

The Pulse Beverage Corporation Investor Presentation

OTCQB: PLSB
January 2017



Nutrition Made Simple®

Forward-Looking Statements

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Company Overview

- Pulse Beverage Corporation is a high growth established beverage company that offers all-natural beverages that are great tasting, good-for-you, refreshing, and low-calorie
- Combining all-natural ingredients, essential vitamins and minerals, provides beverage consumers with high-quality, healthy alternatives at a reasonable price – Nutrition Made Simple®
- Our expanding portfolio of beverage brands consists of Natural Cabana® Coconut Water, Lemonade and Limeade and PULSE® Heart & Body Health functional beverages



Experienced Management Team

Robert Yates – President and CEO

- Seasoned business executive with over 25 years in the beverage industry. He was one of fourteen Master Distributors for Clearly Canadian accounting for more than \$50 million of its sales in the year that Clearly Canadian reached \$178 million of annual net revenues.
- Over the last 25 years, his beverage portfolio has included such well-known brands as Monster Energy, Arizona Tea, Clearly Canadian Vitamin Water, Rock Star, Perrier, Everfresh Juices, Ocean Spray, Miller Beer, Honest Tea and Fiji Water.
- Successfully launched his own brand, Kwencher, which was built into a 1.7 million annual-case brand by the second year.
- In his previous business career he was controlling shareholder, President and CEO of Northwest Automotive Group, a conglomerate of 15 automobile dealerships with annual sales in excess of \$1 billion. He sold the majority of this automobile business to the John Elway Group.

Parley (Paddy) Sheya – VP and National Sales Manager

- 35 years of sales and distribution management experience in the beverage industry with an extensive track record of developing brands and building sales and distribution systems, including leading Clearly Canadian from start-up to 4.8 million cases in less than three years, and managing Kwencher sales from start-up to 1.7 million cases in less than two years.
- He partnered with Bob Yates in the Kwencher and Clearly Canadian brand development and distribution
- Managed a broad range of well-known beverage brands including: Jolt Cola, Hires Root Beer, Crush Soda, Country Time Lemonade, Hansen Natural Sodas, New York Seltzer, and Evian Water. Paddy started his own beverage distribution company and sold it.

Key Executives and Advisory Board Members

Bruce Horton, Chairman of Advisory Board

- Bruce assisted Bob Yates and Ron Kendrick in the formation of Pulse Beverage and was a co-founder and CFO of Clearly Canadian Beverage Corporation. During his ten year tenure at Clearly Canadian sales grew from start-up to \$178 million in annual net revenues with \$25 million net income in the fifth year of operations. Clearly Canadian was a NASDAQ listed company that grew from a share price of \$0.25 to more than \$28 per share.

Don Prest, Advisory Board Member

- Experienced public company CFO for the past ten years. Served as practice head for a large US/CND public company audit practice from 1993 to 2008. Don is a seasoned business consultant and business writer, and an expert in accounting, auditing and U.S. GAAP financial reporting

Ron Kendrick - Chief of Product Development

- 35 years in the beverage industry in the development of products including the Clearly Canadian beverage brand. Ron was Chief of Operations for Clearly Canadian for twelve years and was part of its rapid growth and success.
- Instrumental in creating many other innovative beverages including the PULSE® brand of functional beverages for Baxter Healthcare that Pulse acquired.

Adam Schneider – Natural Foods Brand and Sales Manager

- Adam has extensive natural foods experience in the area of natural food: sales and service management, distribution, manufacturing, retail management/brokerage, brand development, and master broker, as well as owning and managing his own businesses.

Investor Thesis

- We introduced Natural Cabana® Lemonade in 2012 and since then we have added limeades and coconut waters to our brand in 2014 and a control brand called “Citrus Tree” Lemonade in 2016.
- We are led by a team of beverage industry veterans with significant branding, operations and distribution experience including being instrumental in the growth of Clearly Canadian from start-up to a \$178 million revenue company
- During the first half of 2016 we made a strategic decision to move from a direct store delivery distribution system (“DSD”) to a hybrid system of 75 of our strongest Class “A” DSDs and 20 wholesalers, concentrating placements into high volume cold box sets. We eliminated a number of weaker, non-performing DSDs in certain geographical areas in order to move our distribution to a hybrid DSD and warehouse direct to wholesaler system. This decision was made to reduce overhead associated with the effort to manage a direct store delivery distribution system.
- We utilize well-known distributors such as: Sysco, The Sygma Network, United Natural Foods Inc. and distributors for Anheuser Busch, Miller Coors, Pepsi, RC/7-Up and Cadbury Schweppes.
- We have product placements in notable regional and national grocery and convenience chain stores such as: ***Albertsons/Tom Thumb/Safeway, Walmart, Kroger/Fred Meyer, Kmart, Circle K, Walgreens, Wegmans, 7-Eleven, Whole Foods, H-E-B, Hy-Vee, Save Mart, ShopRite, Hannaford, Food City, Raley's Supermarkets, Price Chopper Supermarkets, WinCo Foods, King Soopers, King Kullen, Weis Markets, Acme Markets, and Smashburgers,***

Recent Developments

- During Q2-2016 we introduced our Lemonade/Limeade formula in a 16.9oz glass bottle package under a control brand label called “Citrus tree”. This new product is being sold on a warehouse direct basis.
- We made a strategic decision to move from a direct store delivery distribution system (“DSD”) to a hybrid system of 75 of our strongest Class “A” DSDs and 20 wholesalers, concentrating placements into high volume cold box sets. We eliminated a number of weaker, non-performing DSDs in certain geographical areas in order to move our distribution to a hybrid DSD/warehouse direct to wholesaler system. This decision was made to reduce overhead associated with the effort to manage a nationwide direct store delivery distribution system.
- We are in the process of repackaging our flagship product, PULSE® Heart & Body Health functional beverages, into a more attractive package. We plan to introduce this brand into the Southern California marketplace.
- Bob Yates, CEO of Pulse, said, “Our effort over the last few months in moving to a hybrid distribution system has allowed us to reduce our overhead costs which will move us towards profitability sooner. There comes a time in every beverage company that a profit needs to be generated and that time for Pulse is now. The full effect of our overhead reductions will be in 2017. We continue to be pleased with the overwhelming success of our new coconut water. We have a new product offering in development which should add to our growth and success towards the end of 2016. We are confident in the marketing strategies and the delivery/execution of our new strategic growth plan for the next twelve months.”

Why Invest in Pulse?

- Proven beverage brand development and management team
- Niche products in high growth beverage categories
- Rapidly expanding into regional and national chain stores
- Strong established core business with good brand recognition
- Rapid growth potential with very low overhead
- Low market multiple and capitalization
- Great-tasting, low-calorie all-natural products with proven consumer appeal in well known national and regional retailers
- Expanding distribution network utilizing well-known distributors

Pulse Beverage Corporation Snapshot

Founded	2011
Headquarters	Denver, Colorado
Trading Symbol	OTCQB: PLSB
Market cap	\$1.5 M
Stock price	\$0.02
Shares Outstanding	74 M
52 week trading range	\$0.02 - \$0.13
Average Volume (30 days)	130,000

Stock price, trading range and market cap data as of 1/31/2017

Natural Cabana® Lemonade/Limeade

- Refreshing, all-natural, ready-to-drink lemonades and limeades
- Distinct, great tasting lemonade in five flavors and limeade in three flavors
- Significant reduction in calories compared with competition - only 60 calories and 12 grams of sugar per 8 oz. serving
- No artificial sweeteners or coloring
- 89% of juice drinkers consume lemonade – 36% as favorite juice drink
- 56% of all teenagers prefer lemonade in the juice category
- Lemonade is America's second favorite juice drink



Natural Cabana® Coconut Water

- Rapidly emerging category with world-wide sales expected to reach \$2 billion in 2016
- Capturing shifting tastes away from carbonated drinks
- Wall Street Journal: Coconut water category has nearly doubled in revenue each year since 2005
- Pulse's competitive edge: Vast distribution network set forth by Natural Cabana® Lemonade
- Debuted in March 2014 in the United States
- Highest-quality from Vietnam and priced below competition
- In-demand attributes: Great tasting and healthy with only 60 calories and 10 grams of natural occurring sugar per serving
- Coconut water is a healthy alternative to both sodas and sports drinks and is high in electrolytes, anti-oxidants, potassium, magnesium, calcium and is naturally fat-free



Natural Cabana® Coconut Water – New 6 pack



PULSE® Heart & Body Health Functional Beverages

- Free and clear ownership of Pulse® Heart & Body Health formulations and trademarks with the right use the following side-panel statement “Product formulation developed under license from Baxter Healthcare Corporation”. Baxter invested \$10 million to develop and test market this functional beverage
- Formulated to be scientifically effective while tasting great
- Utilizes liposome nano-dispersion technology, developed by Baxter Healthcare Corporation, allowing absorption of nutrients and providing competitive advantage over so-called “vitamin beverages”
- May be the only nutraceutical beverage developed that has a meaningful amount of functional ingredients to help promote and maintain health
- Distribution foundation established by Natural Cabana® Lemonade/Limeade



Great-Tasting and Nutritional Beverages

Natural Cabana® Lemonade/Limeade

- All-Natural lemonades: High-growth market with few entrants
- Vast distribution network, laying the groundwork for Coconut Waters and PULSE® Heart & Body Health functional beverages



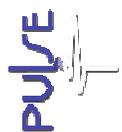
Natural Cabana® Coconut Water

- Rapidly emerging category targeting consumer trends – “healthy” and “natural” and high in potassium and magnesium and electrolytes
- Category has nearly doubled in revenue every year since 2005
- Debuted in March 2014 in the United States

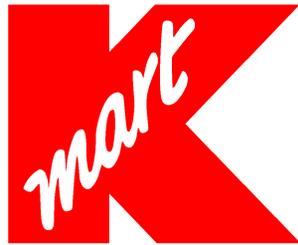


PULSE® Heart & Body Health

- Targeting nutritional and functional beverage segment of non-carbonated market
- Uniquely positioned in marketplace as product with real science and technology behind health claims; available in select markets



National Distribution in Key Retailers



Beverage Industry Background

- Non-alcoholic beverages are among the most widely distributed food products in the world being sold through more than 400,000 retailers in the United States, our core market. The United States has more than 2,600 beverage companies and 500 bottlers of beverage products. Collectively they account for more than \$100 billion in annual sales. It is estimated that globally more than \$425 billion worth of non-alcoholic beverages are sold annually with more than \$42 billion in the all-natural category. The beverage market is controlled by two giants, The Coca-Cola Company (“Coke”) and PepsiCo, combining for over 70% of the non-alcoholic beverage market. Carbonated beverage sales are slipping, while non-carbonated beverage sales are growing. Experts predict that beverage companies that only offer carbonated beverages will have to work hard to off-set flagging demand. Industry watchers believe that growth will be largely confined to non-carbonated beverages and will chiefly affect functional drinks. All-natural, Functional, sports, and energy drinks are expected to be the principal beneficiaries of this trend.

Prominent Industry Acquisitions

Monster Beverage Corporation – In 2014, Coca Cola purchased a 16.7% stake in Monster for \$2.15 billion. Monster’s sales over the last 12 months was more than \$2.6 billion.

VOSS Water® - slightly more than a 50% interest was sold for \$105 million to the Reignwood Group (the parent company of Red Bull China). Voss’s sales increased by 25% in 2015 to \$77.5 million.

Vita Coco® - a 25% interest was sold for \$165 million resulting in a valuation of \$660 million. Vita Coco’s sales increased 31% in 2014 to \$421 million

Sweet Leaf Tea® and Tradewinds brands – Nestle purchased these brands for \$100 million when sales were \$53 million in 2010

SUJA Juice - In 2015, Coca Cola invested \$90 million for a 30% per cent stake with an option to buy 100% after three years. The merchant banking arm of Goldman Sachs also agreed to pay \$60 million for a 20% interest which places a value of \$300 million. Sales were \$42 million in 2014 and they project more than \$70 million for 2015

Bai Brands - Dr Pepper Snapple has invested \$15 million for a 3% interest which places a value of \$500 million on the brand. Bai brands was projecting sales of \$125 million for 2015

Vitamin Water® - Coca-Cola® purchased Vitamin Water® for a reported \$4.1 billion when they were selling approximately 10 million cases per year and had approximately \$200 million in sales

SOBE® - Pepsi-Cola® purchased SOBE® for a reported \$378 million when they were selling approximately 3 million cases per year and had approximately \$60 million in sales

FUZE® - Coca-Cola® purchased FUZE® for a reported \$300 million when FUZE®, at the time, was selling approximately 7 million cases per year and had approximately \$140m in sales

Arizona Iced Tea® - turned down an offer from Coca-Cola® for \$2.1 billion. At the time of the offer, Arizona Iced Tea® was selling approximately 25 million cases per year and \$500m in sales

Competitive Landscape

- **Function Drinks**

Three beverages/seven flavors, emphasis on detox/weight loss/energy, various antioxidants, mostly trace amounts of vitamins and elements

- **Neuro**

Eight beverages/formulations/flavors, lightly carbonated, proprietary blends and vitamins

- **ZICO**

Coconut water brand acquired by Coca-Cola in 2013 - second leading brand

- **Vita Coco**

Coconut water brand made from Brazilian coconuts - leading brand founded in 2004

- **Hubert's Lemonade**

Manufactured by Monster Beverage Corporation. Only other all-natural lemonade



Growth Strategy

*Driving Revenue Growth and Strong Operating Leverage to
Build Long-Term Sustainable Shareholder Value*

**Build Worldwide Distribution Network with
Natural Cabana® Lemonade/Limeade and Coconut
Waters**

**Leverage Network to Introduce
Natural Cabana® Coconut Water and PULSE®**

**Enhance Product Portfolio and
Increase Marketing Initiatives**

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