



WHIRL • CLASS®
BLENDED DRINKS

Investor Presentation

Premeasured | Prepackaged | Perfection

October 2018

Forward Looking Statements

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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

INTRODUCTION



2nd Quarter 2018 Results and Expected Back Half of 2018 Revenue Ramp

-  *Second quarter revenue increased 73% to \$1.1 million*
-  *Gross margins improved to 52.2%*
-  *Expanding Military channel to 45 locations during third and fourth quarters from current 6 locations*
-  *School channel expanding to over 300 locations when 2018/2019 school year begins*
-  *All 1,000 new National foodservice locations expected to be fully engaged in launch by end of year*
-  *Third quarter-to-date (August 15th) revenue has exceeded \$1 Million*

Barfresh Product Portfolio

vanilla shake

low fat vanilla bean
ice cream, milk



caribbean smoothie

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



triple berry smoothie

berry sorbet,
strawberry puree,
blueberries, pineapple
crush, and pear,
raspberry, blueberry
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



caramel macchiato frappe

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



mocha frappe

espresso coffee,
low fat chocolate
ice cream, milk



strawberry banana smoothie

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



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Barfresh's Differentiated Single Serve Product & Process

Operational Simplicity

- Perfect consistency every time
- Makes a smoothie in approx. 1 minute
- 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



In Less Than a Minute!

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Barfresh's Single Serve Solution

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 oz. of water to blender bowl



3



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 within 3 days of thawing)



11 oz. single serve pack



2

Add $\frac{3}{4}$ cup of ice (6.5 oz. weighted) to blender bowl



3



Whirl Class 16 oz. blended beverage

Barfresh's Single Serve Solution

Channels



National Quick Service Restaurants
("QSRs")



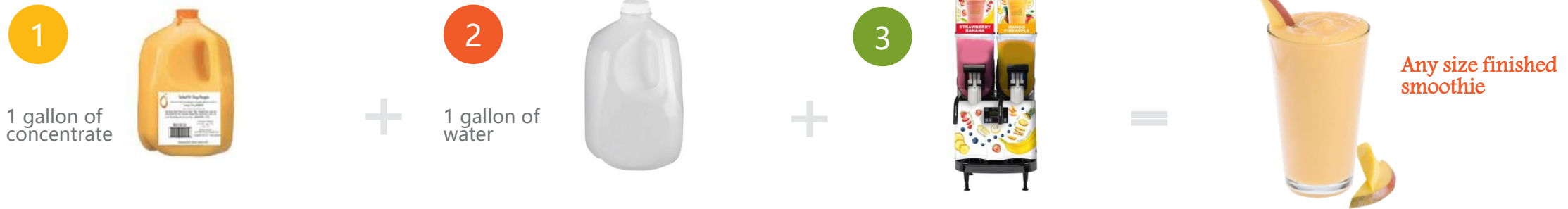
Business & Industry

Barfresh's "Easy Pour" Bulk Format Solution

Response to customers requiring rapid speed of service

The Barfresh Process

BarFresh Bulk Solution



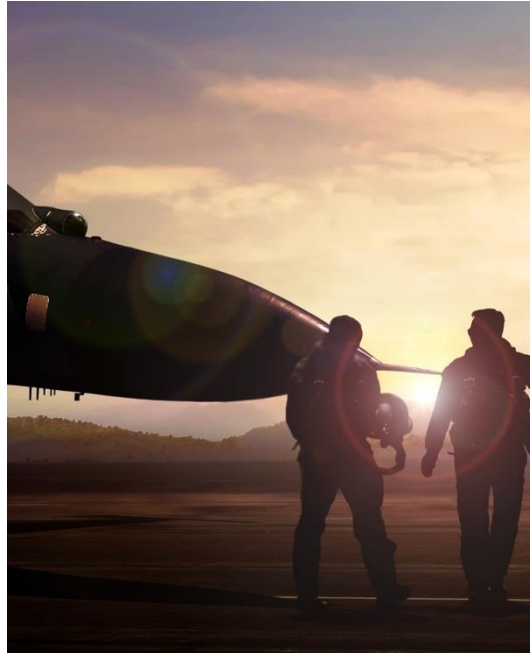
Flexible Solution Can Fit with Customer's Existing Equipment

Barfresh's "Easy Pour" Bulk Format Solution

Channels



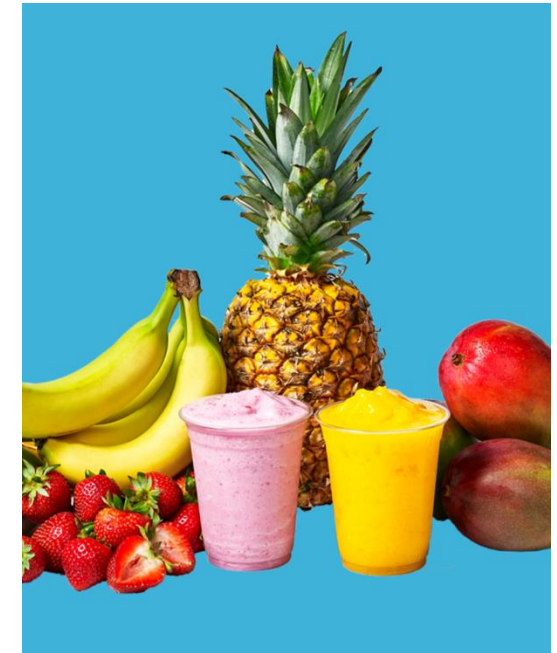
Education



Military



Recreation, Amusement & Tourism



High-Volume QSRs

Barfresh at a Glance



International patents granted



New “Easy Pour” bulk format



Custom flavor development capabilities



Proprietary portion controlled frozen beverage offering



Seven flavors available as part of standard line



Exclusive partnership ⁽³⁾



Exclusive sales partnership for North America ⁽¹⁾



Unibel strategic investment & global partnership ⁽²⁾

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

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

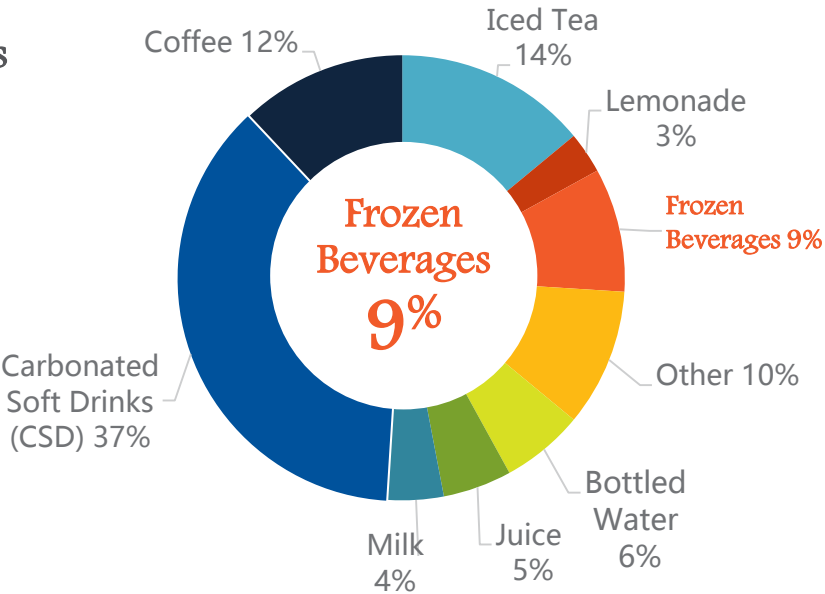
(3) Sysco exclusive distribution contract renewed and extended for additional two years on 10/2/17.

II. INDUSTRY OVERVIEW



Frozen Beverages: Fastest Growing Beverage Category

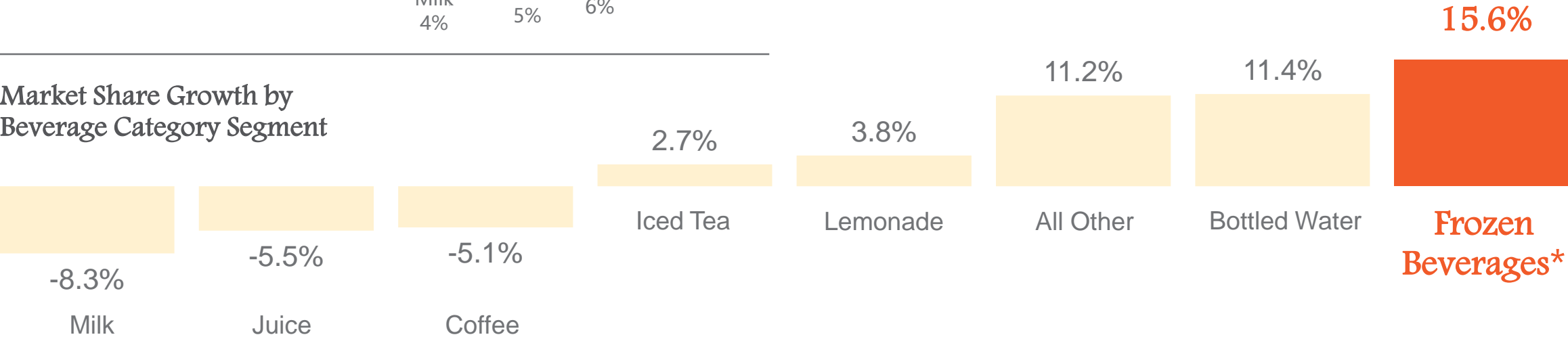
Beverage Sales by Category



Frozen Beverages
Fastest growing category

4th largest non-alcoholic beverage category in food service

Market Share Growth by Beverage Category Segment

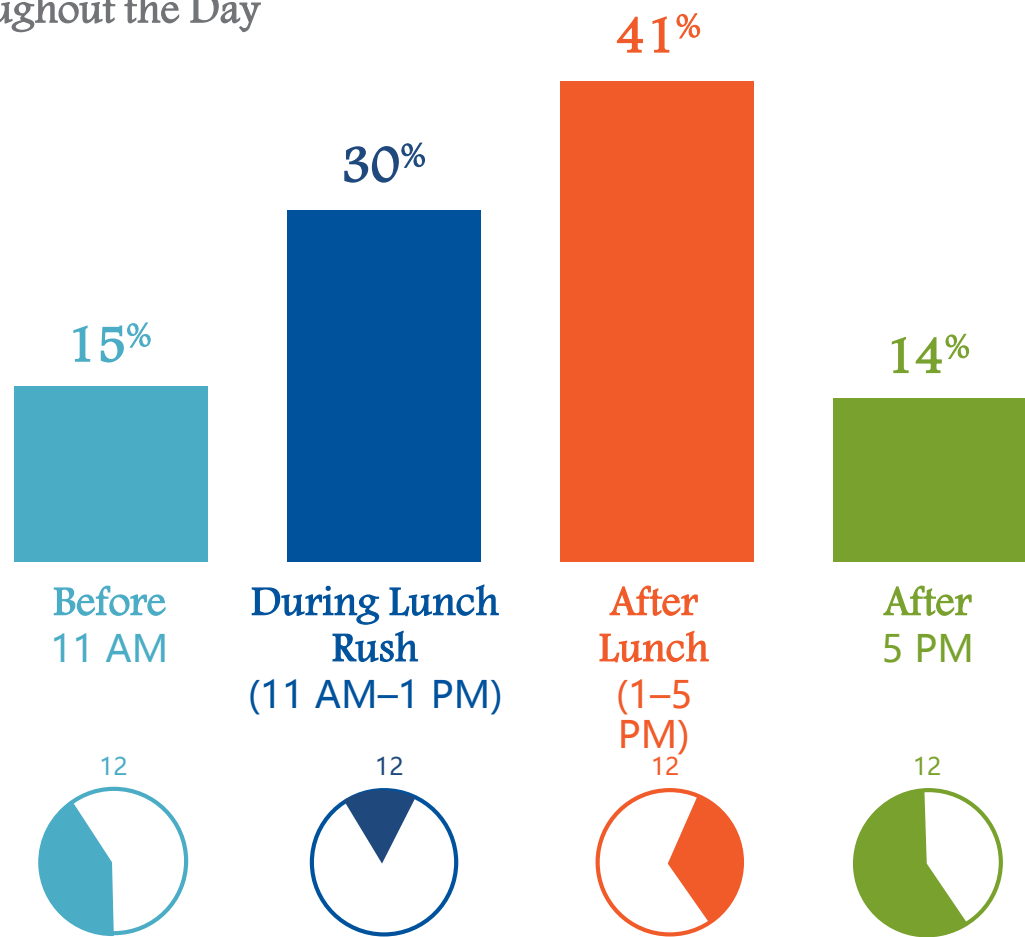


Source: NPD CREST
*Frozen coffee, shakes, smoothies, slushes



Smoothies are an All Day Opportunity

Smoothie Sales
Throughout the Day



Smoothies:
A Snack or a Meal?

59%
Snack

16%
Meal

25%
Part
of a Meal

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III. SALES AND DISTRIBUTION STRATEGY



Sales Process Summary

Barfresh

- Product development
- Training
- Strategic partnership with Sysco and PepsiCo
- Leverage exclusive broker network

Barfresh Internal Sales Team Focused on Large Accounts

- Restaurants
- Education
- Military
- Healthcare
- Travel and Leisure
- Business and Industry



Good things
come from
Sysco™ & other distributors

- Facilitate new business
- Warehouse and deliver product
- Provide frozen supply chain to end customers

 **PEPSICO**

- Drive distribution with enormous customer base
- Manage and maintain customer relationships
- Provide marketing, PR & trade support
- Full integration into PepsiCo system

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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”

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Exclusive Distribution Partnership



- **Distribution partnership** with the **largest food industry redistributor in North America** signed September 2018
- Full product distribution in **Dot Food's approximate 4,500 locations** representing multiple channels including food service, retail and convenience
- Dot Foods has been leading the way in food industry redistribution for more than 55 years with **eleven distribution centers** strategically located across the country, serving **all 50 states and over 35 countries**
- Dot Foods distributes 127,000 products from more than 930 food industry manufacturers to distributors both regionally and internationally
- Provides greater access to new "Chain" customers that have a large number of stores that are geographically diverse
- Enables Barfresh to reduce shipping costs

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Exclusive Sales Partnership



- **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

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IV. SALES CHANNELS



National Account Sales Overview

National Account Rollout Process



Currently in various stages of product development and testing with several National Accounts

Abundant National Account Opportunities

1st National Account Customer Rollout

- Major milestone – April 2018 rollout with a National Customer
- Adding Barfresh's Dairy and non-Dairy Smoothie options to menus in over 1,000 locations
- Further location expansion expected throughout 2019
- Customer is one of the largest in the foodservice industry

Robust QSR Pipeline

- Progression with major national account prospects continues
- Expects to move other national account tests to signed agreements/rollouts

Innovation For Elementary and Secondary Schools

Massive market potential¹

School students in the United States

14K districts → **98K+** schools

Current contract with

Over 300

school serving locations
as of September 2018

**Acceleration expected
for new school year 2018**

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



REAL FRUIT

No Preservatives

No Artificial Flavors or Colors

No Sugar Added

Non-GMO

Gluten-Free

**Meets breakfast meal
pattern regulations**

- Provides ½ to 1 cup of real fruit in every serving
- Is USDA Smart Snack Compliant
- Meets the “Buy American” requirement

Approval for All Branches of U.S. Armed Forces



Military

- 11 bases activated (as of August 2018) 45 bases with signed contracts and rolling out in Fall 2018
- 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
12mos+
military approval
process

Barfresh's 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 to enlisted personnel as part of their meal service program
- Barfresh is pursuing Global Military bases, which support its 1.3 million active troops

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V. OPERATIONS



Scalable Manufacturing Capabilities & Relationships

Flexible Operating Model Provides Opportunity to Scale Quickly

Utilize two contract manufacturers that provide Barfresh efficient national coverage.

- Salt Lake City, Utah & Searcy, Arkansas
- 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

- Ability to **ramp up to additional 100 million units** of annual capacity
- CapEx for Barfresh equipment is **~\$1 million per 20 million units** (annually)

Procurement-related synergies

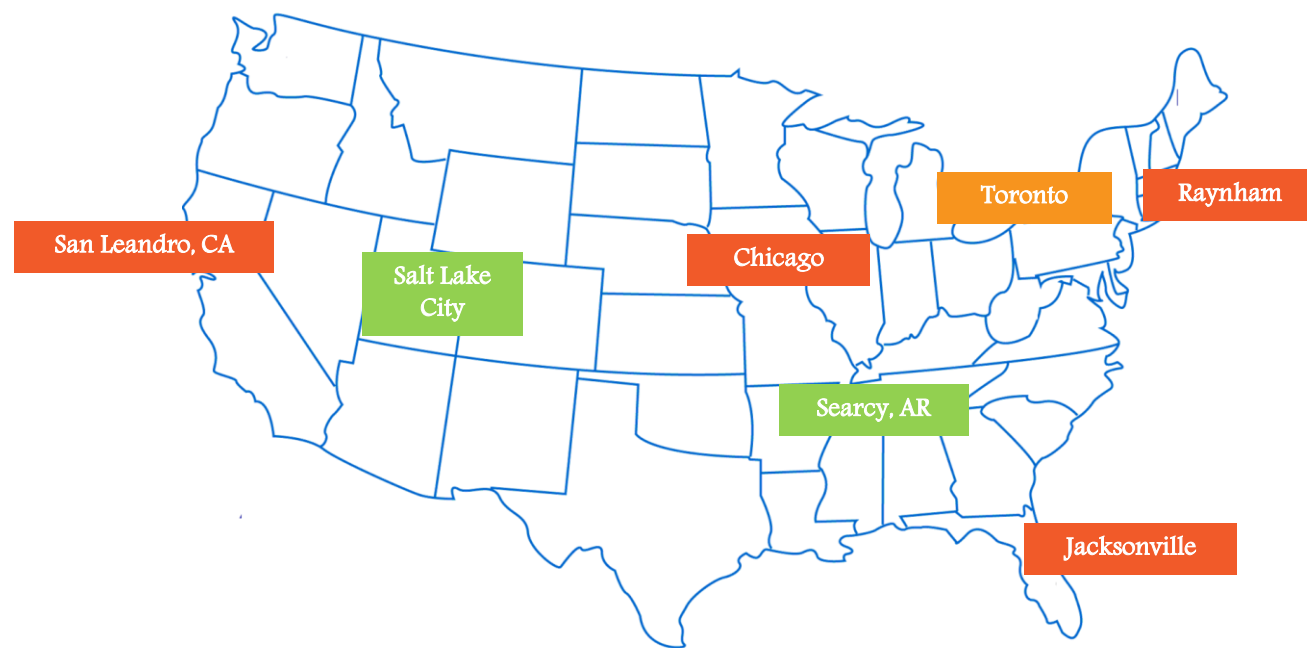
Long-term targeted gross margins in excess of **50%**



Supply Chain In Place To Meet Increased Demand

Alignment with multiple forward warehousing partners enhances Barfresh's ability to service customers across North America

- Inventory strategically located at 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



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Vi. UNIBEL



Strategic Investor & Global Partner

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



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

33
countries

30
production
sites

4
continents

~12K
employees

November 2016

\$10M strategic equity investment by **Unibel**

February 2018

Lead investor in a **\$4.1 convertible financing**

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



Experienced Management Team

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

Brings significant operational experience and the drive and passion to grow Barfresh to its full potential

Sound Capital Structure Positioned for Growth

Growth Capital in Place & Aligned with Strategic Investor

Balance Sheet at 6/30/18

Cash	Inventory	Debt
\$900K	\$1.4M	\$2.2M

Raised an additional **\$550K** from the exercise of warrants after Quarter End

Positioning to meet demand from new accounts

Financing in place

Entered into an agreement in February 2018 for \$4.2M of available capital via convertible note (10% coupon) for growth capital available upon achieving two milestones:

\$2.5M of principal was funded in March 2018 upon reaching a national sales agreement into 1,000 locations

Remaining 40% (\$1.7M) of principal available upon reaching an additional national sales agreement for 2,500 locations. The Company expects to meet this milestone during the balance of 2018.

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Positioned for Strong Revenue Growth

3Q18 significant revenue acceleration expected

Recently signed
1st National Account

1,000

Locations
began
rollout
in 2018
Expect additional
locations
throughout 2018

Over 300 School serving
locations
(as of September 2018)

Expect significant
growth in
additional
locations in
connection with
new school year
(Fall 2018)

Approval to sell smoothies
into U.S. Armed Forces
starting 2Q18

Expanding to 45 bases

With many more
expected to be
announced Fall
2018

Achieving gross
margins over 50%
expected in 2018

Key Takeaways

- 1 Proprietary frozen beverage product 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, PepsiCo, Dot Foods and Gold Star contracts and leading 3rd party foodservice relationships
- 4 Recently expanded into very large new sales channels with Education and Military contracts
- 5 Began shipping to 1,000 new National foodservice locations in 2018
- 6 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 ¹	\$0.55
52-Week Range	\$0.35 to \$0.73
Shares Outstanding ²	118.8 million
Market Capitalization	\$65 million
3-mth Average Daily Volume	72,000
Year founded	2012
Headquarters	Beverly Hills, California

¹As of 9/26/18

²As of 6/30/18

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