ICR Conference Presentation: January 2018

brining the power
of fresh food to pets

Freshpet®
Safe Harbor

Forward Looking Statements

This presentation contains “forward-looking” statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the Company’s results may differ materially from those expressed or implied by such forward-looking statements. All statements other than statements of historical fact could be deemed forward-looking, including, but not limited to, the Company’s intentions, beliefs or current expectations concerning, among other things, the Company’s results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate and any statements of assumptions underlying any of the foregoing. These statements are based on estimates and information available to us at the time of this presentation and are not guarantees of future performance.

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Who Is Freshpet?

- A disruptive innovation in a huge and growing industry
- A socially responsible, pet health-centric brand built around the contemporary consumer
- We are redefining what good pet food is in ways that are intuitive to consumers
- We deliver a value proposition relevant to the average consumer and every class of pet retailer
- We have a scalable and very difficult to replicate business model
Freshpet Lives at the Intersection of Two Very Powerful Macro-Trends in CPG

Humanization of Pets

Fresh, Wholesome, All-Natural Foods

Fresh, Wholesome, All-Natural Foods
We Operate Differently
Delighting consumers with fresh food & our company ideology

PETS · PEOPLE · PLANET

Environmentally Focused

Community & Consumer Engagement

Employee Engagement
A Difficult Business to Replicate

**High Brand Loyalty**
Alignment with deep pet parent emotional motivations

**Differentiated**
Innovative forms, technologies, and appearance

**Manufacturing**
Proprietary technology, processes, and infrastructure

**Technical Knowledge**

**Product Performance**

**Production Scale**

**Supply Chain**
Only refrigerated pet food network in North America

**Freshpet Franchise**

**Distribution Scale**

**Retailer Partners**
Delivers benefits in traffic, frequency and retailer margins

**Fridge Placements**

**Brand Equity**

**Frishtpet Fridge**
Branded, company-owned real estate

**Walmart**

**petco**

**Whole Foods Market**

**Target**
With Growth Potential in Fresh E-Commerce

**Strategy:** Grow with winning players in fresh e-commerce
In 2017, we launched our new strategy...
The essence of our strategic bet in 2017 . . . .

71% Repurchase Rate
The best product nobody heard of . . .

35% Awareness

1.4% Penetration
Well below our competitors . . .

<table>
<thead>
<tr>
<th></th>
<th>Freshpet</th>
<th>Rachel Ray</th>
<th>Blue Buffalo</th>
<th>Purina ONE</th>
<th>Cesar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness (Aided)</td>
<td>35%</td>
<td>52%</td>
<td>86%</td>
<td>82%</td>
<td>70%</td>
</tr>
<tr>
<td>Penetration</td>
<td>1.4%</td>
<td>3.6%</td>
<td>~8% (est)</td>
<td>5.2% (dry)</td>
<td>3.4% (wet)</td>
</tr>
</tbody>
</table>

Source: 2016 Brand Tracker, IRI 2016 HH Panel
We increased our advertising investment . . .

+60% media spending

Freshpet Media Spending
($ millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
<th>Media Spending</th>
<th>$ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>6%</td>
<td></td>
<td>$8.5</td>
</tr>
<tr>
<td>2017</td>
<td>9%</td>
<td></td>
<td>$13.5</td>
</tr>
</tbody>
</table>

% = percent of sales
And the growth accelerated . . . .

20+% fresh growth
The media delivered an attractive financial return. . .

90% pay back

(about 13 months to get our money back – and accelerating)
Increased awareness and penetration . . .

40% Awareness
(+5 points)

1.8% Penetration
(+0.4 points)
Which helped Freshpet grow into its scale in 2017...

100 bps reduction YTD

Infrastructure as a percentage of Net Sales*

* - Leverage adjusted to projected inflationary growth of infrastructure
In 2018, we will accelerate fresh growth...
By increasing media investment to further drive penetration

![Freshpet Media Spending Chart](image)

Freshpet Media Spending
($ Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
<th>Spending ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>6%</td>
<td>$8.5</td>
</tr>
<tr>
<td>2017</td>
<td>9%</td>
<td>$13.5</td>
</tr>
<tr>
<td>2018</td>
<td>&gt;9%</td>
<td>$13.5</td>
</tr>
<tr>
<td>2019</td>
<td>&gt;9%</td>
<td>$27</td>
</tr>
<tr>
<td>2020</td>
<td>9%</td>
<td>$27</td>
</tr>
</tbody>
</table>

% = percent of sales
That will deliver even stronger growth in 2019. . .
Putting Freshpet well on its way to our $300 million goal . . .

Projected Net Sales

$157 million

$300 million

2017  2018  2019  2020

Accelerated Media Spend

9% Media Spend
While driving both *distribution* and *velocity* . . .

**Distribution Drivers**
- More stores
- Right stores

**Velocity Drivers**
- HH Penetration
- Buying Rate
- In-store conditions

**Significant White Space**
- Kroger
- H-E-B
- Publix
- Walmart
- Costco Wholesale
- Target

*Freshpet*
Previously, store growth closely mirrored revenue growth . . .

Nielsen Measured Revenue Growth (includes pet specialty)

Freshpet Store Growth
Until we implemented our new strategy . . .

Nielsen Measured Revenue Growth
(includes pet specialty)

Freshpet Fridge Growth

xAO + PS

Stores
Now, velocity growth is a better predictor of revenue growth.
Velocity growth will drive the incremental growth rate to deliver our 2020 goal...
By 2020: 9 pt. reduction in fixed costs

Infrastruture as a percentage of Net Sales

* Leverage adjusted to projected inflationary growth of infrastructure
Which will drive long term net sales and profitability . . .

+$156mm Net Sales
+$16mm Adj. EBITDA
+9 Points of Profit Margin

+$300mm Net Sales
+$60mm Adj. EBITDA
Delivering our 2020 goals...

### Future Economic Model

<table>
<thead>
<tr>
<th>Metric</th>
<th>FY 2016</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth Rate</td>
<td>15%</td>
<td>15-20%</td>
</tr>
<tr>
<td>Stores</td>
<td>16,609</td>
<td>23,000+</td>
</tr>
<tr>
<td>Adj. Gross Margin (1)</td>
<td>49.6%</td>
<td>~52%</td>
</tr>
<tr>
<td>Adj. SG&amp;A (2)</td>
<td>43.1%</td>
<td>~33%</td>
</tr>
<tr>
<td>Adj. EBITDA Margin</td>
<td>13%</td>
<td>20+%</td>
</tr>
<tr>
<td>Media Investment</td>
<td>~6% of sales</td>
<td>~9% of sales</td>
</tr>
<tr>
<td>Advertising Payback</td>
<td>1.5 yrs.</td>
<td>--</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>-$13.9M</td>
<td>~15% of sales</td>
</tr>
</tbody>
</table>
While positioning Freshpet for future growth beyond 2020 . . .

- **HH Penetration**: 10% of HH’s
- **Buying Rate**: +10%/year
- **New Stores**: 30,000 stores
- **E-commerce**: 10% of sales
- **Geographic Expansion**: UK and beyond

**Growth Potential: 2020 and beyond**
Further strengthening our barriers to entry . . .
Delighting pet parents, pets, shareholders and employees . . .

Melissa & Zooka
Canton, MI
Cost to Feed a 30lb Dog Daily

- Blue Homestyle Chicken Wet 12.5oz: $7.47
- Rachael Ray Nutrish Chicken Wet 8oz: $7.05
- Blue Life Protection Chicken Formula Dry 5lb: $5.31
- Freshpet FFFTK 1.75lb: $3.80
- Beyond Simply 9 Chicken Dry 4lb: $3.30
- Freshpet Chicken 1.5 lb roll: $2.40
- Nature's Recipe Chicken RM 5lb: $2.40
- Rachael Ray Nutrish Chicken Dry 12lb: $2.14
- Blue Life Protection Chicken Formula Dry 6lb: $1.92
- Freshpet Chicken 6 lb roll: $1.77
- Beneful Healthy Weight Chicken Dry 8lb: $1.73
- Purina ONE SmartBlend Chicken Dry 3.5lb: $1.62
- Pedigree Complete Nutrition Chicken Dry 20lb: $1.55
- Iams Proactive Health MiniChunk DRY 7lb: $1.28
- Pedigree Chopped Chicken Wet 22oz: $0.61
- Iams Proactive Health MiniChunk DRY 7lb: $0.61
- Blue Homestyle Chicken Wet 12.5oz: $0.49

Select is middle of the pack on cost to feed.
Pet Specialty
Vital is an economical choice in Pet

Cost to Feed a 30lb Dog Daily Title

Blue Freedom GF Wet 12.5oz $7.47
Merrick Chicken Wet 12.7oz $6.48
Freshpet Vital Freshcuts 1.5lb $5.50
Blue Wilderness Chicken Dry 4.5lb $4.50
Merrick Chicken Dry 4lb $4.44
Natural Balance LiD Chicken Dry 4lb $4.37
Freshpet Vital CM Multiprotein 5.5lb $4.00
Nutro Wholesome Essentials Dry 5lb $3.80
Hill’s Science Diet Chicken Wet 13oz $3.77
Blue Wilderness Chicken Dry 11lb $3.75
Freshpet Vital Chk BN 2lb Roll $3.26
Hill’s Science Diet Chicken Dry 5lb $3.09
Blue Wilderness Chicken Dry 24lb $2.81
Freshpet Vital Chk BN 6lb Roll $2.50
Blue Wilderness Chicken Dry 4lb $2.42
Freshpet Vital Chk BN 6lb Roll $2.12