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Rocky Mountain Chocolate Factory and Edible Arrangements Join Forces in Groundbreaking Strategic Partnership

DURANGO, CO / ACCESSWIRE / December 23, 2019 /Rocky Mountain Chocolate Factory, Inc. (NASDAQ:RMCF) and Edible Arrangements®, LLC have entered into a long-term strategic alliance whereby Rocky Mountain will become the exclusive provider of certain branded chocolate products to Edible, its affiliates and its franchisees. The strategic alliance represents the culmination of Rocky Mountain's exploration of its strategic alternatives, as announced on May 29, 2019.

Rocky Mountain Chocolate Factory branded products will be available for purchase both on Edible's website as well as through over 1,000 franchised Edible Arrangement locations nationwide. In addition, due to Edible's significant e-commerce expertise and scale, Edible and Rocky Mountain have also executed a letter of intent for Edible to be responsible for all e-commerce sales from the Rocky Mountain corporate website and the broader Rocky Mountain e-commerce eco-system.

As part of the strategic alliance, Rocky Mountain will issue Edible warrants to purchase up to 960,677 shares of Rocky Mountain common stock at an exercise price of \$8.76 per share. The warrants will vest annually over the five-year contractual period if Edible achieves various revenue thresholds on an annual or cumulative five-year basis. Such annual revenue thresholds for vesting reach a maximum of \$46 million in the fifth year of the contract. The maximum shares of Rocky Mountain common stock underlying such warrants, if fully vested, represent a total of 16% of the current Rocky Mountain shares of common stock currently outstanding.

In conjunction with the strategic alliance, Edible CEO and founder Tariq Farid, through his affiliate, will purchase \$1 million of Rocky Mountain common stock and, effective January 2020, will join the Company's Board of Directors, bringing his significant expertise with franchising, gifting and e-commerce.

"I believe this is truly a historic partnership for the company," said Bryan Merryman, CEO and Chairman of the Board of Rocky Mountain. "As we have explored various strategic alternatives throughout this year, one of our main objectives was to drive incremental demand for our factory in Durango, Colorado. Currently, the factory operates below 50% capacity. With the strategic alliance with Edible, we have the opportunity to not only significantly increase factory sales of our existing Rocky Mountain products, but also realize meaningful operating efficiencies in our factory.

"In addition, given Edible's world-class e-commerce expertise, we will be able to offer Rocky Mountain products to customers seamlessly nationwide," Merryman continued. "Finally, our

franchisees will also be able to participate in the significant e-commerce opportunity by opting into shipping, delivery or pickup options for online customers."

"Rocky Mountain is a perfect partner for Edible," Farid said. "The Rocky Mountain Chocolate Factory brand is extremely complimentary to the Edible brand and products and by offering customers both Edible and Rocky Mountain products, together I am convinced we will be one of the most attractive sources of gifts and treats available to customers today."

"This is potentially the most significant development for Rocky Mountain shareholders, employees and franchisees in the past decade," concluded Merryman, who added that Rocky Mountain expects to make Rocky Mountain Chocolate Factory branded product available to Edible in time for the 2020 Valentine's Day season.

With the entry into this strategic alliance, the Board of Directors of Rocky Mountain has formally concluded its review of strategic alternatives for the company. North Point Advisors served as financial advisor for Rocky Mountain and Perkins Coie LLP served as legal advisor. Farids & Co. LLC served as the commercial advisor for Edible Brands and DLA Piper LLP (US) served as legal advisor to Edible Arrangements.

ABOUT ROCKY MOUNTAIN

Rocky Mountain Chocolate Factory, Inc., headquartered in Durango, Colorado, is an international franchiser of gourmet chocolate, confection and self-serve frozen yogurt stores and a manufacturer of an extensive line of premium chocolates and other confectionery products. As of December 20, 2019, the Company, through its subsidiaries and its franchisees and licensees operated 433 Rocky Mountain Chocolate Factory and self-serve frozen yogurt stores in 40 states, Canada, South Korea, Qatar, the Republic of Panama, and The Republic of the Philippines. The Company's common stock is listed on the Nasdaq Global Market under the symbol "RMCF."

ABOUT EDIBLE ARRANGEMENTS

Edible Arrangements is an international franchising business, headquartered in Atlanta Georgia, that specializes in fresh fruit arrangements and a variety of specialty fruit gift items, such as gift boxes featuring premium chocolate dipped fruit, and fresh-fruit-to-go products. As of December 2019, the Company, through its subsidiaries and its franchisees and licensees operated over 1,000 locations and covers over 70% of the zip codes in America. At Edible®, the company's passion, heritage, and future are rooted in helping people "Fill the world with goodness" with a gift or treat that's carefully crafted to WOW.

FORWARD-LOOKING STATEMENTS

Certain statements in this press release are "forward-looking statements" within the meaning of Section 27A of the Securities Act [of 1933, as amended,] and Section 21E of the Securities Exchange Act of 1934, as amended, and are intended to come within the safe harbor protection provided by those sections. These statements involve risks and uncertainties. The nature of the Company's operations and the environment in which it operates subjects it to changing economic, competitive, regulatory and technological conditions, risks and uncertainties. The statements, other than statements of historical fact, included in this press release are forward-looking statements. Many of the forward-looking

statements contained in this press release may be identified by the use of forward-looking words such as "will," "intend," "believe," "expect," "anticipate," "should," "plan," "estimate," "potential," or similar expressions. Factors which could cause results to differ include, but are not limited to: achievement of the anticipated potential benefits of the Strategic Alliance, the Company's ability to provide products to Edible under the Strategic Alliance, changes in the confectionery business environment, seasonality, consumer interest in the Company's products, general economic conditions, the success of the Company's frozen yogurt business, receptiveness of the Company's products internationally, consumer and retail trends, costs and availability of raw materials, competition, the success of the Company's co-branding strategy, the success of international expansion efforts and the effect of government regulations. Government regulations which the Company and its franchisees either are, or may be, subject to and which could cause results to differ from forward-looking statements include, but are not limited to: local, state and federal laws regarding health, sanitation, safety, building and fire codes, franchising, employment, manufacturing, packaging and distribution of food products and motor carriers. For a detailed discussion of the risks and uncertainties that may cause the Company's actual results to differ from the forward-looking statements contained herein, please see the "Risk Factors" contained in Item 1A. of the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2019, as amended by the Company's Annual Report on Form 10-K/A for the fiscal year ended February 28, 2019. These forward-looking statements apply only as of the date hereof. As such they should not be unduly relied upon for more current circumstances. Except as required by law, the Company undertakes no obligation to release publicly any revisions to these forward-looking statements that might reflect events or circumstances occurring after the date of this press release or those that might reflect the occurrence of unanticipated events.

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