



barfresh™

WHIRL • CLASS

BLENDED DRINKS

2016 Roth Conference

March 15, 2016

PREMEASURED | PREPACKAGED | PERFECTION

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Agenda

- I. Introduction
- II. Industry
- III. Product
- IV. Sales Strategy
 - Sysco
 - PepsiCo
- V. Operations Overview
- VI. Key Takeaways

Barfresh at a Glance

International patent monetization opportunity ⁽¹⁾



Custom flavor development capabilities

Proprietary portion controlled frozen beverage offering



Sysco

Exclusive Partnership

Eleven flavors available as part of standard line



PEPSICO

Exclusive sales partnership for North America



Expansion into the grocery retail channel

- (1) Barfresh owns the domestic and intellectual property rights to its products' sealed pack of ingredients. Barfresh acquired patent applications filed in the United States and Canada from certain related parties. Barfresh acquired all of the related international patent rights, which were filed pursuant to the Patent Cooperation Treaty, have been granted in 13 jurisdictions and are pending in the remainder of the jurisdictions that have signed the PCT. In addition, the Barfresh purchased all of the trademarks related to the patented products.
- (2) Exclusive sales agreement with PepsiCo North America Beverages signed on 10/26/15.



II. INDUSTRY OVERVIEW

Beverage Consumption Drivers

Consumers Are Seeking Healthier Options

57% Prefer to Drink Beverages



57% of Americans are Active



35% Drink to Help Stay in Shape



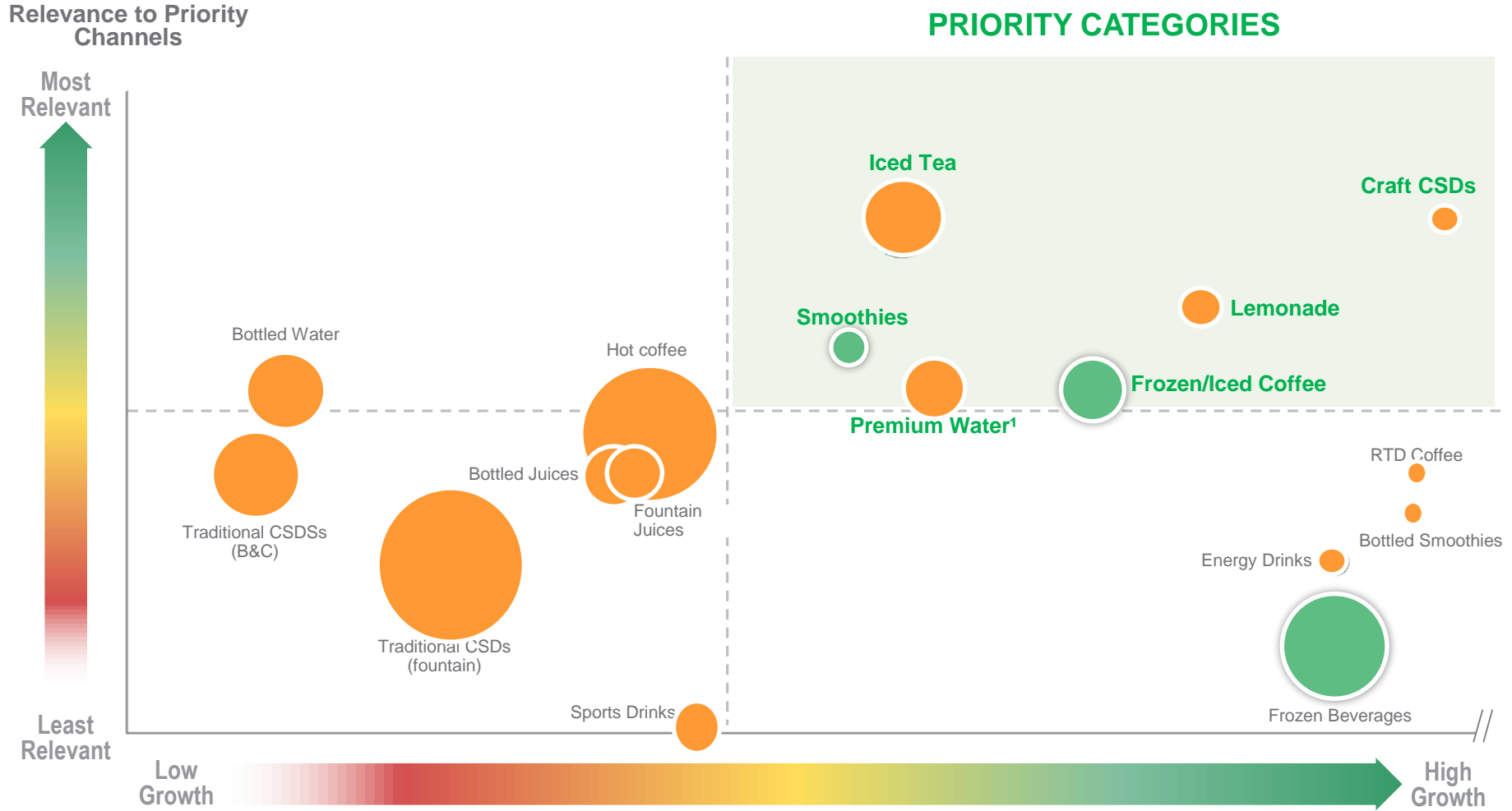
34% Seek All Natural Beverages



74% Are Doing Something About Their Weight



Distinct Categories are Emerging, with Strong Consumer Relevance in Priority Channels

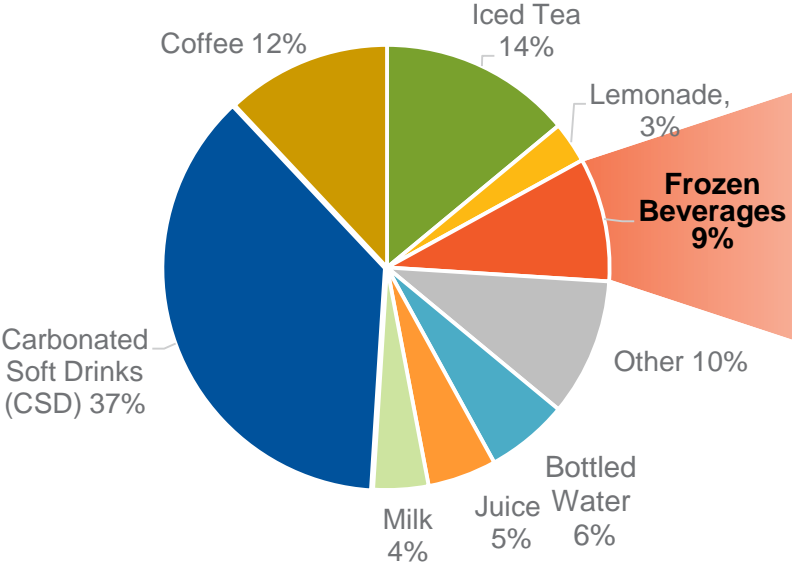


1. Includes Premium still water, Sparkling water, and Enhanced water
 Source: BCG Foodservice analysis, Spring 2015

Frozen Beverages: Fastest Growing Beverage Category



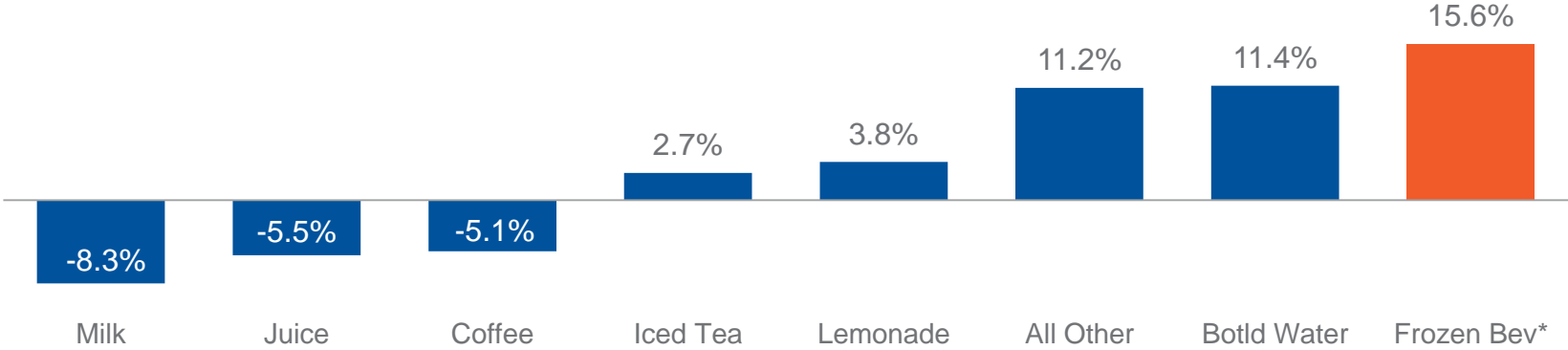
Beverage Sales by Category



Frozen Beverages have been the fastest growing category since 2009

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

Market Share Growth by Beverage Category Segment over last 5 Years



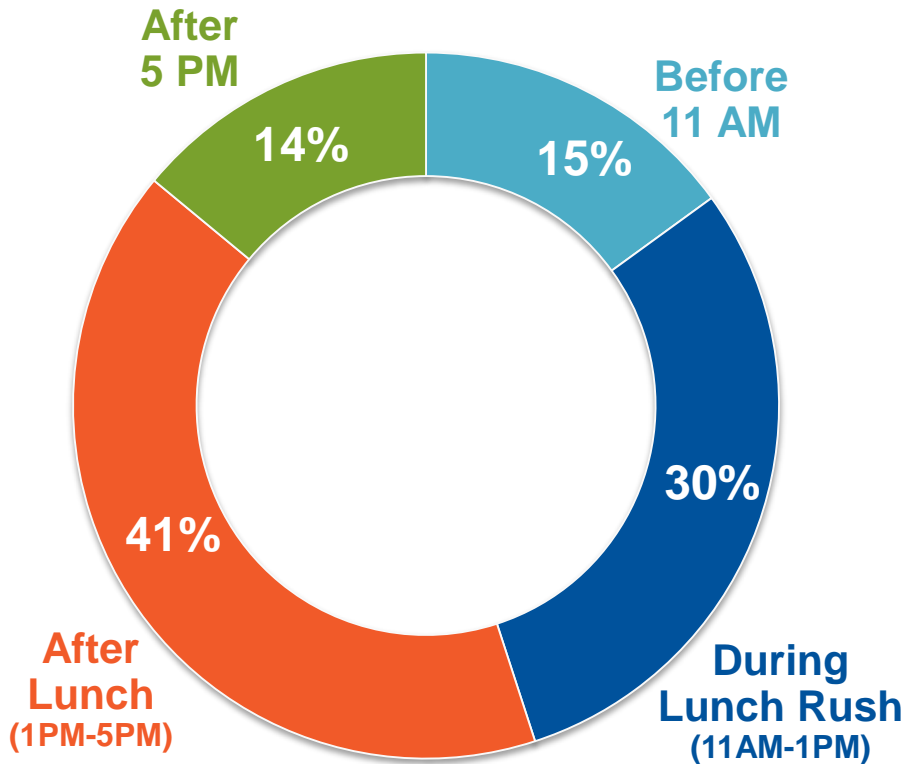
Source: NPD CREST

*Frozen coffee, shakes, smoothies, slushes

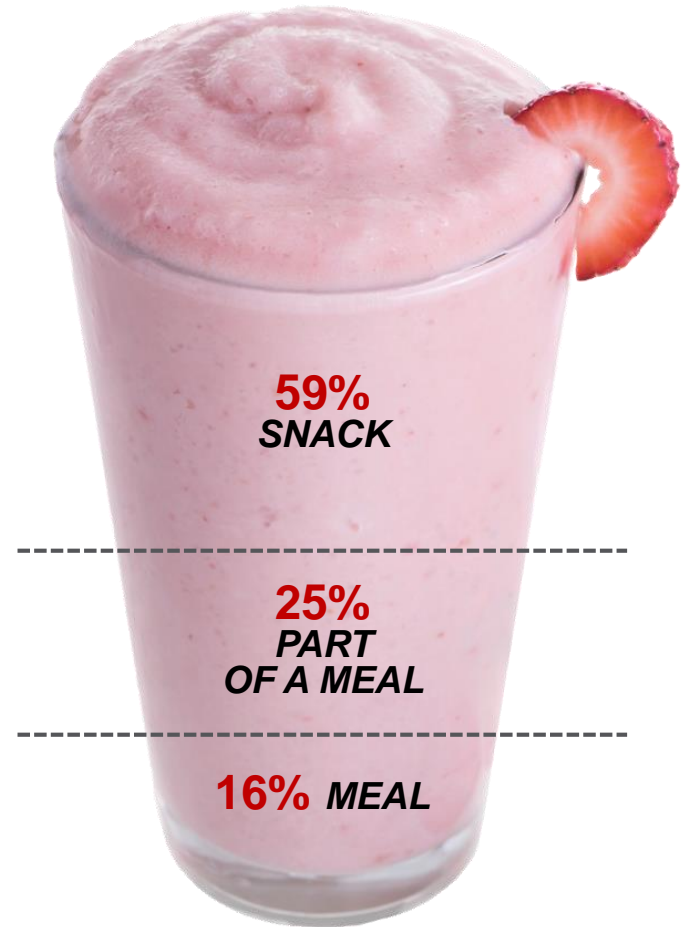
Smoothies are an All Day Opportunity

Grow Sales in Non-traditional Dayparts

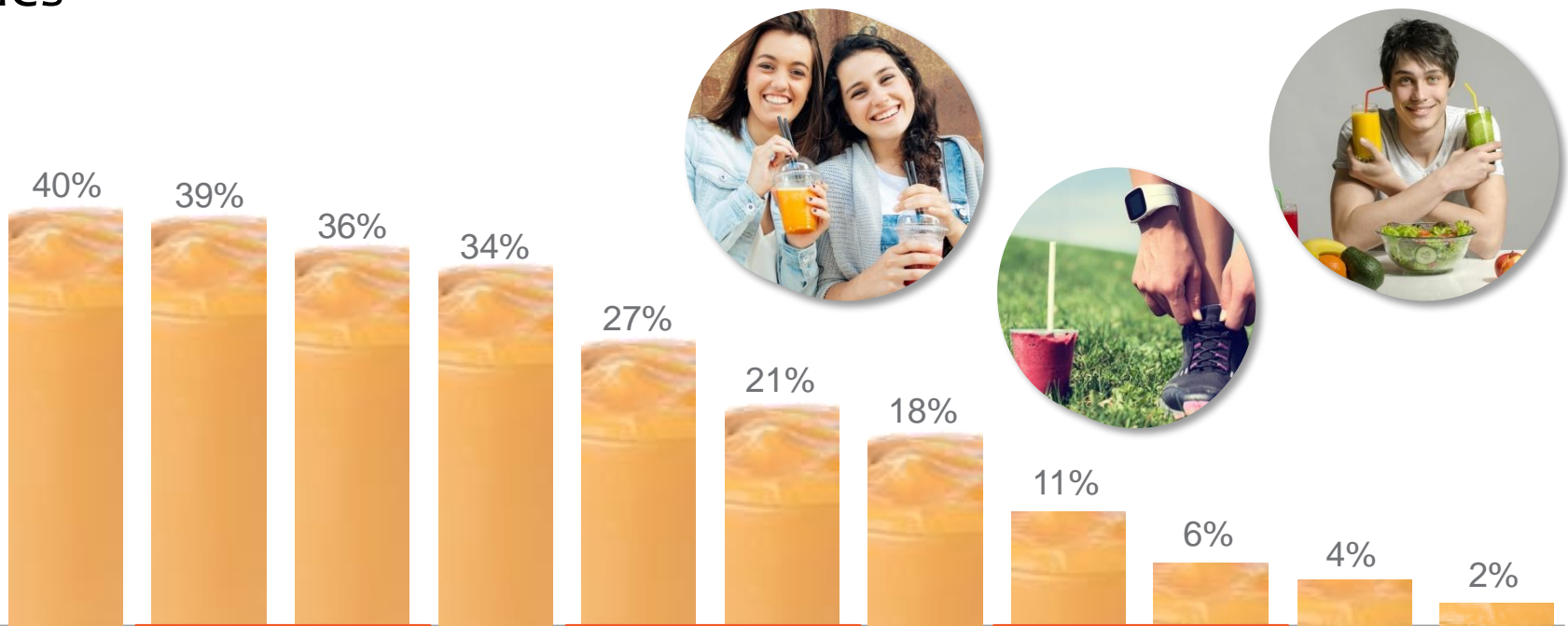
Smoothie Sales Throughout the Day



Smoothies: A Snack or a Meal?



Why Do You Drink Smoothies? Primarily as a Snack, a Healthier Drink Option, and Easy Way to Enjoy Fruits and Veggies



# OF SMOOTHIES LAST 30 DAYS	As a snack	Healthier drink option	Easy way to enjoy fruits/veggies	Taste	Meal replacement	Meet daily intake of fruit/veggies	Diet Resons	Detoxification	Recommended	Try for first time	Other
1-5	40%	33%	31%	34%	25%	18%	17%	9%	5%		2%
6+	44%	54%	52%	32%	36%	30%	22%	16%	11%		2%

= statistically higher than the percent consuming 1-5 smoothies

Source: ORC Smoothie Tracker, n = 1,006, November, 2015 (n = 290 for 1-5 smoothies; n = 144 for 6+ smoothies)

Q. Why do you drink smoothies?



III. PRODUCT OVERVIEW

THE barfresh™ PROCESS:



- ✓ Real Fruit
- ✓ Juice
- ✓ Ice
- ✓ Low Fat Frozen Yogurt, Sorbet or Ice Cream



**Whirl Class
Blended
Beverage**

Barfresh Product Portfolio



chocolate shake

low fat chocolate ice cream, milk



strawberry smoothie

Plump, juicy strawberries, sorbet, all natural pear juice



vanilla shake

low fat vanilla bean ice cream, milk



caribbean smoothie

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

fruits & greens smoothie

tropical sorbet, pineapple crush, mango and banana puree, spinach and kale puree, apple juice & spirulina



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.

triple berry smoothie

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



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



mango smoothie

Sweet, juicy mango, low fat frozen yogurt, all natural apple juice



strawberry banana smoothie

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





Ingredient Line Guidelines: Smoothies

- Less than 300 calories
- Less than 6 grams of total fat
- Less than 2 grams of saturated fat
Greater than 3 grams for fiber
- Greater than 8 grams of protein
for yogurt smoothies
- Minimal sugar added.



IV. SALES STRATEGY

Sales Process Summary



barfresh

- Product development
- Training
- Strategic partnership with Sysco and PepsiCo



& other distributors

- Facilitate new business
- Warehouse and deliver product
- Provide frozen supply chain to end customers
- Handle all receivables
- Activate 8,500 sales representatives



barfresh

Channel Prioritization

- Restaurants
- Healthcare
- Travel and Leisure
- Business and Industry
- College and University



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

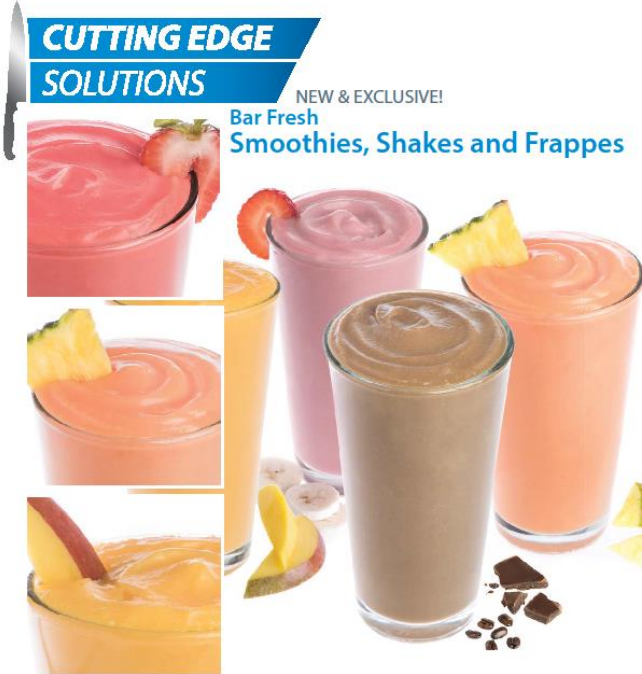


- Exclusive multi-year partnership with the world's largest food & beverage distributor
- Full product distribution in all 70 Sysco operating companies across the US.
- Barfresh selected as one of 16 products to be part of exclusive innovation focus
- Dedicated Barfresh sales team to work with Sysco operating companies

Exclusive Distribution Partnership



Good things
come from
Sysco™



Good things
come from
Sysco | **barfresh**

Exclusive Distribution Partnership

Good things come from **Sysco**™

CUTTING EDGE SOLUTIONS

NEW & EXCLUSIVE!

Bar Fresh Smoothies, Shakes and Frappes **barfresh**



Sysco proudly offers Bar Fresh smoothies, shakes and frappes. These creamy, delicious beverages, made with real fruit, come in a variety of flavors. They contain no preservatives, artificial flavors or colors. For a consistent, quality drink, blend one frozen Bar Fresh pouch with water and serve!

FEATURES AND BENEFITS

- Reduces labor with operational simplicity
- Consists of one frozen pouch serving and 5 oz of water per serving
- Requires only a blender to prepare
- Makes a smoothie in 15 seconds
- Prepares consistent, quality servings
- Provides portion control
- Eliminates waste without fresh inventory spoilage



Bar Fresh provides a delicious, healthy drink alternative for nutrition-conscious consumers seeking a convenient snack for themselves and their family.

BETTER FOR YOU INGREDIENTS

- No artificial colors or flavors
- Made with real fruit
- Gluten-free
- Kosher certified
- Clean labeling

**** Retail at \$3.99**
**** \$2.69 in your pocket every 16oz portion!**
**** 24 incremental sales per day equals over \$22,626 annual profit!**



Visit www.chefreelfoodie.com
For videos and recipes

SUPC	Pack/Size	Brand	Description
2330993	24/11 oz	BARFRSH	Drink Smoothie Caribbean Packet
2752063	24/11 oz	BARFRSH	Drink Smoothie Mango Burst Packet
2309104	24/11 oz	BARFRSH	Drink Smoothie Strawberry/Banana Yogurt Packet
2309025	24/11 oz	BARFRSH	Shake Vanilla Bean Packet
3796883	24/11 oz	BARFRSH	Drink Smoothie Caramel Macc Frappe

Contact your local Marketing Associate for more information.
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Exclusive Distribution Partnership

Good things
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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
- 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

National Account Sales Overview

National Account Sales Order Process



Volume Impact of One National Account

ASSUMPTIONS

Number of Restaurants	3,000
X	
Barfresh beverages / day / location	20
X	
Operating Days	365
<hr/>	
= 22 million Barfresh beverages / year	

Barfresh is currently in various stages of product development and testing with National Accounts representing over 37,000 restaurant locations





V. OPERATIONS OVERVIEW

Manufacturing Capabilities / Relationships

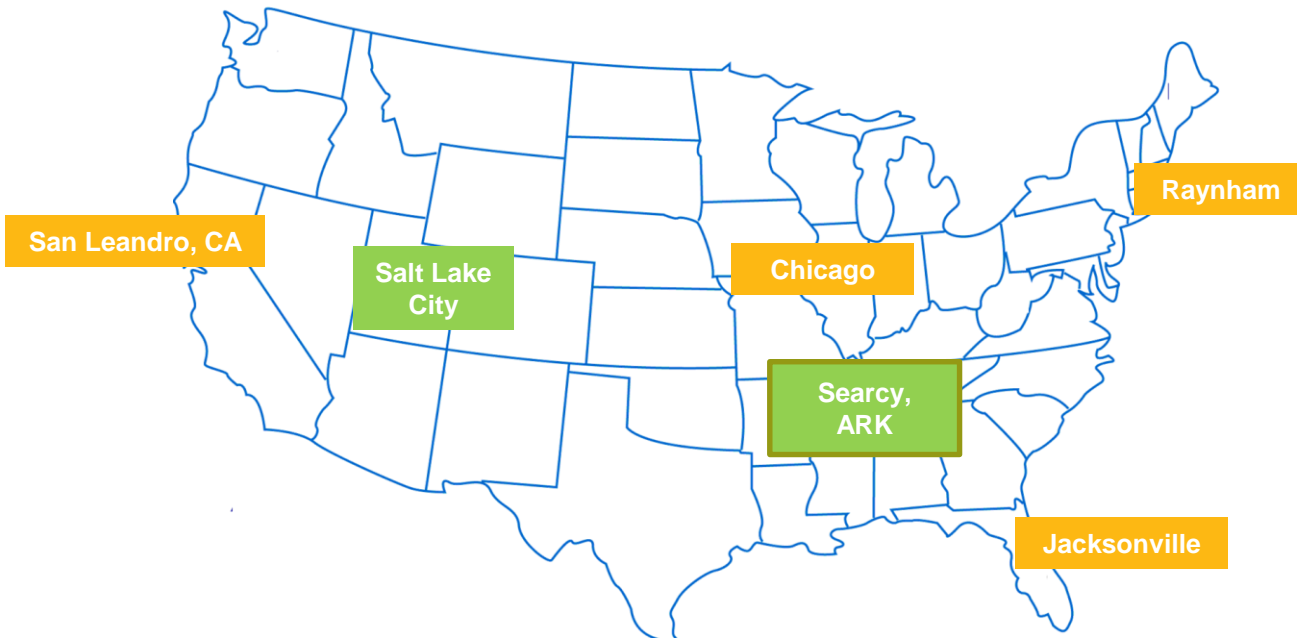
- Working exclusively with contract manufacturers
- Model allows maximum flexibility to manage volume fluctuations and start up requirements
- Three month average lead time to bring new manufacturer on-line
- Barfresh owned packaging equipment in position on manufacturing line to work with contract manufacturer's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

Manufacturing Capabilities / Relationships

- Existing contract manufacturer (Salt Lake City, UT) provides capacity for up to 14 million units per year
- *Announced new contract February 3rd for additional production capacity in Searcy, Arkansas*
 - *Subsidiary of Shulze and Burch (“Yarnell’s”)*
 - *Ability to ramp up to additional 100 million units of annual capacity*
 - *Location enhances efficiency of our supply chain, especially for destinations in the Eastern U.S.*
 - *First production to begin April 2016*
- Significant opportunity to realize cost savings as we gain scale

Supply Chain

- Working with Sysco's "forward warehousing" partners to enhance ability to service all Sysco regional operating companies nationwide
 - Have moved inventory from Salt Lake City to four strategically located forward warehouses in Chicago, Raynham (MA), Jacksonville (Fla) and San Leandro (CA)
 - System facilitates quicker order fulfillment, and enables SYSCO Opcos to order less than full pallet orders on a weekly basis to directly address specific customer requirements.
 - Full truckload rates to forward warehouses, integrated logistics with SYSCO from forward warehouses to OPCO's
- Continuing to work with existing third party distribution and warehousing partners





V. 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	  
Sarah Grover	Chief Brand and Strategy Officer	26	 
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

Key Takeaways

- 1 **Exclusive nationwide Sysco agreement creates national distribution pathway**
- 2 **Exclusive partnership with PepsiCo: One of the world's leading food and beverage companies creates clear revenue path**
- 3 **Perfectly targeted: Satisfies key requirements of food service providers and consumers in a massive, fast-growing market**
- 4 **Highly scalable business model with high gross margins and low overhead costs**
- 5 **Experienced and invested management team: Industry veterans and high insider ownership (~52%)**



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