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Papa Murphy's Announces 2017 Development Incentive Programs

Frontier Market Incentive program offers zero royalties for the first three years of operation and \$35,000 for the opening of each new store in select markets

VANCOUVER, Wash., Jan. 26, 2017 (GLOBE NEWSWIRE) -- Today, Papa Murphy's Holdings, Inc. (NASDAQ:FRSH) announced a new Growth Market Development Incentive focused on attracting and partnering with experienced, development-oriented operators that align with the growing brand's values and culture. Qualified franchisees signing area development agreements in select, larger markets through 2017 may be eligible for more than \$75,000 per store in financial incentives including:

- 1 0% royalties for the first three years of operation on all stores in the market. For the average store, this equates to around \$22,000 per year in savings.
- 1 \$35,000 paid by Papa Murphy's to the franchisee/area developer to help fund opening costs. This will be paid upon the opening of every new store during the first three years of operation.
- 1 \$1,500 monthly rebate paid by Papa Murphy's to the franchisee/area developer for each store that opens during the first three years.

"As we continue our expansion, we are pleased to offer compelling financial incentives to franchisees that are interested in pioneering our brand in newer markets," said Jayson Tipp, Chief Development Officer for Papa Murphy's. "The program is designed to accelerate frontier market growth across the country. We know that growing store penetration quickly in markets is the best way to increase awareness - and higher awareness improves performance."

This news comes as Papa Murphy's continues to focus on accelerating unit growth in select underpenetrated markets. The company recently announced it is expanding the scope of its relationship with franchise recruiting advisory firm Franchise Performance Group. The Company has identified 36 Designated Market Areas (DMAs) as potential markets that may be eligible to receive this incentive.

Papa Murphy's will also continue to offer the Growth Market Development Incentive that began in September 2016 which provides a franchise fee reduction of \$5,000 per store. Additionally, each store qualifying for this incentive will receive a royalty fee waiver for the first 12 months of operation. Franchisees are required to sign a new multi-store agreement (MSS) or ADA of at least two stores. This incentive is available in 83 DMAs where fewer than 10 stores are required to reach the targeted penetration goal of one store per population of 80,000. These DMAs include 49 markets where Papa Murphy's franchisees currently operate stores as well as 34 DMAs adjacent to existing markets.

The incentives are subject to the complete rules and eligibility requirements of the program at the time of signing. Full program details are available upon completion and review of the application. Visit <http://www.papamurphysfranchise.com/> to learn more details and submit an application.

ABOUT PAPA MURPHY'S

Papa Murphy's Holdings, Inc. (Nasdaq:FRSH) is a franchisor and operator of the largest Take 'n' Bake pizza brand in the United States, selling fresh, hand-crafted pizzas ready for customers to bake at home. The company was founded in 1981 and currently operates more than 1,575 franchised and corporate-owned fresh pizza stores in 38 states, Canada and United Arab Emirates. Papa Murphy's core purpose is to bring all families together through food people love with a goal to create fun, convenient and fulfilling family dinners. In addition to scratch-made pizzas, the company offers a growing menu of grab 'n' go items, including salads, sides and desserts. Order online today at www.papamurphys.com.

FORWARD-LOOKING STATEMENTS

This news release, as well as other information provided from time to time by Papa Murphy's Holdings, Inc. or its employees, may contain forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "guidance," "anticipate," "estimate," "expect," "forecast," "project," "plan," "intend," "believe," "confident," "may," "should," "can have," "likely," "future" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.

Forward-looking statements in this press release include statements relating to franchisee eligibility for incentive programs, the effects of increased store penetration and brand awareness, the continued availability of incentive programs, and expectations regarding frontier market growth. Although the Company believes any forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect our actual financial results and cause them to differ materially from those anticipated in any forward-looking statements. Please refer to the risk factors discussed in the Company's annual report on Form 10-K for the fiscal year ended December 28, 2015 and quarterly reports on Forms 10-Q for the fiscal quarters ended March 28, 2016 and September 26, 2016 (each of which can be found at the SEC's website www.sec.gov); each such risk factor is specifically incorporated into this press release.

Any forward-looking statement made by the Company in this press release speaks only as of the date on which it is made. The Company undertakes no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise.

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