



WHIRL • CLASS®
BLENDED DRINKS

Investor Presentation

Premeasured I Prepackaged I Perfection

December 2018

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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



3rd Quarter 2018 Results and Recent Business Highlights

-  *Third quarter revenue increased 138% to \$1.6 million*
-  *Third quarter gross margins continued improvement to 55.3%*
-  *Expanded Military channel to 75 military dining facilities*
-  *School channel expanded to over 300 locations across multiple states*
-  *Announced distribution agreement with one of the largest specialty food school suppliers, serving more than 600 school districts with thousands of schools throughout the west and southwest United States*
-  *Announced first major expansion into the QSR channel with written notification of approval of multiple products for roll out into a national QSR with over 2,500 locations*

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



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!

barfresh®

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

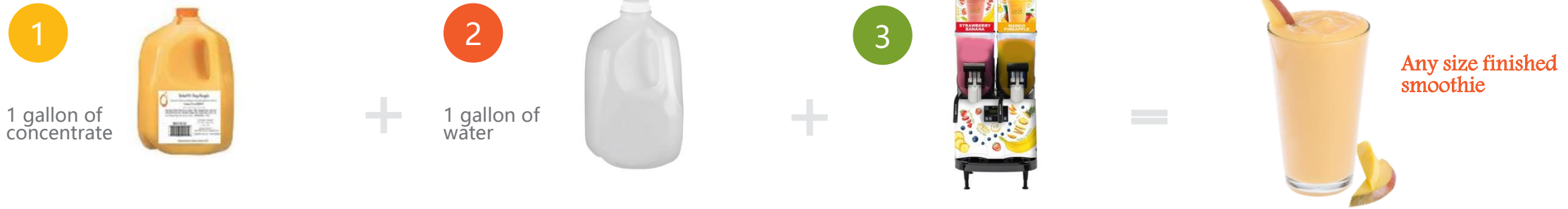


Barfresh's "Easy Pour" Bulk Format Solution

Response to customers requiring rapid speed of service

The Barfresh Process

BarFresh Bulk Solution



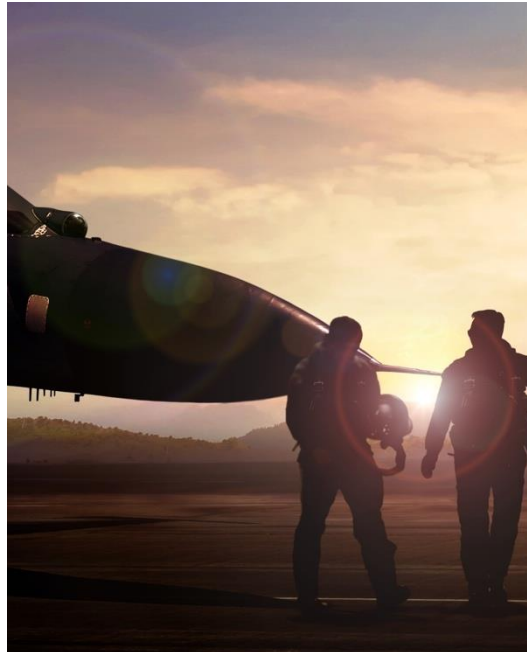
Flexible Solution Can Fit with Customer's Existing Equipment

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.

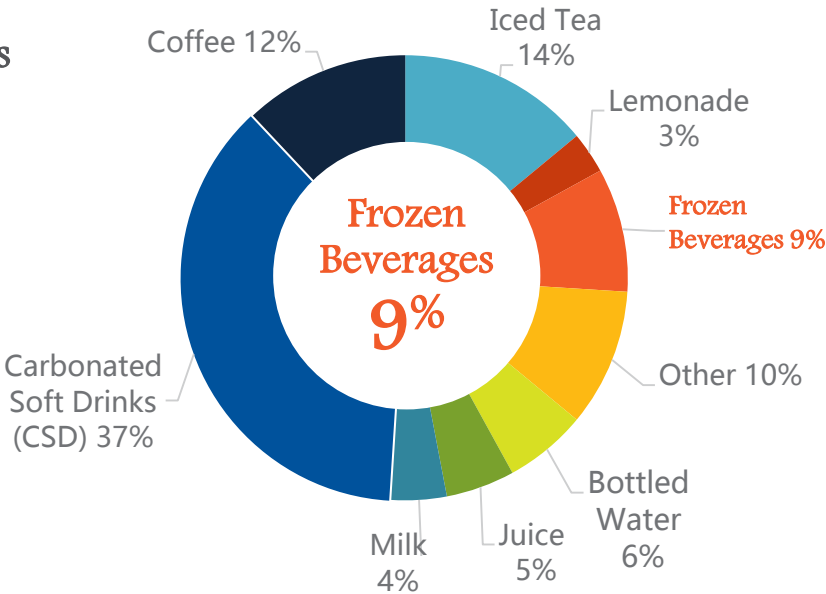
(3) Sysco exclusive distribution contract renewed and extended for additional two years on 10/2/17.

II. INDUSTRY OVERVIEW



Frozen Beverages: Fastest Growing Beverage Category

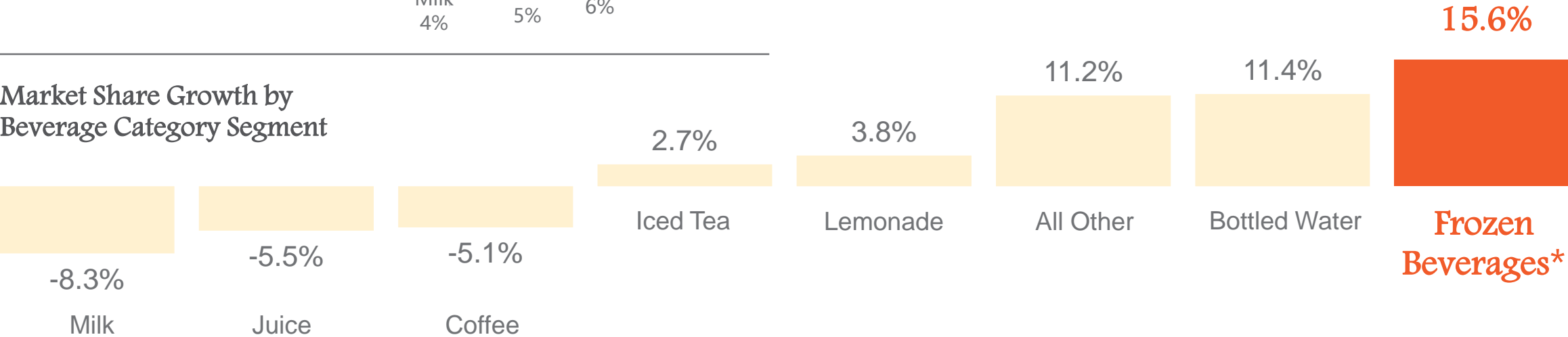
Beverage Sales by Category



Frozen Beverages
Fastest
growing category

4th largest
non-alcoholic beverage
category
in food service

Market Share Growth by Beverage Category Segment

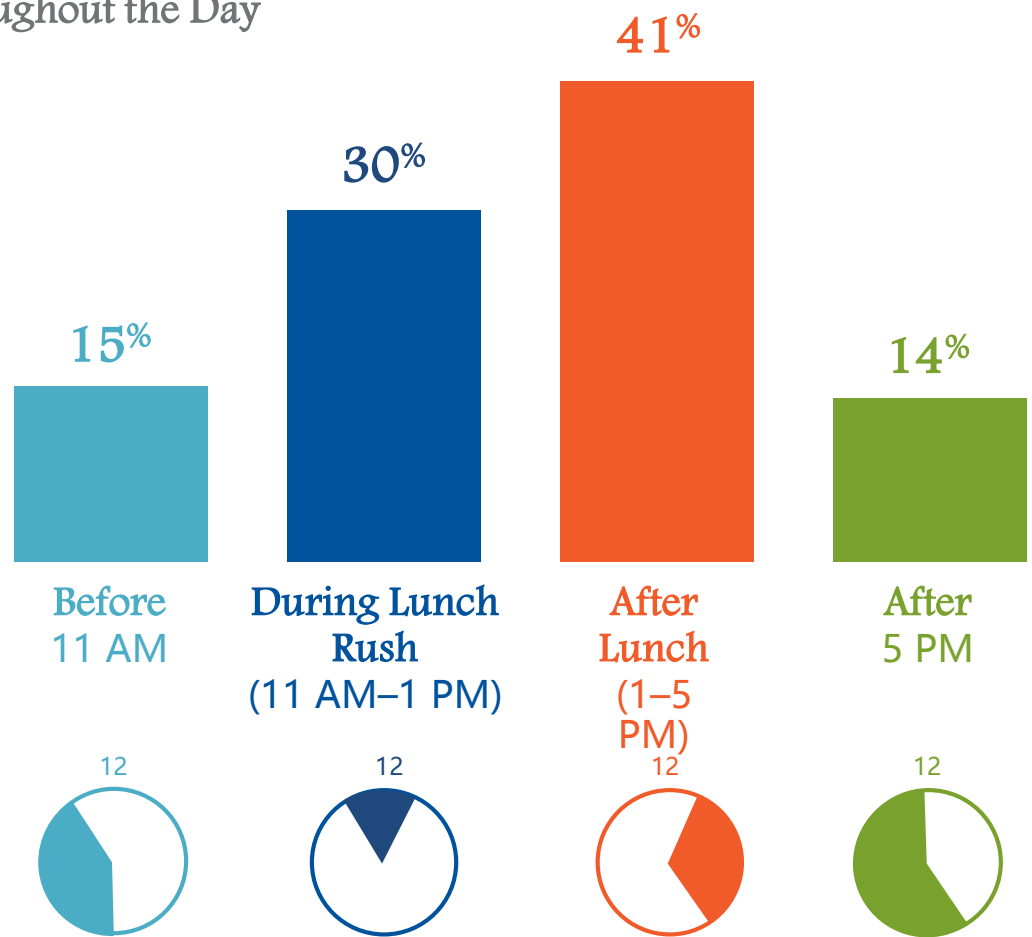


Source: NPD CREST
*Frozen coffee, shakes, smoothies, slushes



Smoothies are an All Day Opportunity

Smoothie Sales
Throughout the Day



Source: Vitamix/ORC International

Smoothies:
A Snack or a Meal?

59%
Snack

25%
Part
of a Meal

16%
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

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"

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

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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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 with 1,000 locations
- Adding Barfresh's Dairy and non-Dairy Smoothie options to menus
- Customer is one of the largest in the foodservice industry

1st National QSR Customer Account

- Major milestone – November 2018 written notification of approval of multiple products for rollout into a national QSR with over 2,500 locations

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 November 2018

Acceleration expected
for remainder of 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

- 60 military locations installed (as of December 2018) and agreements in place for 75 dining facilities
- 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

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

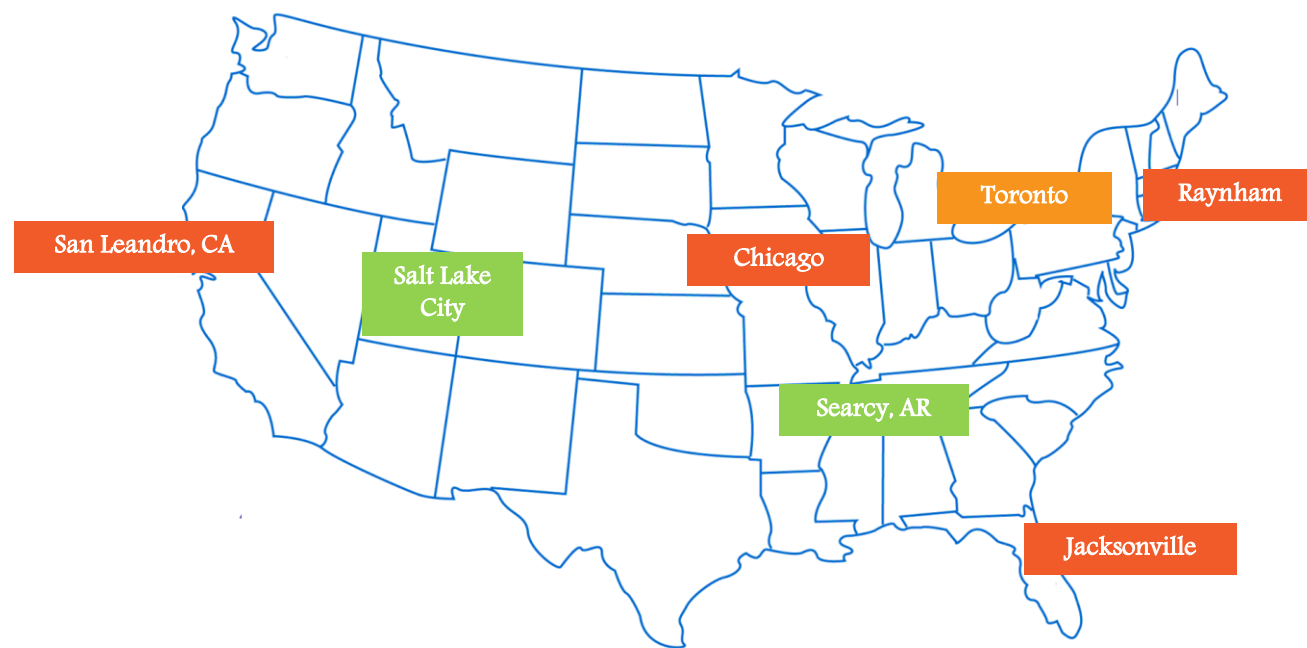
Long-term targeted gross margins in excess of **50%**



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



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



Sharing smiles

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

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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	  Global Crossing Ltd. 
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 9/30/18

Cash

\$316K

Inventory

\$1.1M

Positioning to
meet demand
from new
accounts

Debt

\$2.4M

Financing in place

\$1.3M of principal was funded in November 2018 upon receiving written notification of approval from a national QSR with over 2,500 locations

Positioned for Strong Revenue Growth

FY19 significant revenue acceleration expected

Recently received written notification of approval from 1st National QSR with

2,500 Locations

Signed 1st National Account with

1,000 Locations

Over 300 School serving locations
(as of November 2018)

Expect significant growth in additional locations in remainder of school year

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

Expanding to 75 bases

With many more expected to be announced in 2019

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 contracts and leading 3rd party foodservice relationships
- 4 Recently expanded into very large new sales channels with Education and Military contracts
- 5 Received written notification of approval for roll out into a national QSR with over 2,500 locations and entered into a contract with a national account for the sale of our products into approximately 1,000 new 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	\$0.72
52-Week Range	\$0.35 to \$0.72
Shares Outstanding ²	120.4 million
Market Capitalization	\$87 million
3-mth Average Daily Volume	119,000
Year founded	2012
Headquarters	Beverly Hills, California

¹As of 11/28/18

²As of 9/30/18