

## **Table of Contents**

We believe we have a highly engaged consumer base of passionate pet parents, who connect with our authentic story of a pet food brand that is “by pet parents for pet parents.” Our goal is for the buffalo icon and the BLUE shield featured on our products to symbolize quality and project a certain attitude that pet parents feel good associating with. We actively support pet cancer awareness and research, promote animal welfare and engage our pet parents in these important causes with special events such as the Pet Cancer Awareness Month during May of every year. We believe our consumers are strong advocates of our brand and are major contributors to our success in the marketplace.

Our master brand strategy, combined with significant cumulative investments in highly effective marketing and brand-building of over \$400 million since 2003, has resulted in what we believe to be one of the strongest brand equities in the pet food industry. We have a full-service in-house advertising and marketing agency which enables us to maintain the authenticity of our communications, whether through marketing or packaging, and allows us to build a cohesive brand. This integrated approach gives us a significant advantage in speed-to-market from product development to advertising, increases our marketing effectiveness and creates marketing efficiencies.

We are currently the #1 advertiser in the Wholesome Natural market segment by a wide margin and one of the top advertised brands in the industry overall. However, we still have a significant opportunity to expand our brand awareness compared to brands with much longer histories in the marketplace. We plan to continue to invest in advertising to increase our brand awareness and drive traffic to brick-and-mortar stores and eCommerce retailers where BLUE is sold.

Our commitment to pet nutrition education is reflected in our approach to marketing, which has a strong call-to-action for pet parents to examine the ingredients in their pet food. We achieve this through our integrated marketing strategy and Pet Detective program. We believe our Pet Detective program enhances the in-store shopping experiences of our retail partners and provides us with the benefits of direct-to-consumer marketing without creating a conflict with our retail partners. We believe our Pet Detective program is the largest of its kind run by any CPG company in the United States. More recently, as we focus on increasing our distribution in channels outside national pet superstores, we have been investing in sales and marketing capabilities and programs suited for these different channels such as in-store merchandising to differentiate our products in smaller footprint neighborhood stores and web marketing tools to increase our conversion of online traffic. We also continue to look for ways to strengthen our relationships with key influencers in the industry (e.g., veterinarians, store associates and trainers) to help generate more recommendations for BLUE.

### ***Product Development Engine with the Broadest Portfolio***

We have the broadest portfolio of products of any natural pet food brand in the United States. Our tailored product offerings enable our pet parents to satisfy their pet’s specific dietary, lifestyle and life-stage needs, offering them no-compromise product solutions. We believe this, in turn, leads to higher consumer satisfaction, brand loyalty and a lifetime relationship between us and pet parents and their pets.

We have built four major product lines under our master BLUE brand, each with a different nutritional philosophy and distinct personality. We continue to deepen each product line with new products, expand each product line’s shelf presence and support each product line with advertising:

- *BLUE Life Protection Formula* – introduced in 2003, this is our original and largest product line with the broadest flavor, functional and breed-specific variety;
- *BLUE Wilderness* – introduced in 2007, this is our high-meat, high-protein, grain-free ancestral feeding line and our second largest product line;
- *BLUE Basics* – introduced in 2010, this is our line of limited ingredient diet products for pets with food sensitivities; and
- *BLUE Freedom* – introduced in 2012, this is our grain-free line that is a cousin of the original BLUE Life Protection Formula line.