

November 11, 2019



# Rocky Mountain Chocolate Factory, Inc. Provides Update on Strategic Alternatives Process and Board Composition

**DURANGO, CO / ACCESSWIRE / November 11, 2019** /(NASDAQ:RMCF) - Rocky Mountain Chocolate Factory, Inc. (the "Company") today is providing an update to shareholders on its previously announced strategic alternatives process as well as its Board of Directors (the "Board") composition.

"The Board is fully focused on driving and maximizing shareholder value. We have conducted an exhaustive strategic review process, engaging with numerous potential acquirors and strategic partners," said Bryan Merryman, Chairman of the Board. "The process has not yet yielded any actionable options for the Company. We remain open to all potential value-creating opportunities."

## **Update on Strategic Alternatives Process**

On May 29, 2019, the Company announced that its Board was conducting a process to explore and evaluate strategic alternatives to maximize shareholder value and position the Company for long-term success. As part of this process, the Company and its financial advisor, North Point Advisors, held discussions with numerous potential acquirors and strategic partners. However, given some of the recent headwinds faced by the Company, none of those discussions has resulted in alternatives that the Board believes would be in the best interest of shareholders.

By way of background, in early March the Company received an unsolicited offer to acquire the Company for a premium to the then current market price. Based upon discussions with the potential acquiror and after consultation with our financial and legal advisors, the Board considered the offer to be credible and worth exploring to maximize value to shareholders. However, after a thorough due diligence process, the potential acquiror advised the Board that it was no longer interested in pursuing an acquisition of the Company. Based on the Board's prior analysis of the headwinds facing the Company, the Board determined that North Point Advisors should continue to evaluate the Company's strategic alternatives and engage in a broad process to identify an acquiror or strategic partner that would benefit all shareholders. As noted above, that process has not yet yielded an alternative that the Board believes would be in the best interest of shareholders.

## **Update on Board Composition**

The Board has been actively engaged throughout this rigorous process and is continuing to evaluate an additional range of business changes and alternatives to improve Company results and maximize shareholder value. The Board recognizes that new directors with fresh,

different and diverse perspectives would benefit the Company and its shareholders. As such, the Board invited the two potential directors proposed by AB Value Partners, LP ("AB Value"), Andrew Berger and Mary Kennedy Thompson, for interviews with the entire board. Following those interviews, the Board extended an offer to Ms. Thompson to join the Board due to her background and extensive franchising expertise. This offer was not made as a means to settle a potential proxy contest with AB Value, but rather was made without any conditions attached. The Board did not believe that Mr. Berger would add expertise or perspective that would benefit the Company's shareholders and accordingly did not make him an offer to join the Board, although the Board remains open to a continued dialogue with Mr. Berger and his view of our company. The Board intends to hire a search firm to identify other potential new and diverse director candidates who can add value and bring additional perspective to the Board. There is no specific timetable for this evaluation to be completed.

### **About Rocky Mountain Chocolate Factory, Inc.**

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 November 11, 2019, the Company, through its subsidiaries and its franchisees and licensees operated 435 *Rocky Mountain Chocolate Factory* and self-serve frozen yogurt stores in 37 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."

### **Investor Contacts:**

Georgeson LLC  
William Fiske / Edward Greene  
(212) 440-9800

**SOURCE:** Rocky Mountain Chocolate Factory, Inc.

View source version on accesswire.com:

<https://www.accesswire.com/565923/Rocky-Mountain-Chocolate-Factory-Inc-Provides-Update-on-Strategic-Alternatives-Process-and-Board-Composition>