



-Stan Jones-
Chief Development Officer

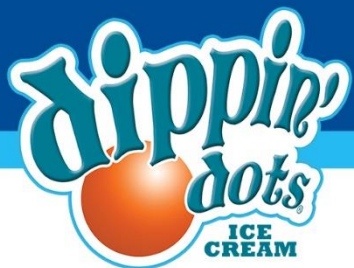




What Are Dippin' Dots

Dippin' Dots are the first ever cryogenically frozen beads of ice cream, created using liquid nitrogen at -320 degrees Fahrenheit. The special flash freezing technology gives Dippin' Dots its fun shape and delicious flavor. Unlike regular ice cream, Dippin' Dots must be kept at a constant temperature of -40F to preserve its texture, flavor and of course its unique shape.





The Dippin' Dots Story

In 1988, microbiologist Curt Jones used his knowledge of cryogenic technology to invent Dippin' Dots – an unconventional ice cream treat that's remarkably fresh and flavorful, introducing the world to beaded ice cream.





1st Plant Location: Grand Chain, IL



1988



Current Plant Location: Paducah, KY



2019



years of
FUN



Corporate Headquarters

- Dippin' Dots LLC
 - Headquarters: Paducah, KY
 - Main Production Facility and Warehouse
 - Employee's
 - 200 Kentucky employee's
 - 125 are Kentucky residents
 - Customer:
 - Ship to all 50 States
 - 4 International Countries received product from Paducah, KY facility.
 - Australia, China, Canada, Philippines



Main Plant, Kiosk Fabrication and Loading/Shipping

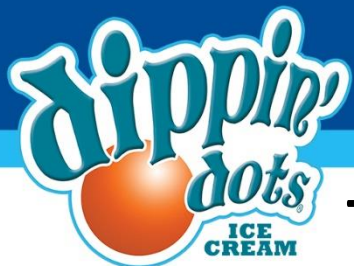


Retail Locations

Kentucky Locations:

- 304 Retail outlets: convenience, drug & grocery stores.
- 66 freezers serviced by Dippin' Dots Distribution (DDD)
- 3 Franchisee's





Total Retail Sales Kentucky

Total Retail Sales in Kentucky

| | |
|-------------------------------------|------------------------|
| • Franchising: | \$744,580 |
| • Local/National Accounts: | \$697,828 |
| • <u>Dippin' Dots Distribution:</u> | <u>\$114,744</u> |
| Total | \$6,072,992 YTD |

Total Retail Sales Nationwide:

| | |
|-------------------------------------|--------------------------|
| • Franchising: | \$232,819,309 |
| • Local/National Accounts: | \$38,934,476 |
| • <u>Dippin' Dots Distribution:</u> | <u>\$82,140,544</u> |
| Total | \$365,254,166 YTD |



Total Retail Sales by Country

Total Retail Sales by International Country

- Canada \$977,698
- Australia \$1,171,680
- Philippines \$493,248
- China \$836,640

Total Retail Sales \$3,479,266*

*Past 12 months serviced from Paducah, KY Warehouse





MANUFACTURED BY
DIPPIN' DOTS, LLC
5101 Charter Oak Drive
Paducah, Kentucky 42001 U.S.A.



Franchised Mall and Store Locations

In the U.S. there are currently 120 Franchisees that operate over 120 mall locations and stores, as well as hundreds of fairs, festivals and events, and vending machines.

Approximately 20 Dippin' Dots franchise locations are co-branded with our sister brand, Doc Popcorn.



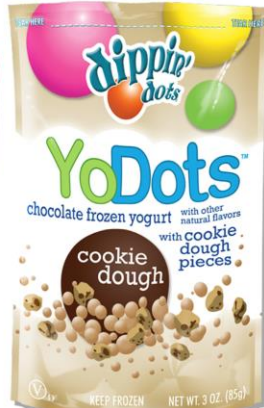
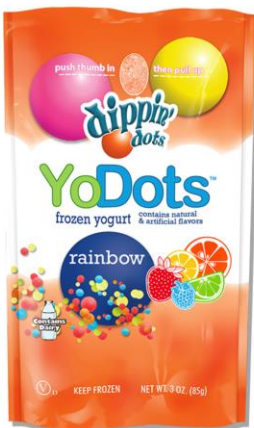
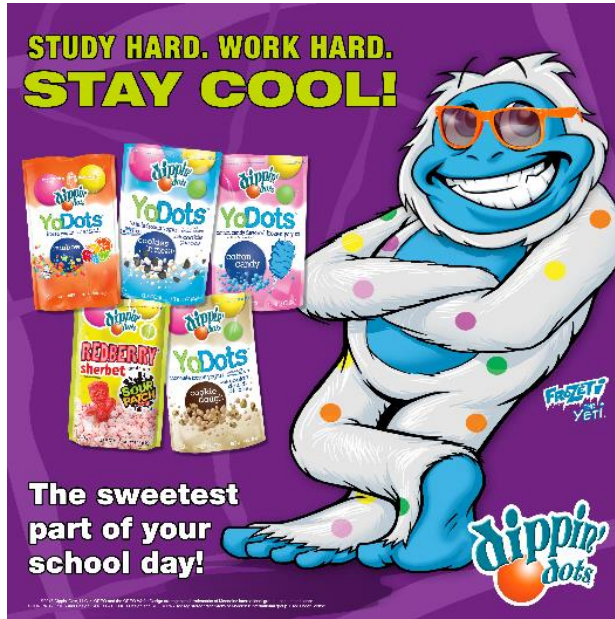


Convenience Stores

Dippin' Dots freezers are now placed in more than 12,000 convenience, drug, and grocery stores with a grab 'n go impulse program.



Schools



Digital Engagement



4.2
Million
Followers



/DippinDots

Over
40,000
Followers



@dippindots

Over
12,000
Followers



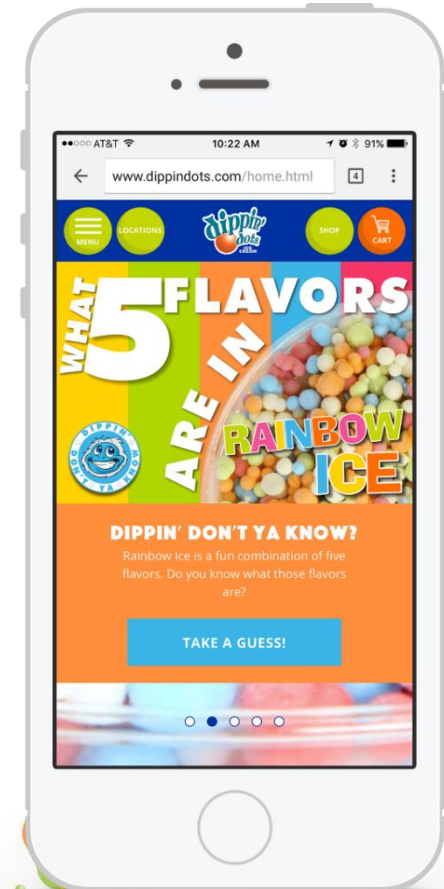
@dippindots

245,000
Subscribers
Nationwide

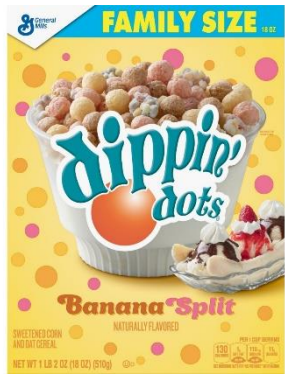


DotCrazyClub.com

Dippindots.com averages over
150,000 unique visits;
400,000 page views a month



Licensed Products





Newest license agreements

Primary Colors
Agreement since Dec. 2018



Herr's
Agreement since July 2019



Sparta Nutrition
Agreement since July 2019

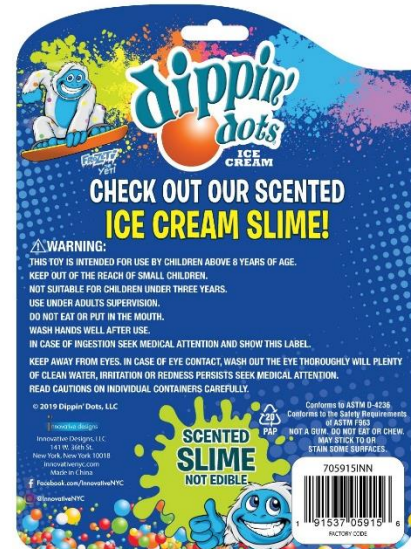
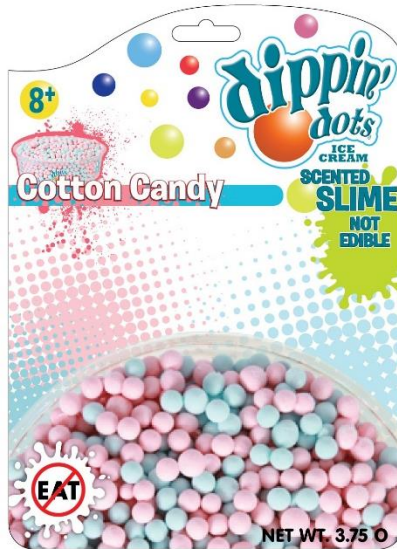


Newest license agreements



Innovative Designs

Agreement since May 2019



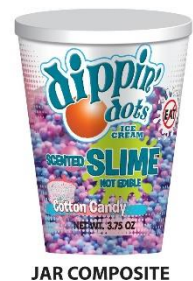
Lip Balm



Flex Agreement since May 2019

Bubble Bath

Bath Bombs



JAR COMPOSITE



COMPOSITE

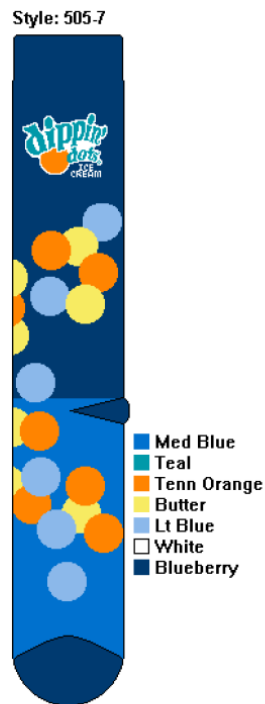


Newest license agreements

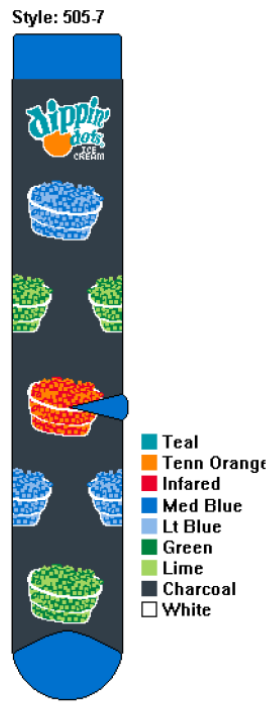
For Bare Feet
Agreement since August 2019



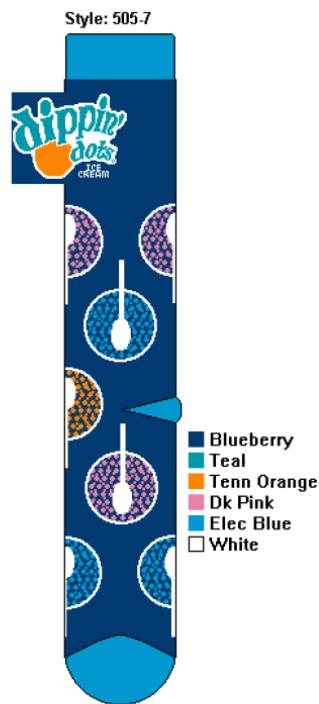
Dippin' Dots
Frozeti Mascot



Dippin' Dots
Dot Overlap



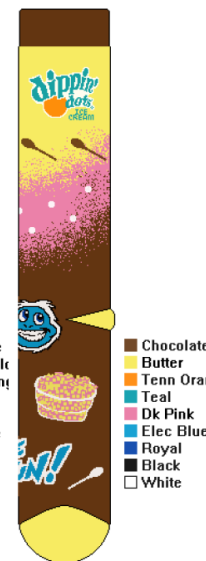
Dippin' Dots
Bowls All Over



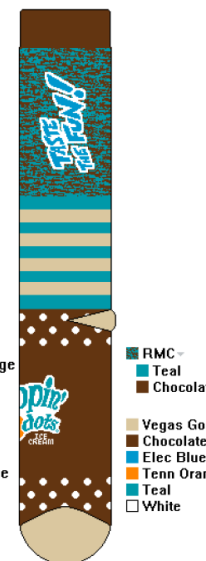
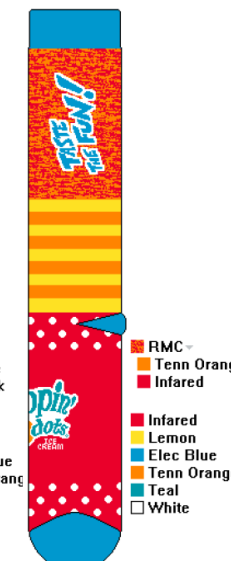
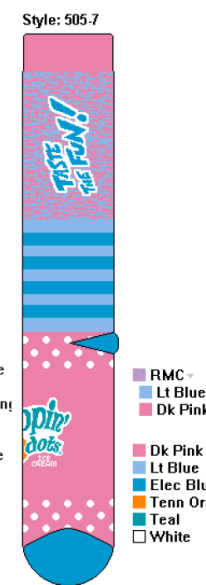
Dippin' Dots
Bowls from Above



Dippin' Dots
Logo Splash



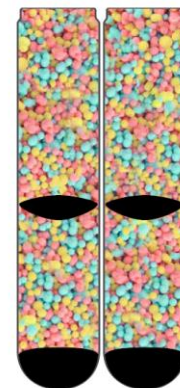
Dippin' Dots
Taste the Fun



Dippin' Dots
Frozeti Paint Splatter



Dippin' Dots
Close Up Dots





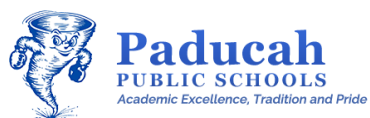
New "Taste The Fun" Tagline

"Taste the Fun" was inspired by social media posts of fans taking selfies with Dippin' Dots on their tongue. Dippin' Dots are sold where people are having fun and we have realized we are an important part of their fun experience.....whether planned or impulsive.





Paducah Community Outreach





DD Cryogenics-Pelletizing Equipment

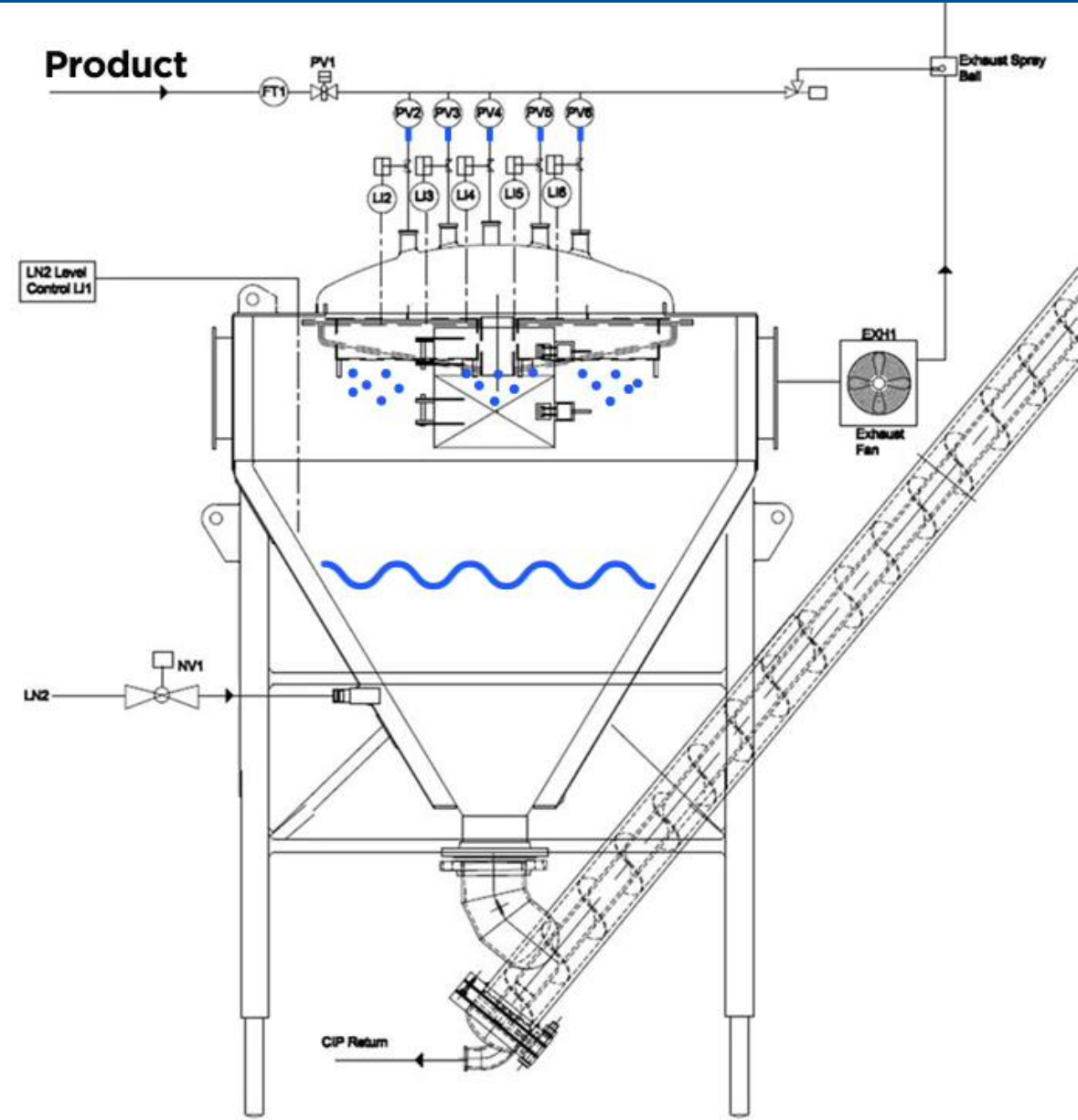




DD Cryogenics-Pelletizing Equipment

Specialized cryogenic pelletizing equipment. Each unit is custom build to meet the needs of customers:

- Food grade
- Pharmaceutical
- Nutraceutical





Ultra Low Shipping Containers by DD Cryogenics



These units can maintain extremely cold temperatures of -40F and colder. They can range in lengths of 20" to 40" shipping containers.





Ultra Low Temp Storage Freezers by DD Cryogenics



Ultra Low Storage Freezer

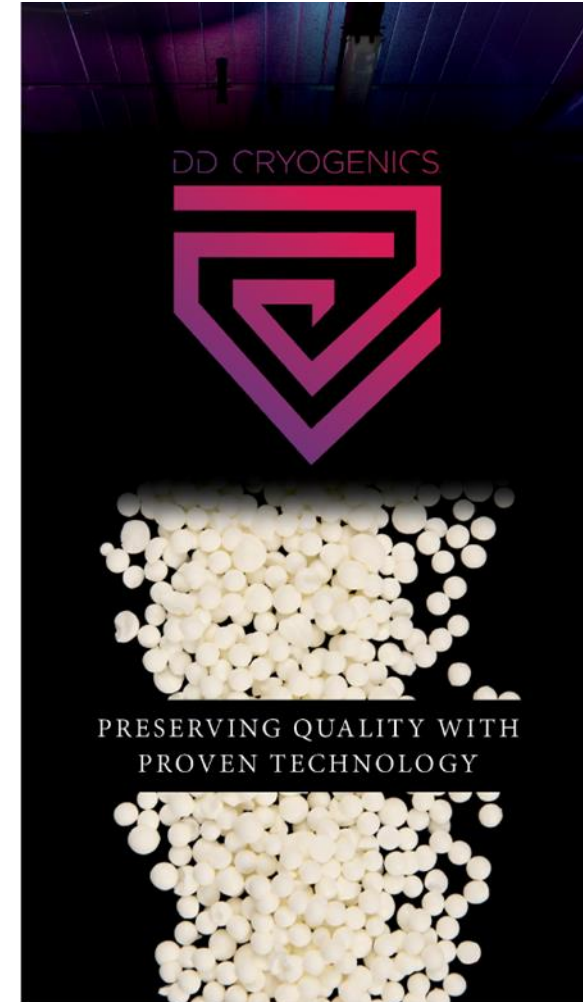
- Used by Universities, Labs, R&D facilities, etc.
- Temperature Range from -40F to -122F (depending on model)
- Digital controller
- Durable / Long life
- Acoustic alarm
- Custom graphic available
- Standard 110V
- Accessories including baskets





DD Cryogenics - Manufacturing

- Contract manufacturing for non-competing products.
- 6,000 Sq. Ft. State-of-the-Art Cryogenic pelletizing facility located in Paducah, KY
- Daily production capacity of 60,000 lbs.
- Quick turn-around time for orders.
- Short lead-times
- Onsite Q&A





Challenges Facing our Business

#1 Maturing Market:

95% Theme Parks, Amusement Parks

Market growth is in c-stores and supermarket.

Requires more & more overhead to accomplish & maintain growth.





Challenges Facing our Business

#2 Trade Barriers:

Canada – 277% Dairy tariff

Exceeded our quota by June 2019 as we entered our busy season.

China – 2018 tariff 19%

2019 tariff 44%





Challenges Facing our Business

#3 Shipping & Transportation Cost:





Challenges Facing our Business

#4 Packaging:

Environmental concerns:

How do we educate the public, that to become environmentally friendly, we have to pay more. More for infrastructure, more for sustainable materials.





Challenges Facing our Business

#5 Staffing:

Attracting and maintaining a quality workforce.





What are we doing to face challenges?

#1 Mature Market:

Identify new, less traditional markets –
c-stores, chain entertainment venues
like Chuck E. Cheese and Family
Entertainment Centers.





What are we doing to face challenges?

#2 Trade Barriers:

Forced to look at other global manufacturing sites with less trade restrictions and shipping cost.





What are we doing to face challenges?

#3 Shipping & Transportation Cost:
Assessing regional manufacturing & distribution centers. Micro scale manufacturing in addition to 1 large plant to service the entire country.





What are we doing to face challenges?

#4 Packaging:

We have sourced options for compostable packaging which is a market trend.

However, compostable is not necessarily sustainable. Public needs to be educated on the difference and infrastructure required.





What are we doing to face challenges?

#5 Staffing:

Increasing our starting wages from \$12 to \$14 per hour, scheduling work friendly hours for single mom's.





What are we doing to face challenges?

We are diversifying our portfolio to capitalize on technology we have developed, over 30 years, that other industries can benefit from:

- Probiotics
- Starter Cultures for cheeses
- Nutraceuticals & Pharmaceuticals industry
- Freezing oils used in foods and medicinal products including developmental work in CBD industry.



