



January 17, 2017

## **Papa Murphy's Holdings, Inc. Accelerates Refranchising Strategy**

### **Announces Expanded Relationship with Franchise Performance Group**

VANCOUVER, Wash., Jan. 17, 2017 (GLOBE NEWSWIRE) -- Papa Murphy's Holdings, Inc. (NASDAQ:FRSH) today announced that it has expanded the scope of its relationship with Franchise Performance Group, a strategic franchise recruiting advisory firm, to include the refranchising of Company-owned stores in select markets.

The Company has observed a strong correlation between the level of penetration in a market and customer awareness, which in turn drives sales. Accordingly, Papa Murphy's has focused on investing to accelerate unit growth in select underpenetrated markets in order to reach a tipping point in penetration that enhances the opportunity for local advertising and ultimately drives increased sales and profits. The Company has achieved market scale and efficiency by investing in new stores and consolidating stores from exiting owners.

Jean Birch, Chair of the Board and Interim Chief Executive Officer of Papa Murphy's Holdings, Inc., said, "Our long-term strategy has always been to deliver attractive returns through an asset-light, franchised business model. More recently, we have focused our financial resources on accelerating the build out of several markets because we see materially stronger store performance in markets with greater penetration and higher brand awareness. We are excited to now enter the next phase of our strategic development plan by refranchising these stores to high-quality franchisees that are well-capitalized and can further grow these markets. We are confident that Franchise Performance Group is the right partner to help us realize these efforts."

"Refranchising these locations will generate significant cash flow which we will use to reduce leverage. As we sell company stores, we retain the royalty annuity that investors find so attractive in a franchised system. This, combined with our previously announced, first-ever national television campaign, a renewed focus on product innovation, and tight control on SG&A management, positions us well to return the Company to profitable growth," Birch concluded.

#### **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](http://www.papamurphys.com).

#### **ABOUT FRANCHISE PERFORMANCE GROUP**

Franchise Performance Group is a leading franchise consulting and brokerage firm specializing in the recruitment of high-caliber franchisees across multiple industries. The company was founded in 2002 and provides a broad range of services to leading franchise based companies and franchise owners, including outsourced buyer lead generation and franchisee recruitment, franchise sales website design, brand storytelling content consulting, franchisee recruitment process design, franchisee recruiter training and coaching; SBA financing; and strategic consulting.

#### **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 the Company's expectations for generating cash flow from refranchising, the anticipated use of such cash, and expected future results of operations. 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](http://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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