
**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): **May 14, 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))

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

<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)

Item 1.01 Entry into a Material Definitive Agreement

On May 14, 2020, PetIQ, LLC (“Opco”), the operating subsidiary of PetIQ, Inc. (the “Company”), entered into the Second Amendment (the “Second Amendment”) to the Amended and Restated Term Loan Credit Agreement, dated as of July 8, 2019, by and among Opco, the guarantors party thereto, Ares Capital Corporation (“Ares”) and each other lender party thereto, and Ares as administrative agent (the “Term Loan Agreement”). The Second Amendment, among other things, (i) permits the Company to issue convertible senior notes due 2026 as described under Item 8.01 to this Current Report on Form 8-K (the “Notes”) and make regularly scheduled interest payments on the Notes, (ii) permits the Company to enter into capped call transactions with one or more of the initial purchasers of the Notes or affiliates thereof and/or other financial institutions, (iii) permits PetIQ Holdings, LLC (“Holdco”) to enter into an intercompany note with the Company pursuant to which it will be allowed to make regularly scheduled interest payments to the Company, subject to certain conditions, the proceeds of which may be used to make interest payments in respect of the Notes (the “Intercompany Note”) and (iv) increases the margin applicable to the loans thereunder to the Eurodollar Rate (as defined in the Term Loan Agreement) plus 5.00%, with a 1.00% Eurodollar Rate floor.

On May 14, 2020, Opco entered into a Fourth Amendment (the “Fourth Amendment”) to the Amended and Restated Credit Agreement, dated as of January 17, 2018, by and among Opco, the lenders party thereto, and East West Bank, as administrative agent (the “Credit Agreement”). The Fourth Amendment, among other things, (i) permits the Company to issue the Notes and make regularly scheduled interest payment on the Notes, (ii) permits the Company to enter into capped call transactions with one or more of the initial purchasers of the Notes or affiliates thereof and/or other financial institutions, (iii) permits Holdco to enter into the Intercompany Note and (iv) adds a 0.50% Eurodollar Rate (as defined in the Credit Agreement) floor to the loans thereunder.

The foregoing descriptions of the Second Amendment and the Fourth Amendment are qualified in their entirety by reference to the Second Amendment and the Fourth Amendment, copies of which are attached as Exhibits 10.1 and 10.2, respectively, and incorporated herein by reference.

Item 8.01 Other Events

Convertible Notes Offering

On May 14, 2020, the Company issued a press release announcing its intention to offer, subject to market conditions and other factors, the Notes in an aggregate principal amount of \$125,000,000 in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act, as amended (the “Securities Act”). The Company expects to grant the initial purchasers of the Notes an option to purchase up to an additional \$18,750,000 principal amount of the Notes. In connection with the pricing of the Notes, the Company expects to enter into capped call transactions with one or more of the initial purchasers or affiliates thereof and/or other financial institutions.

Neither the press release nor this Current Report on Form 8-K constitutes an offer to sell or the solicitation of an offer to buy securities. Any offers of the securities will be made only by means of a private offering memorandum. The Notes have not been registered under the Securities Act, and may not be offered or sold in the United States except pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act and applicable state laws.

A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Description
10.1	Second Amendment to Term Loan Credit Agreement, dated May 14, 2020, by and among PetIQ, LLC, the Guarantors party thereto, Ares Capital Corporation and each other Lender party thereto and Ares Capital Corporation, as administrative agent.
10.2	Fourth Amendment to Amended and Restated Credit Agreement, dated as of May 14, 2020, by and among PetIQ, LLC, the other Credit Parties signatory thereto, the Lenders party thereto, and East West Bank, as administrative agent.
99.1	Press Release dated May 14, 2020.

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: May 14, 2020

By /s/ John Newland

Name: John Newland

Title: Chief Financial Officer

SECOND AMENDMENT TO TERM LOAN CREDIT AGREEMENT

This **SECOND AMENDMENT TO TERM LOAN CREDIT AGREEMENT** (this “**Amendment**”) is dated as of May 14, 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, 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 amend the Existing Credit Agreement on the terms set forth herein (such Existing Credit Agreement, as hereby amended on the Amended Effective Date (as defined below), the “**Amended Credit 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:

Section 1.Amendments

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

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

“**2020 Convertible Senior Notes**” means the senior unsecured convertible notes issued on or around June 1, 2020 by PetIQ, Inc. due June 1, 2026 in an aggregate principal amount of up to \$125,000,000, subject to increase on such issue date by an additional aggregate principal amount of up to \$18,750,000.

“**2020 Intercompany Note**” means that certain Intercompany Note, issued substantially concurrently with the 2020 Convertible Senior Notes, by Parent to PetIQ, Inc.

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

“**Second Amendment Effective Date**” means the date on which the Second Amendment became effective in accordance with its terms and conditions, such date being May 14, 2020.

(b) The following definitions in Section 1.01 of the Existing Credit Agreement are hereby amended and restated in their entirety as set forth below:

“**Applicable Margin**” means:

- (a) with respect to Initial Term Loans that are Base Rate Loans, 4.00%,
- (b) with respect to Initial Term Loans that are Eurodollar Rate Loans, 5.00% and
- (c) with respect to any Incremental Term Loans or any Refinancing Term Loans, as set forth in the applicable Incremental Amendment or Refinancing Amendment.

“**Available Amount**” means, as of any date of determination, an amount, not less than zero in the aggregate, determined on a cumulative basis equal to, without duplication:

- (a) an amount equal to \$5,000,000; **plus**
- (b) the Cumulative Retained Excess Cash Flow Amount; **plus**
- (c) the cumulative amount of Net Issuance Proceeds Not Otherwise Applied from issuances of Qualified Capital Stock received by the Borrower after the Closing Date and prior to such date (other than any Net Issuance Proceeds in respect of Qualified Capital Stock issued in respect of the 2020 Convertible Senior Notes or the 2020 Intercompany Note); **plus**
- (d) (i) the aggregate amount of proceeds received by the Borrower in cash or Cash Equivalents after the Closing Date from the sale or other disposition of any Investment to the extent not required to be (A) used to prepay the Obligations or (B) reinvested, plus
 - (ii) returns, profits, distributions and similar amounts received in cash or Cash Equivalents after the Closing Date to the extent not included or includable in Consolidated EBITDA or the Cumulative Retained Excess Cash Flow Amount,

in each instance in clauses (i) and (ii), on or in respect of Investments to the extent such Investment was originally funded with and in reliance on the Available Amount (but, in the aggregate for clauses (i) and (ii), not in excess of the original amount of the Available Amount used to fund such Investment); **minus**

- (e) any amount of the Available Amount used to make Investments pursuant to Section 7.01(j) after the Closing Date and prior to such time; **minus**
- (f) any amount of the Available Amount used to make Restricted Payments pursuant to Section 7.04(a)(viii) after the Closing Date and prior to such time; **minus**
- (g) any amount of the Available Amount used to prepay Junior Indebtedness pursuant to Section 7.04(b)(v) after the Closing Date and prior to such time.

“**Benchmark Replacement**” means the sum of: (a) the alternate benchmark rate (which may include Term SOFR) that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the Eurodollar Rate for U.S. dollar denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than 1.00%, the Benchmark Replacement will be deemed to be 1.00% for the purposes of this Agreement.

“**Eurodollar Rate**” means for any Interest Period with respect to any Eurodollar Rate Loan, the higher of (a) the rate per annum determined by the Administrative Agent to be the rate for deposits in Dollars for a period approximately equal to such Interest Period and in an amount approximately equal to the principal amount of such Eurodollar Rate Loan which appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m. (London time) on the second Business Day prior to the first day of such Interest Period (adjusted for any and all assessments, surcharges and reserve requirements) and (b) 1.00%. If such interest rate shall cease to be available from the above-described Reuters report, the Eurodollar Rate shall be determined from such financial reporting service as the Administrative Agent shall reasonably determine and use with respect to its other loan facilities for which interest is determined based on the London interbank offered rate.

“**Loan Documents**” means this Agreement, the First Amendment, the Second 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.

(c) Section 7.02 of the Existing Credit Agreement is hereby amended by adding clause (q) at the end thereof as set forth below:

(q) unsecured Indebtedness of Parent pursuant to the 2020 Intercompany Note (or any Permitted Refinancing thereof) not to exceed the aggregate principal amount of the 2020 Convertible Senior Notes; **provided** that the terms and conditions of such Indebtedness shall be substantially similar to such terms and conditions of the 2020 Convertible Senior Notes reviewed by the Administrative Agent on the Second Amendment Effective Date and shall not be amended in a manner materially adverse to the Lenders without the consent of the Administrative Agent.

(d) The Administrative Agent and the Lenders hereby acknowledge and confirm that, except when an Event of Default shall have occurred and be continuing, nothing contained in **Section 7.04** of the Amended Credit Agreement, in any other provision of the Amended Credit Agreement, or in any provision of any other Loan Document shall prohibit, restrict or otherwise impair any Credit Party’s payment of regularly scheduled interest payments when due in respect of the 2020 Intercompany Note, as of the date hereof, so long as the proceeds thereof will be used by PetIQ, Inc. to pay regularly scheduled interest payments when due in respect of the 2020 Convertible Senior Notes.

Section 2. 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:

(a) 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);

(b) 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;

(c) 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;

(d) 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;

(e) 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

(f) 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).

Section 3. 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 and this Amendment and consents to the amendments to the Existing Credit 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.

Section 4. Miscellaneous

(a) Reference to and Effect on the Credit Agreement and the other Loan Documents.

(i) 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.

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

(b) Loan Document. This Amendment shall constitute a Loan Document under the terms of the Amended Credit Agreement.

(c) 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.

(d) 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.

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

(f) 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.

(g) 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.

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

[Signature pages follow]

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

[Signature Page to Second Amendment]

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

[Signature Page to Second Amendment]

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

PAWSPLUS MANAGEMENT, LLC, a Delaware limited liability company

By: /s/ McCord Christensen

Name: McCord Christensen

Title: Chief Executive Officer

[Signature Page to Second Amendment]

COMMUNITY CLINICS, INC., a California corporation

By: /s/ McCord Christensen

Name: McCord Christensen
Title: Chief Executive Officer

HBH ENTERPRISES LLC,
a Utah limited liability company

By: /s/ McCord Christensen

Name: McCord Christensen
Title: Chief Executive Officer

SERGEANT'S PET CARE PRODUCTS, INC.,
a Michigan corporation

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

VELCERA, INC.,
a Delaware corporation

By: /s/ McCord Christensen

Name: McCord Christensen
Title: Chief Executive Officer

[Signature Page to Second Amendment]

ARES CAPITAL CORPORATION, as Administrative
Agent and a Lender

By: /s/ Joshua Bloomstein

Name: Joshua Bloomstein

Title: Authorized Signatory

[Signature Page to Second Amendment]

Lenders:

ARES CAPITAL CORPORATION

By: /s/ Joshua Bloomstein
Name: Joshua Bloomstein
Title: Authorized Signatory

CADEX CREDIT FINANCING, LLC

By: /s/ Joshua Bloomstein
Name: Joshua Bloomstein
Title: Authorized Signatory

ARES JASPER FUND HOLDINGS, LLC

By: Ares Capital Management LLC, as servicer

By: /s/ Joshua Bloomstein
Name: Joshua Bloomstein
Title: Authorized Signatory

ARES ND CSF HOLDINGS LLC

By: Ares Capital Management LLC, as servicer

By: /s/ Joshua Bloomstein
Name: Joshua Bloomstein
Title: Authorized Signatory

**AREAS 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/ Joshua Bloomstein
Name: Joshua Bloomstein
Title: Authorized Signatory

[Signature Page to Second Amendment]

ARES CSIDF HOLDINGS, LLC

By: Ares Capital Management LLC, as servicer

By: /s/ Joshua Bloomstein

Name: Joshua Bloomstein

Title: Authorized Signatory

AC AMERICAN FIXED INCOME IV, L.P.

By: Ares Capital Management LLC, its investment manager

By: /s/ Joshua Bloomstein

Name: Joshua Bloomstein

Title: Authorized Signatory

FEDERAL INSURANCE COMPANY

By: Ares Capital Management LLC, its investment manager

By: /s/ Joshua Bloomstein

Name: Joshua Bloomstein

Title: Authorized Signatory

NATIONWIDE LIFE INSURANCE COMPANY

By: Ares Capital Management LLC, its investment manager

By: /s/ Joshua Bloomstein

Name: Joshua Bloomstein

Title: Authorized Signatory

NATIONWIDE MUTUAL INSURANCE COMPANY

By: Ares Capital Management LLC, its investment manager

By: /s/ Joshua Bloomstein

Name: Joshua Bloomstein

Title: Authorized Signatory

[Signature Page to Second Amendment]

**GREAT AMERICAN LIFE INSURANCE
COMPANY**

By: Ares Capital Management LLC, its investment
manager

By: /s/ Joshua Bloomstein

Name: Joshua Bloomstein

Title: Authorized Signatory

GREAT AMERICAN INSURANCE COMPANY

By: Ares Capital Management LLC, its investment
manager

By: /s/ Joshua Bloomstein

Name: Joshua Bloomstein

Title: Authorized Signatory

BOWHEAD IMC LP

By: Ares Capital Management LLC, its investment
manager

By: /s/ Joshua Bloomstein

Name: Joshua Bloomstein

Title: Authorized Signatory

AN CREDIT STRATEGIES FUND, L.P.

By: Ares Capital Management LLC, its investment
manager

By: /s/ Joshua Bloomstein

Name: Joshua Bloomstein

Title: Authorized Signatory

[Signature Page to Second Amendment]

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

By: Ares Management LLC, its portfolio manager
By: Ares Capital Management LLC, its subadvisor

By: /s/ Joshua Bloomstein

Name: Joshua Bloomstein

Title: Authorized Signatory

SA REAL ASSETS 20 LIMITED

By: Ares Management LLC, its investment manager
By: Areas Capital Management LLC, its subadvisor

By: /s/ Joshua Bloomstein

Name: Joshua Bloomstein

Title: Authorized Signatory

AO MIDDLE MARKET CREDIT L.P.

By: OCM Middle Market Credit G.P. Inc., its general partner

By: /s/ K. Patel

Name: K. Patel

Title: Director

By: /s/ Jeremy Ehrlich

Name: Jeremy Ehrlich

Title: Director

[Signature Page to Second Amendment]

IVY HILL MIDDLE MARKET CREDIT FUND IV, LTD

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

By: /s/ Sheryl Cleary

Name: Sheryl Cleary

Title: MD

IVY HILL MIDDLE MARKET CREDIT FUND V, LTD

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

By: /s/ Sheryl Cleary

Name: Sheryl Cleary

Title: MD

IVY HILL MIDDLE MARKET CREDIT FUND VIII, LTD

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

By: /s/ Sheryl Cleary

Name: Sheryl Cleary

Title: MD

IVY HILL MIDDLE MARKET CREDIT FUND XII, LTD

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

By: /s/ Sheryl Cleary

Name: Sheryl Cleary

Title: MD

[Signature Page to Second Amendment]

IVY HILL MIDDLE MARKET CREDIT FUND XIV, LTD

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

By: /s/ Sheryl Cleary

Name: Sheryl Cleary

Title: MD

IVY HILL MIDDLE MARKET CREDIT FUND XV, LTD

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

By: /s/ Sheryl Cleary

Name: Sheryl Cleary

Title: MD

IVY HILL MIDDLE MARKET CREDIT FUND XVI, LTD

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

By: /s/ Sheryl Cleary

Name: Sheryl Cleary

Title: MD

FEDERAL INSURANCE COMPANY

By: Ivy Hill Asset Management, L.P., as investment manager, as a Lender

By: /s/ Sheryl Cleary

Name: Sheryl Cleary

Title: MD

[Signature Page to Second Amendment]

FOURTH AMENDMENT TO AMENDED AND RESTATED
CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment"), dated as of May 14, 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, and the Joinder No. 2 to Amended and Restated Credit Agreement dated as of July 23, 2019 (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 parties hereto desire to amend the Credit Agreement as set forth below.

NOW, THEREFORE, the parties hereby agree as follows:

1. 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.

2. Addition of Definitions Relating to Convertible Notes Offering.

(a) Addition of Definition of Convertible Notes. Section 1.01 is hereby amended and supplemented by adding therein a definition of "Convertible Notes" as follows:

"Convertible Notes" means senior unsecured convertible notes issued by PetIQ, Inc. due June 1, 2026 in an aggregate principal amount of up to \$125,000,000, subject to increase by an additional aggregate principal amount of up to \$18,750,000.

(b) [Reserved].

(c) Addition of Definition of 2020 Intercompany Note. Section 1.01 of the Credit Agreement is hereby further amended and supplemented by adding therein a definition of “2020 Intercompany Note” as follows:

“2020 Intercompany Note” means that certain Intercompany Note, issued substantially concurrently with the Convertible Notes, by Parent to PetIQ, Inc.

3. Amendment of Definition of Available Amount. Section 1.01 of the Credit Agreement is hereby amended by amending and restating the definition of “Available Rate” 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):

“Available Amount” means, as of any date of determination, an amount, not less than zero in the aggregate, determined on a cumulative basis equal to, without duplication:

(a) an amount equal to \$5,000,000; ***plus***

(b) the Cumulative Retained Excess Cash Flow Amount; ***plus***

(c) the cumulative amount of Net Issuance Proceeds Not Otherwise Applied from issuances of Qualified Capital Stock received by PETIQ after the Amendment Effective Date and prior to such date (***other than any Net Issuance Proceeds in respect of Qualified Capital Stock issued in respect of the 2020 Convertible Senior Notes***); ***plus***

(d) (i) the aggregate amount of proceeds received by PETIQ in cash or Cash Equivalents after the Amendment Effective Date from the sale or other disposition of any Investment to the extent not required to be (A) used to prepay the Obligations (as defined in the Term Credit Agreement) or (B) reinvested, plus (ii) returns, profits, distributions and similar amounts received in cash or Cash Equivalents after the Amendment Effective Date to the extent not included or includable in Consolidated EBITDA or the Cumulative Retained Excess Cash Flow Amount, in each instance in (i) and (ii), on or in respect of Investments to the extent such Investment was originally funded with and in reliance on the Available Amount (but, in the aggregate for **clauses (i) and (ii)**, not in excess of the original amount of the Available Amount used to fund such Investment); ***minus***

(e) any amount of the Available Amount used to make Investments pursuant to Section 7.01(j) after the Amendment Effective Date and prior to such time; ***minus***

(f) any amount of the Available Amount use to make Restricted Payments pursuant to Section 7.04(a)(viii) after the Amendment Effective Date and prior to such time; ***minus***

(g) any amount of the Available Amount used to prepay Junior Indebtedness pursuant to Section 7.04(b)(v) after the Amendment Effective Date and prior to such time.

4. Addition of Eurodollar Rate “Floor”. Section 1.01 of the Credit Agreement is hereby amended by amending and restating the definition of “Eurodollar Rate” 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):

“Eurodollar Rate” means, for any Interest Period with respect to any Eurodollar Rate Loan, the rate per annum determined by the Administrative Agent to be the rate for deposits in Dollars for a period approximately equal to such Interest Period and in an amount approximately equal to the principal amount of such Eurodollar Rate Loan which appears on the Bloomberg Screen TMM Page under the heading “LIBOR Fix” as of 11:00 a.m. (London time) on the second Business Day prior to the first day of such Interest Period (adjusted for any and all assessments, surcharges and reserve requirements); ~~provided, however, if the Eurodollar Rate determined as provided above would be less than zero, then the Eurodollar Rate shall be deemed to be zero for the purposes of this Agreement~~ **in no event shall the Eurodollar Rate be less than 0.50% per annum.** If such interest rate shall cease to be available from the above-described Bloomberg report, the Eurodollar Rate shall be determined from such financial reporting service as the Administrative Agent shall reasonably determine and use with respect to its other loan facilities for which interest is determined based on the London interbank offered rate.

5. Amendment of Indebtedness Negative Covenant to Permit 2020 Intercompany Note. Section 7.02 of the Credit Agreement is hereby amended by (i) deleting the word “and” from the end of subsection (n), (ii) re-labelling current subsection (o) so that it becomes new subsection (p), and (iii) adding therein a replacement subsection (q) which shall read in full as follows:

“(o) Indebtedness of Parent pursuant to the 2020 Intercompany Note; and””

6. Other Matters Relating to Convertible Notes.

(a) No Restrictions on Payments by PetIQ, Inc. Administrative Agent and the Lenders hereby acknowledge and confirm that PetIQ, Inc. is not a Credit Party and that, accordingly, nothing contained in Section 7.04 of the Credit Agreement, in any other provision of the Credit Agreement, or in any provision of any other Loan Document, shall prohibit, restrict or otherwise impair PetIQ, Inc. from making any payment of interest or principal on the Convertible Notes when due.

(b) Restrictions on PETIQ Dividends, Distributions or Direct Payments of Interest on Convertible Notes. The Credit Parties hereby agree that notwithstanding anything to the contrary set forth in Section 7.04 of the Credit Agreement, in any other provision of the Credit Agreement, or in any provision of any other Loan Document, PETIQ may not (i) make any dividends or distributions to Parent to facilitate Parent’s direct payment of semi-annual interest payments on the 2020 Intercompany Note when due or (ii) make direct payment of such interest payments unless either: (A) Overall Excess Availability is at least \$22,000,000 for both the period of three (3) consecutive Business Days prior to the date of any such dividend, distribution or direct payment and after giving pro forma effect to any such dividend, distribution or direct payment; or (B) the Consolidated Fixed Charge Coverage Ratio, determined as of the last day of the Fiscal Quarter ended immediately prior to the date of any such dividend, distribution or direct payment is at least 1.10 to 1.00.

(c) No Prepayment of 2020 Intercompany Note. Except for the payment of semi-annual interest payments in accordance with Section 6(b) of this Amendment, Parent shall not make, PETIQ shall not make any distribution or dividend to Parent to enable Parent to make, nor shall PETIQ make directly, any payment of interest or principal on the 2020 Intercompany Note without the prior written consent of the Required Lenders.

7. 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;

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

(c) Fee. Administrative Agent shall have received payment of the fee set forth in a separate letter agreement between Administrative Agent and the Borrowers dated as of the date hereof.

8. General Amendment Provisions.

A. The Credit 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 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.

B. 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.

C. 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.

D. 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.

E. 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]

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

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

TRU PRODIGY, LLC,
a Texas limited liability company

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

Fourth Amendment to Amended and Restated Credit Agreement

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 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

Fourth Amendment to Amended and Restated Credit Agreement

HBH ENTERPRISES LLC,
a Utah limited liability company

By: PETIQ, LLC
Its: Sole Member

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

Fourth Amendment to Amended and Restated Credit Agreement

The Agent, L/C Issuer and Swingline Lender:

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

By: /s John Kolb
John Kolb
Vice President

Fourth Amendment to Amended and Restated Credit Agreement

The Syndication Agent:

KEYBANK NATIONAL ASSOCIATION,
as Syndication Agent

By Anthony Alexander

Name: Anthony Alexander

Title: Vice President

Fourth Amendment to Amended and Restated Credit Agreement

The Lenders:

EAST WEST BANK,
as a Lender

By: /s/ David A. Lehner

David A. Lehner
Senior Vice President

Fourth Amendment to Amended and Restated Credit Agreement

KEYBANK NATIONAL ASSOCIATION,
as a Lender

By Anthony Alexander

Name: Anthony Alexander

Title: Vice President

Fourth Amendment to Amended and Restated Credit Agreement

**PetIQ, Inc. Announces Proposed Convertible Senior Notes Offering
to Fund Capstar Acquisition**

EAGLE, Idaho, May 14, 2020 (GLOBE NEWSWIRE) -- PetIQ, Inc. ("PetIQ") (NasdaqGS: PETQ) today announced its intention to offer, subject to market and other conditions, \$125,000,000 aggregate principal amount of convertible senior notes due 2026 (the "notes") in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). PetIQ also expects to grant the initial purchasers of the notes a 30-day option to purchase up to an additional \$18,750,000 principal amount of notes.

The notes will be senior, unsecured obligations of PetIQ, will accrue interest payable semi-annually in arrears and will mature on June 1, 2026, unless earlier repurchased, redeemed or converted. Noteholders will have the right to convert their notes in certain circumstances and during specified periods. PetIQ will settle conversions by paying or delivering, as applicable, cash, shares of its Class A common stock or a combination of cash and shares of its Class A common stock, at PetIQ's election. The notes will be redeemable, in whole or in part, for cash at PetIQ's option at any time, and from time to time, on or after June 1, 2023 and on or before the 40th scheduled trading day immediately before the maturity date, but only if the last reported sale price per share of PetIQ's Class A common stock exceeds 130% of the conversion price for a specified period of time. The redemption price will be equal to the principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The interest rate, initial conversion rate and other terms of the notes will be determined at the pricing of the offering.

PetIQ intends to loan the proceeds of the offering, after deducting the initial purchasers' discounts and commissions and the cost of entering into the capped call transactions described below, to PetIQ Holdings, LLC ("Holdco"). PetIQ intends to cause Holdco to use the remaining proceeds to pay its offering expenses, to fund PetIQ's previously announced acquisition of the Capstar® portfolio from Elanco Animal Health, Inc. and related fees and expenses, and for working capital and other general corporate purposes. If the initial purchasers exercise their option to purchase additional notes, then PetIQ intends to use a portion of the additional proceeds to fund the cost of entering into additional capped call transactions as described below.

In connection with the pricing of the notes, PetIQ expects to enter into privately negotiated capped call transactions with one or more dealers, which may include certain initial purchasers or their affiliates and/or one or more financial institutions (the "option counterparties"). The capped call transactions are expected to cover, subject to anti-dilution adjustments substantially similar to those applicable to the notes, the number of shares of PetIQ's Class A common stock underlying the notes. If the initial purchasers exercise their option to purchase additional notes, PetIQ expects to enter into additional capped call transactions with the option counterparties.

The capped call transactions are expected generally to reduce the potential dilution to PetIQ's Class A common stock upon any conversion of the notes and/or offset any potential cash payments PetIQ is required to make in excess of the principal amount of converted notes, as the case may be, upon any conversion of the notes. However, if the market price per share of PetIQ's Class A common stock, as measured under the terms of the capped call transactions, exceeds the cap price of the capped call transactions, there would nevertheless be dilution and/or there would not be an offset of such potential cash payments, in each case, to the extent that such market price exceeds the cap price of the capped call transactions.

In connection with establishing their initial hedges of the capped call transactions, the option counterparties or their respective affiliates expect to enter into various derivative transactions with respect to PetIQ's Class A common stock and/or purchase shares of PetIQ's Class A common stock concurrently with or shortly after the pricing of the notes. This activity could increase (or reduce the size of any decrease in) the market price of PetIQ's Class A common stock or the notes at that time.

In addition, the option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to PetIQ's Class A common stock and/or purchasing or selling PetIQ's Class A common stock or other securities in secondary market transactions following the pricing of the notes and prior to the maturity of the notes (and are likely to do so during any observation period related to a conversion of notes). This activity could also affect the market price of PetIQ's Class A common stock or the notes, which could affect the ability of noteholders to convert the notes, and, to the extent the activity occurs following conversion or during any observation period related to a conversion of notes, it could affect the number of shares of PetIQ Class A common stock and the value of the consideration that noteholders would receive upon conversion of the notes.

The offer and sale of the notes and any shares of Class A common stock issuable upon conversion of the notes have not been, and will not be, registered under the Securities Act or any other securities laws, and the notes and any such shares cannot be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws. This press release does not constitute an offer to sell, or the solicitation of an offer to buy, the notes or any shares of Class A common stock issuable upon conversion of the notes, nor will there be any sale of the notes or any such shares, in any state or other jurisdiction in which such offer, sale or solicitation would be unlawful.

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. PetIQ engages with customers through more than 60,000 points of distribution across retail and e-commerce channels with its branded distributed medications, which are further supported by its own world-class medications manufacturing facility in Omaha, Nebraska. PetIQ'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.

Forward-Looking Statements

This press release includes forward-looking statements, including statements regarding the anticipated terms of the notes being offered, the completion, timing and size of the proposed offering, the intended use of the proceeds and the anticipated terms of, and the effects of entering into, the capped call transactions described above. Forward-looking statements represent PetIQ's current expectations regarding future events and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those implied by the forward-looking statements. Among those risks and uncertainties are market conditions, including market interest rates, the trading price and volatility of PetIQ's Class A common stock and risks relating to PetIQ's business, including the impact of COVID-19 on PetIQ's business and the global economy and the risks set forth under the heading "Risk Factors" in PetIQ's Annual Report on Form 10-K for the year ended December 31, 2019, 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. PetIQ may not consummate the proposed offering described in this press release and, if the proposed offering is consummated, cannot provide any assurances regarding the final terms of the offer or the notes or its ability to effectively apply the net proceeds as described above. The forward-looking statements included in this press release speak only as of the date of this press release, and PetIQ does not undertake to update the statements included in this press release for subsequent developments, except as may be required by law.

Contact:

Investor Relations Contact:

ICR
Jeff Sonnek
646-277-1263
jeff.sonnek@icrinc.com

Media Relations Contact:

ICR
Cory Ziskind
646-277-1232
cory.ziskind@icrinc.com