



Covetrus Announces Aggregate Closing Merger Consideration and Closing Per Share Merger Consideration

February 7, 2019

MELVILLE, N.Y., Feb. 7, 2019 /PRNewswire/ -- Covetrus, Inc. (f/k/a HS Spinco, Inc., the "Company"), which will be a global, technology-enabled animal health business with a comprehensive service and technology platform and supply chain infrastructure dedicated to supporting the companion, equine and large animal veterinary markets, today announced that its common stock has been approved for listing on the Nasdaq Global Select Market and, on February 4, 2019, began trading on a "when-issued" basis under the trading symbol "CVETV." As previously announced, when-issued trading is expected to continue through February 7, 2019. "Regular way" trading in Covetrus common stock is expected to begin on the Nasdaq Global Select Market on February 8, 2019 under the symbol "CVET."

As previously announced, the Company expects to complete its spin-off from Henry Schein, Inc. ("Henry Schein") on February 7, 2019 (the "Distribution Date") by way of a dividend of 0.4 of a share of Covetrus common stock for each share of Henry Schein common stock to shareholders of record of Henry Schein common stock as of January 17, 2019. The Company's subsequent merger with Direct Vet Marketing, Inc. (d/b/a Vets First Choice) is also anticipated to be consummated on the Distribution Date.

The Company filed a registration statement on Form S-4/S-1 (as amended, the "Registration Statement") with the U.S. Securities and Exchange Commission ("SEC"), which became effective on February 4, 2019, relating to the spin-off and subsequent merger with Vets First Choice. Investors may find an electronic copy of the Registration Statement by searching for Covetrus, Inc. at www.sec.gov. All capitalized terms used in this release have the meaning set forth in the Registration Statement.

As described in the Registration Statement, the Aggregate Closing Merger Consideration and the Closing Per Share Merger Consideration payable to Vets First Choice stockholders in the merger were not known at the time of the filing of the Registration Statement, as certain information that was required to calculate such amounts was not known with certainty at the time the Registration Statement was filed.

The Conversion Factor used to calculate the Aggregate Closing Merger Consideration and the Closing Per Share Merger Consideration will be 1.675868306635580, where the Conversion Factor is calculated based on the sum of Special Dividend and Certain Debt Repayment equaling \$1,120,000,000 and a JV Minority Equity Value of \$54,595,013.23. The Admiral Fully Diluted Share Number and the Vets First Choice Fully Diluted Share Number will be 71,859,477 and 87,335,957, respectively.

Based on the Conversion Factor, Admiral Fully Diluted Share Number and Vets First Choice Fully Diluted Share Number indicated above, the Aggregate Closing Merger Consideration payable to Vets First Choice stockholders will be 40,767,781 shares of Covetrus common stock and an additional 2,111,171 shares of Covetrus common stock issuable to the Vets First Choice stockholders will be held in escrow pursuant to the terms of the Escrow Agreement described in the Registration Statement. The Closing Per Share Merger Consideration payable with respect to each outstanding share of Vets First Choice capital stock will be 0.4667926 of a share of Covetrus common stock, subject to rounding to the nearest whole number of shares of Covetrus common stock for each stockholder.

As described in the Registration Statement, pursuant to the terms of the Merger Agreement and the Escrow Agreement, the final amount of the Per Share Merger Consideration is subject to adjustment and will be determined based on the number of Escrowed Shares (if any) released to Vets First Choice stockholders and any cash attributable to each share of Vets First Choice capital stock as part of the Additional Per Share Merger Consideration pursuant to the transaction documents.

About Covetrus

Upon the closing of the transaction, Covetrus will be a global animal-health technology and services company dedicated to empowering veterinary practice partners to drive improved health and financial outcomes. We're bringing together products, services, and technology into a single platform that connects our customers to the solutions and insights they need to work best. Our passion for the well-being of animals and those who care for them drives us to advance the world of veterinary medicine. Covetrus is headquartered in Portland, Maine, with more than 5,000 employees, serving over 100,000 customers around the globe.

Additional Information and Where to Find It

A registration statement on Form S-1/S-4 relating to the transactions described above has been filed with the SEC, and has become effective. Investors and security holders are urged to carefully read the registration statement and preliminary prospectus (including any amendments or supplements thereto and any documents incorporated by reference therein) and any other relevant documents filed with the SEC when they become available, because they will contain important information about the parties and the proposed transactions. The registration statement, preliminary prospectus and other relevant documents that are filed with the SEC, when available, can be obtained free of charge from the SEC's web site at www.sec.gov. This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The proposed offering will be made only by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Forward-Looking Statements

In accordance with the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995, the parties provide the following cautionary remarks regarding important factors that, among others, could cause future results to differ materially from the forward-looking statements, expectations and assumptions expressed or implied herein. These statements are identified by the use of such terms as "may," "could," "expect,"

"intend," "believe," "plan," "estimate," "forecast," "project," "anticipate" or other comparable terms. Such forward-looking statements include, but are not limited to, statements about the benefits of the transaction, including future financial and operating results, plans, objectives, expectations and intentions. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to the expected timetable for completing the proposed transaction — are forward-looking statements.

All forward-looking statements made by us are subject to risks and uncertainties and are not guarantees of future performance. Therefore, you should not rely on any of these forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance and achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. For example, these forward-looking statements could be affected by factors including, without limitation, risks associated with the ability to consummate the transaction and the timing of the closing of the transaction; the ability to obtain requisite approvals; the ability to successfully integrate operations and employees; the ability to realize anticipated benefits and synergies of the transaction; the potential impact of the announcement of the transaction or consummation of the transaction on relationships, including with employees, customers and competitors; the ability to retain key personnel; the ability to achieve performance targets; changes in financial markets, interest rates and foreign currency exchange rates; and those additional risks and factors discussed in the Registration Statement, including those discussed under the heading "Risk Factors" in the Registration Statement. We undertake no duty and have no obligation to update any forward-looking statements contained herein.

For more information, please visit www.covetrus.com

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