 states providing cost effective and convenient veterinary wellness services.

PetIQ believes that pets are an important part of the family and deserve the best products and care we can give them. For more information, visit [www.PetIQ.com](http://www.PetIQ.com).

### **Forward Looking Statements**

This press release contains forward-looking statements that involve risks and uncertainties, such as statements about our plans, objectives, expectations, assumptions or future events. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could" and similar expressions. Forward-looking statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from any future results, performances, or achievements expressed or implied by the forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be

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achieved. Forward-looking statements are based on information available at the time those statements are made or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to, the impact of COVID-19 on our business and the global economy; our ability to successfully grow our business through acquisitions; our dependency on a limited number of customers; our ability to implement our growth strategy effectively; disruptions in our manufacturing and distribution chains; competition from veterinarians and others in our industry; reputational damage to our brands; economic trends and spending on pets; the effectiveness of our marketing and trade promotion programs; recalls or withdrawals of our products or product liability claims; our ability to manage our manufacturing and supply chain effectively; disruptions in our manufacturing and distribution chains; our ability to introduce new products and improve existing products; our failure to protect our intellectual property; costs associated with governmental regulation; our ability to keep and retain key employees; our ability to sustain profitability; and the risks set forth under the "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2019, our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and other reports filed from time to time with the Securities and Exchange Commission.

Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or operating results. The forward-looking statements speak only as of the date on which they are made, and, except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In addition, we cannot assess the impact of each factor 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. Consequently, you should not place undue reliance on forward-looking statements.

**CONTACT:**

Investor Relations Contact:

ICR

Jeff Sonnek

646-277-1263

[jeff.sonnek@icrinc.com](mailto:jeff.sonnek@icrinc.com)

Media Relations Contact:

ICR

Cory Ziskind

646-277-1232

[cory.ziskind@icrinc.com](mailto:cory.ziskind@icrinc.com)

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