



barfresh™

WHIRL • CLASS

BLENDED DRINKS

April, 2018

PREMEASURED | PREPACKAGED | PERFECTION

Forward Looking Statements



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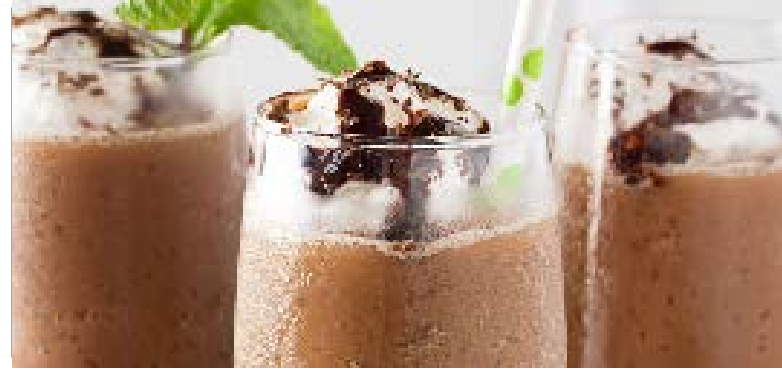
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Agenda

- I. Introduction
- II. Industry
- III. Sales and Distribution Strategy
- IV. Sales Channels
- V. Operations Overview
- VI. Unibel Strategic Relationship
- VII. Key Takeaways



I. INTRODUCTION

Barfresh's Differentiated Product & Process

Operational Simplicity

- **Perfect consistency** every time
- Inventory Control
- Makes a smoothie in **15 seconds**
- Only equipment needed: **Blender**
- **No waste**, no spoilage
- **Reduces labor**
- No complicated installation
- **Portion controlled**

Ingredients

- **No artificial colors or flavors**
- **Premium** taste
- Clean labeling
- **Real fruit**
- **Gluten free**
- Kosher certified

THE barfresh™ PROCESS:



Barfresh Product Portfolio



vanilla shake

low fat vanilla bean
ice cream, milk



caribbean smoothie

Sweet mango & tangy
pineapple, sorbet;
all natural pear juice



WHIRL • CLASS
because...

Our smoothies are made with real fruit and
contain no artificial flavors or colors.
Our shakes & frappes are made from
premium ingredients. All of our flavors are
gluten free, kosher certified and
soul-stirringly delicious.

mango burst smoothie

sweet, juicy
mango, sorbet,
all natural
apple juice



triple berry smoothie

Berry sorbet,
strawberry puree,
blueberries,
pineapple crush, and
pear, raspberry,
blueberry juice



mocha frappe

espresso coffee,
low fat chocolate
ice cream, milk



caramel macchiato frappe

espresso coffee,
caramel, low fat
chocolate, ice
cream, milk



strawberry banana smoothie

sweet strawberries & ripe bananas,
low fat frozen yogurt,
all natural pear juice



THE **barfresh™** PROCESS:

FROM FROZEN PACK:

- 1 Tear open frozen pack and pour ingredients into blender bowl

 11 oz. single serve pack
- +
- 2 Add 5 ounces of water to blender bowl

 5 oz. water
- +
- 3 Blend and serve

 15 seconds in a blender
- =
- 
 Whirl Class
 16 oz.
 Blended Beverage

NO FREEZER ON THE LINE? NO PROBLEM:

- 1 Thaw frozen pack of ingredients in refrigerator. Once thawed, tear and pour liquid ingredients into blender bowl (use liquid within 3 days of thawing pack)

 11 oz. single serve pack
- +
- 2 Add ¾ cup of ice (6.5 oz. weighted) to blender bowl

- +
- 3 Blend and serve

 15 seconds in a blender
- =
- 
 Whirl Class
 16 oz.
 Blended Beverage

BARFRESH BULK SOLUTION:

- 1

 1 gallon of concentrate
- +
- 2

 1 gallon of water
- +
- 3

- =
- 
 Any Size
 Finished Smoothie

Barfresh Innovates New “Easy Pour” Bulk Format Solution for High-traffic Venues

Response to customers requiring rapid customer turnover

BUNN



SPACEMAN



TAYLOR



- 3 flavors: Strawberry Banana, Mango Pineapple, Caramel Macchiato
- Frozen concentrate: Mix one gallon of concentrate with one gallon of water
- Makes 18 servings (16 oz. each) per jug

Barfresh at a Glance



(1) Barfresh now has patents granted in a total of sixteen countries, including the United States, which was granted during August of 2016.

(2) Exclusive sales agreement with PepsiCo North America Beverages signed on 10/26/15.

(3) Unibel strategic investment executed on 11/23/16.

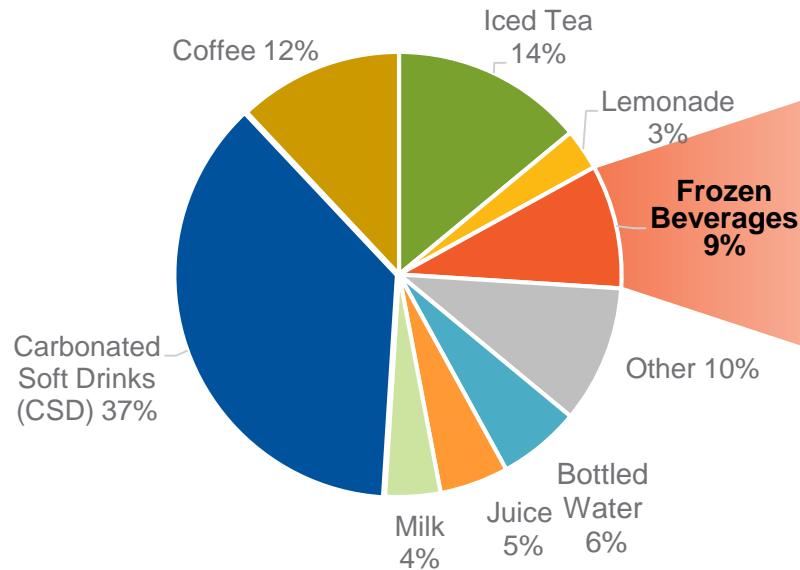
(4) Sysco exclusive distribution contract renewed and extended for additional two years on 10/2/17



II. INDUSTRY OVERVIEW

Frozen Beverages: Fastest Growing Beverage Category

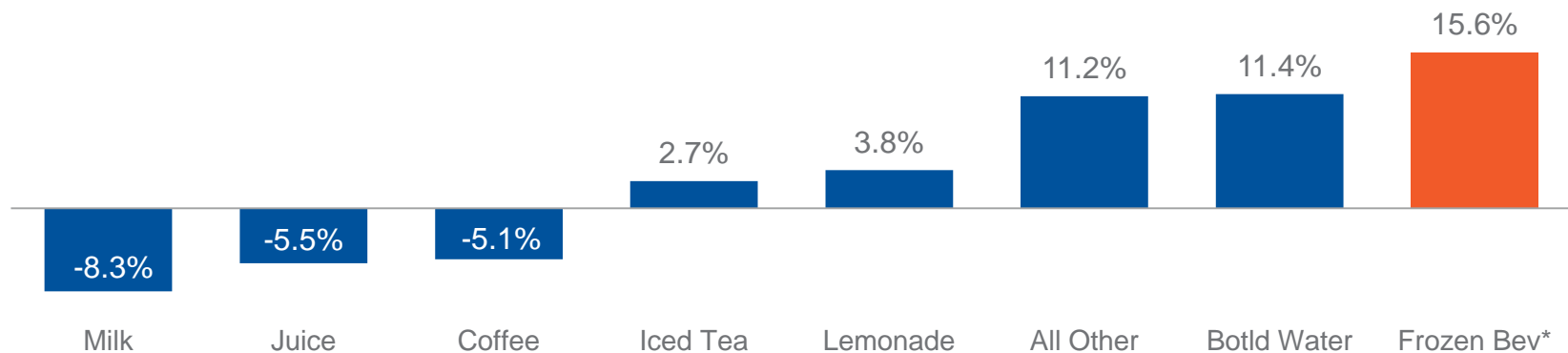
Beverage Sales by Category



Frozen Beverages have been the fastest growing category

Frozen Beverages represent the 4th largest non-alcoholic beverage category in food service

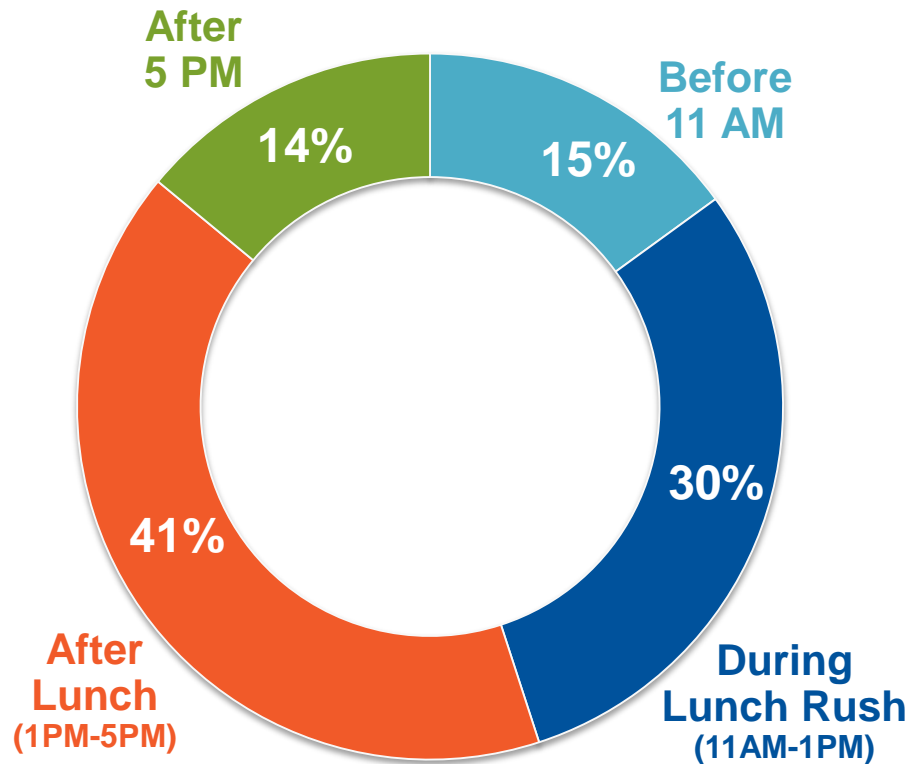
Market Share Growth by Beverage Category Segment



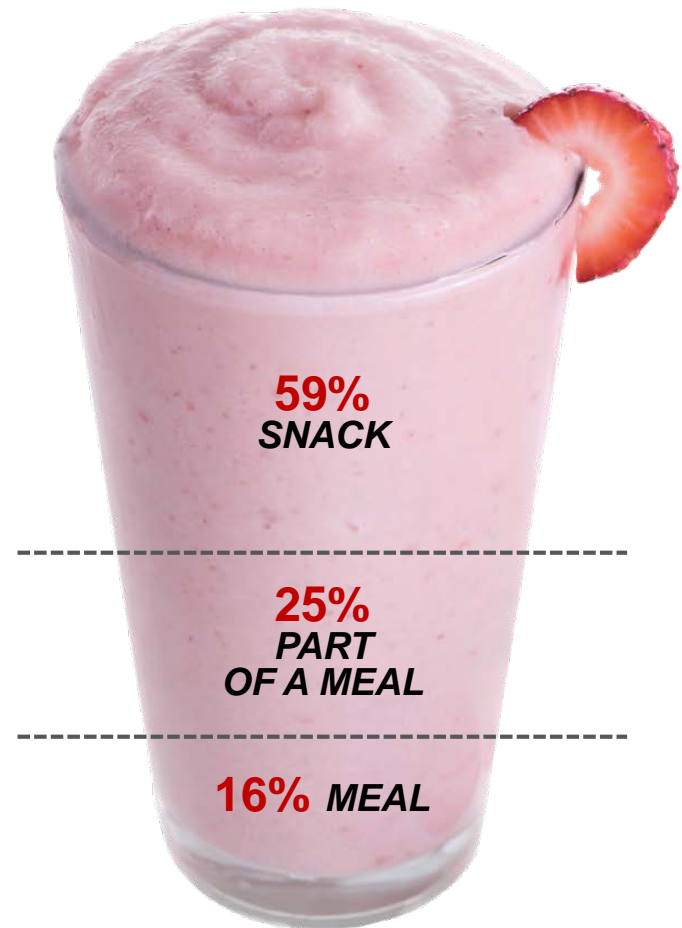
Smoothies are an All Day Opportunity

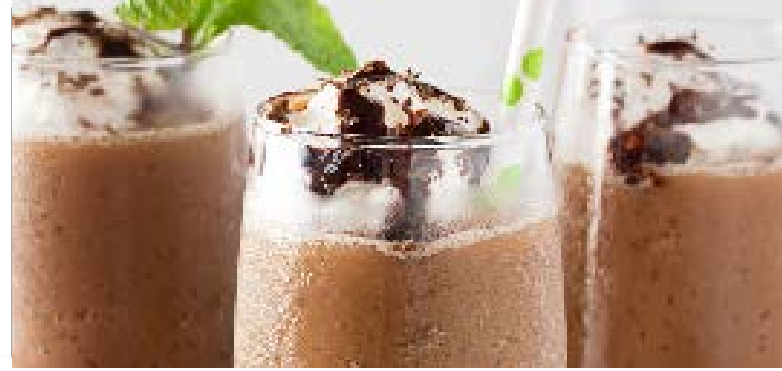
Grow Sales in Non-traditional Dayparts

Smoothie Sales Throughout the Day



Smoothies: A Snack or a Meal?





III. SALES AND DISTRIBUTION STRATEGY

Sales Process Summary



Exclusive Distribution Partnership



- Exclusive multi-year partnership with the world's largest food & beverage distributor – Renewed & Extended for two years in October '17
- Full product distribution in all 72 Sysco operating companies across the United States
- Recent expansion to major Canadian hub in Toronto in May '17
- Barfresh selected to its internal “Cutting Edge Solutions” marketing initiative for the second straight year in February '17
- Barfresh awarded Sysco’s “Emerging Supplier of the Year Award”
- Leveraging a Sysco exclusive broker network to drive sales of “up and down the street” business

Exclusive Sales Partnership



PEPSICO

- Exclusive multi-year sales partnership with PepsiCo signed October 2015
- PepsiCo's 1000+ Foodservice sales team trained and actively selling Barfresh product
- In process and access to PepsiCo's national, local, regional and new business customers in all lines of business (healthcare, travel and leisure, college and universities and restaurants)
- Currently in varied stages of product development and testing with several national customers
- Engaged with several of the major global on-site foodservice operators, opening a significant incremental sales channel

Sales Force Productivity Enhancement



- Restructured in-house sales force in 2017 to enhance productivity, drive greater scale, and reduce fixed overhead
- Providing support to and extension of sales force by enlisting multiple independent brokers across the country and in Canada
- Allows internal Barfresh sales force to focus on larger Regional and National accounts
- Actions reduced in-house fixed costs generating an annual net P&L cash benefit of approximately \$2 to \$2.5 Million



IV. SALES CHANNELS

Engagement with Major Third Party Foodservice Operators Expands Potential Customer Base

- Operators control tens of thousands of client foodservice venues
- Enabled as a result of Barfresh securing national distribution footprint
- Meets operators' needs: speed of service, consistency
- Barfresh products aligned with better-for-you trends in managed foodservice

FoodService Dining

- National Customer is Adding Barfresh's Dairy and non-Dairy Smoothie Options to Menus in over 1,000 Locations
- Further Location Expansion Expected Throughout 2018
- This Customer is One of the Largest in the Food Service Industry
- Major Milestone for Barfresh and Expected to Move other National Account Tests to Signed Agreements
- Barfresh's Established Platform in Place to Satisfy Customers of this Size:
 - *Salesforce and Brokerage network,*
 - *Contract Manufacturing Partners,*
 - *Logistics and Distribution Network,*
 - *Available Inventory to Start Shipping Immediately.*

Schools: K-12

- Developed new product to fulfill USDA requirements for its national school meal programs
- Contains ½ cup real fruit, 4 oz. yogurt in every 8 oz. serving, no added sugar, no artificial ingredients or preservatives, meets all restricted calorie requirements, among other criteria
- Allows schools to receive federal reimbursement for needs-based students
- Massive market potential:
 - ~55 million elementary & secondary school students in the United States¹
 - 14,000 districts representing 98,000+ schools
- BRFH Program currently has contracts with over 100 as of April 2018 school serving locations in 5 states + Canada

(1) Source: National Center for Education Statistics, Department of Education, Table 105.20

Approval for All Branches of U.S. Armed Forces



- 6 Bases Activated April 2018 and Initial Shipments to be Reflected in Second Quarter 2018 Results
- Received approval from the United States Defense Logistics Agency (DLA) to sell Smoothie Products into all Branches of the U.S. Armed Forces
- Completed Stringent 12+ Month Military Approval Process
- The Easy Pour bulk Smoothies will be available to Military Food Service Programs supporting dining facilities
- Smoothies will be available 365 Days a Year/ 3 Meals Per Day at NO cost to Military Personnel
- Barfresh is Pursuing all 940 U.S. Military Branches, which serve 1.3 million active troops.

Leveraging Relationships to Drive Sales & Brand Visibility with High Traffic Customers

Statue of Liberty/Ellis Island (New York City, NY)

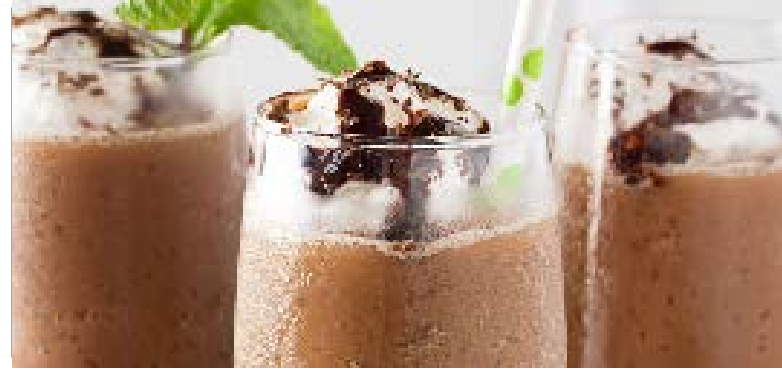


Pepsi Center (Denver, CO)



Aquarium of the Pacific (Long Beach, CA)





V. OPERATIONS

Manufacturing Capabilities / Relationships

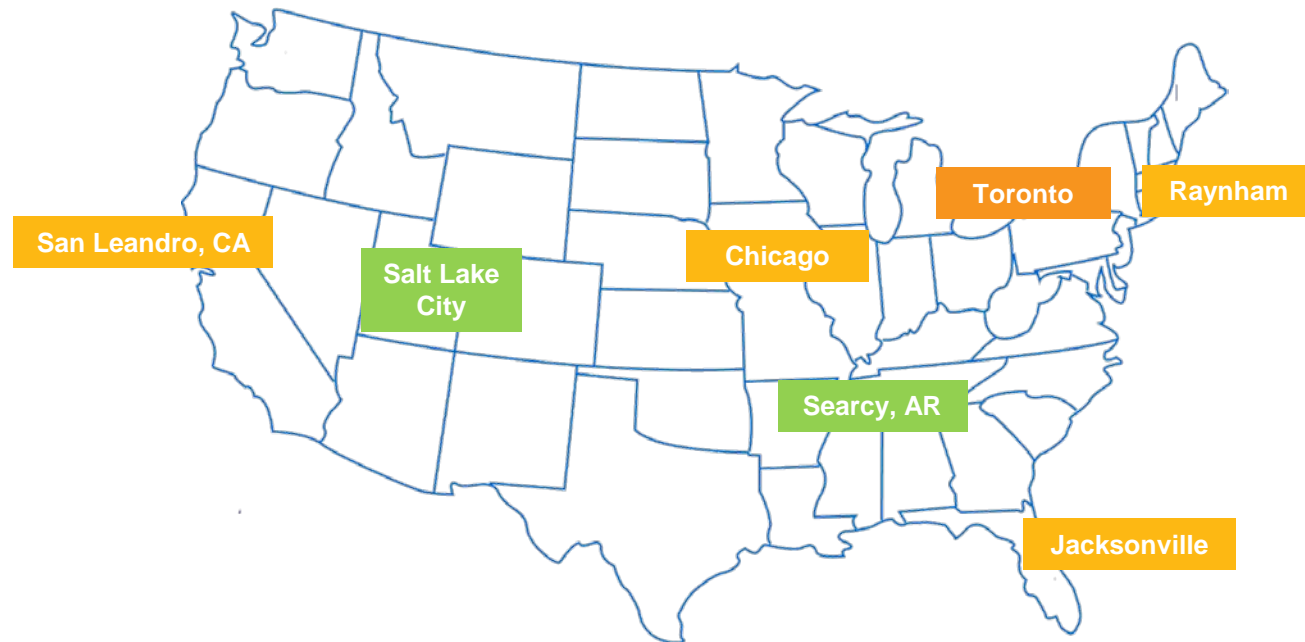
- Working exclusively with contract manufacturers
- Model allows maximum flexibility to manage volume fluctuations and start up requirements
- Barfresh-owned packaging equipment positioned on manufacturing line to work seamlessly with contract manufacturer's equipment and infrastructure
- CapEx for Barfresh equipment is ~\$1 million per 20 million units (annually)

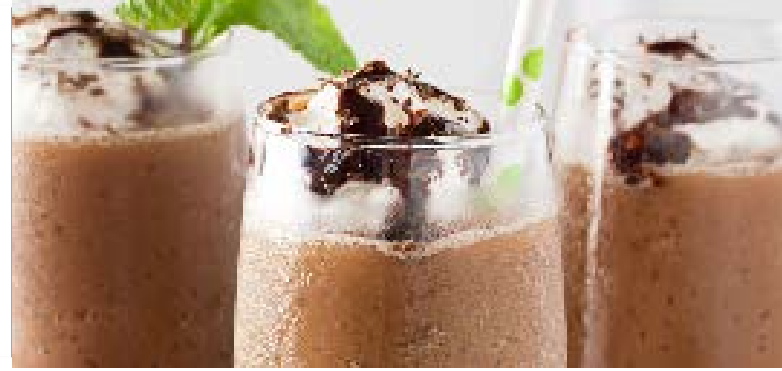
Manufacturing Capabilities / Relationships

- Currently working with two contractors:
 - *SALT LAKE CITY, UTAH*
 - *SEARCY, ARKANSAS*
- Ability to ramp up to additional 100 million units of annual capacity
- Dual locations provide efficiency of national supply chain
- Significant opportunity to realize cost savings as we gain scale

Supply Chain In Place To Meet Increased Demand

- Working with multiple forward warehousing partners to enhance ability to service all customers in North America
 - Inventory strategically located forward warehouses in Chicago (IL), Raynham (MA), Jacksonville (FL), San Leandro (CA), and Arkansas
 - System facilitates quicker order fulfillment, and enables customers to order less than full pallet orders on a weekly basis to directly address specific customer requirements
 - Ability to achieve full truckload rates to forward warehouses as our business gains scale
 - Extended distribution into Eastern Canada in May '17



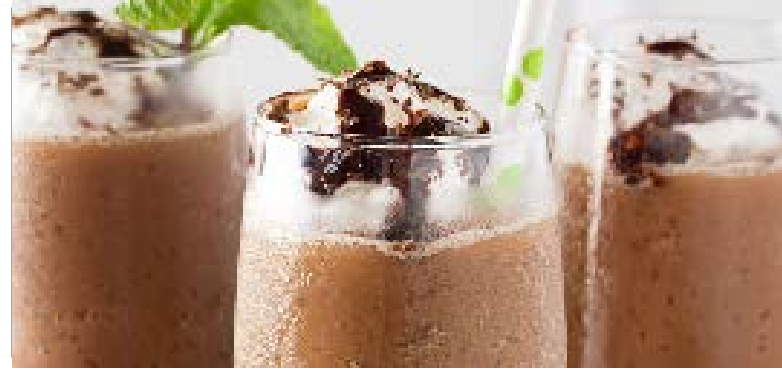


VI. UNIBEL

Strategic Investor & Global Partner



- November 2016: \$10M strategic equity investment by Unibel, parent company of Fromageries Bel, known as Bel Group
 - Headquartered in Paris, France
 - World leader in branded cheese (Laughing Cow, Mini-Babybell, Boursin); products sold in 130+ countries
 - Global operations in 33 countries, 30 production sites on 4 continents and nearly 12,000 employees
- February 2018: Lead investor in a \$4.1 convertible financing
- Strategy: Leverage Bel's 150 years of industrial expertise, innovative capabilities, world-class marketing and branding prowess to accelerate Barfresh's growth in new and existing markets and product channels
- Isabelle Ortiz-Cochet, Chief Investment Officer for Unibel, joined Barfresh's Board of Directors, bringing the number of total directors to 7, 4 of whom are independent



VII. KEY TAKEAWAYS

Positioned for Strong Revenue Growth

- First Quarter, 2018 Revenue Expected to be over \$700,000 (more than double Last year)
- 1,000 National Foodservice Locations Begin Second Quarter, 2018
 - *Expect Additional Locations Throughout 2018*
- Over 100 School Contracts Signed entering 2018
 - *Expect Additional Locations Throughout 2018*
- Approval to Sell Smoothies into U.S. Armed Forces Starting Second Quarter, 2018
 - *6 Initial Bases with Many More Expected to be Announced in 2018*
- Normalized Gross Margins of 50% Expected in 2018

Experienced Management Team

Executive	Position	Yrs.	Select Prior Experience
Riccardo Delle Coste	Founder & Chief Executive Officer	15	 
Joseph Tesoriero	Chief Financial Officer	30	  Global Crossing Ltd. 
Joseph Cugine	President	30	  
Craig Bennett	Director – Product Manufacturing & Development	30	  
Tim Trant	Chief Customer Officer	25	 

The Barfresh team brings significant operational experience to the table, along with the drive and passion to grow Barfresh to its full potential

Growth Capital Strategic Investor

- Cash on Balance Sheet at 12/31/17: \$1.3M & no Debt
- Ended 2017 with \$1.4M of Inventory for Planned Rollout of new National Account
- February 2018: \$4.1M convertible note (10% coupon) for growth capital available upon achieving two milestones:
 - 1) \$2.5M of principal released March 2018 upon reaching a national sales agreement into 1,000 locations
 - 2) 40% of principal available upon reaching a national sales agreement into an additional 2,500 locations

Key Takeaways

1

Proprietary frozen beverage delivery system that's on-trend – solves traditional food-service issues: waste, labor, consistency

2

Scalable infrastructure in place to generate margin expansion as sales accelerate

3

Sales channel and distribution include Exclusive Sysco and PepsiCo contracts and Leading 3rd Party Foodservice Relationships

4

Recently expanded into very large new sales channels with National School and Global Military Contracts

5

Begin Shipping to New 1,000 National Foodservice Locations in 2nd Q, 2018: Potential to expand into 2,500 Locations

6

Strong balance sheet, growth capital in place

7

Experienced and invested management team: Industry veterans and high insider ownership (~59%)

Snapshot of Barfresh Food Group



Company Summary

Stock Symbol (OTCQB)	BRFH
Stock Price	\$0.70
52-Week Range	\$0.35 to \$0.82
Shares Outstanding*	117.7 million
Market Capitalization	\$85 million
3-mth Average Daily Volume	111,500
Year founded	2012
Headquarters	Beverly Hills, California

*As of 12/31/17



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