UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 17, 2025

Rocky Mountain Chocolate Factory, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**001-36865**	**47-1535633**
(State or other jurisdiction of incorporation)	*(Commission File Number)*	*(IRS Employer Identification No.)*

265 Turner Drive
Durango, Colorado 81303
(Address, including zip code, of principal executive offices)

Registrant's telephone number, including area code: **(970) 259-0554**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.001 par value per share	**RMCF**	**Nasdaq Global Market**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On June 17, 2025, Rocky Mountain Chocolate Factory, Inc. (the "Company") issued a press release (the "Release") reporting its results of operations for the three and twelve months ended February 28, 2025 (the "Period"). A copy of the Release is attached hereto as Exhibit 99.1. In conjunction with the Release, the Company held a conference call (the "Earnings Call") discussing the Company's financial results for the Period. A transcript of the Earnings Call is attached hereto as Exhibit 99.2.

The information contained in this Current Report on Form 8-K, including Exhibit 99.1 and Exhibit 99.2, is furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, and shall not be deemed incorporated by reference into any other filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language included in such filing, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1*	Press release of Rocky Mountain Chocolate Factory, Inc., dated June 17, 2025
99.2*	Transcript of conference call of Rocky Mountain Chocolate Factory, Inc., dated June 18, 2025
104	Cover Page Interactive Data File (embedded with the Inline XBRL document)

*Furnished herewith

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ROCKY MOUNTAIN CHOCOLATE FACTORY, INC.

Date: June 20, 2025

By: /s/ Jeffrey R. Geygan
Name: Jeffrey R. Geygan
Title: Interim Chief Executive Officer

Exhibit 99.1

June 17, 2025

Rocky Mountain Chocolate Factory Reports Fiscal Fourth Quarter and Fiscal Year 2025 Financial Results

Management to Host Conference Call Tomorrow at 9:00 a.m. ET

DURANGO, Colo., June 17, 2025 (GLOBE NEWSWIRE) -- Rocky Mountain Chocolate Factory Inc. (Nasdaq: RMCF) (the "Company", "we", "RMC", or "Rocky Mountain Chocolate"), America's ChocolatierTM and a leading franchiser of a premium chocolate and confectionary retail store concept, is reporting financial and operating results for its fiscal fourth quarter and fiscal year ended February 28, 2025.

"Fiscal 2025 marked the beginning of a transformative era for Rocky Mountain Chocolate," said Jeff Geygan, Interim CEO of the Company. "We initiated a comprehensive restructuring effort to revitalize the business—rebuilding our culture, restoring operational discipline, and modernizing core systems. We brought consumer packaging back in-house, implemented a new point-of-sale system for real-time, store-level sales visibility, overhauled our e-commerce platform, and realigned pricing across our portfolio with the goal of improving unit-level economics and supporting stronger franchisee performance."

"These efforts have already begun to yield results. We've seen meaningful operational improvements, better alignment across our franchise network, and improved data-driven decision-making. Importantly, our brand refresh is well underway, with a new logo, modern store design, and upgraded digital experience set to launch in the coming months. As of March 1, 2025, our operational changes are in effect, and we believe we have stabilized a company that has had operational challenges for more than a decade."

Geygan added, "Looking ahead, we are focused on disciplined growth, with a focus on profitability for the remainder of fiscal 2026. I'm incredibly proud of our team's resilience and grateful to our shareholders for their continued support. We are a very different company today, with a foundation firmly in place to rebuild and thrive."

Recent Operational Highlights

- **Resolved Key Operational Challenges:**
  - Retired the Company's co-packing operations in Salt Lake City in February 2025.
  - Adjusted or exited unprofitable Specialty Market relationships in fiscal 2025.
  - Implemented a rational franchise product pricing model, effective March 1, 2025, to address systemic margin pressures.
- **Strengthened Franchise Network:**
  - Actively executing store transfers to retain valuable locations while installing more capable operators in effort to revitalize unit-level performance and strengthen the overall franchise network.
- **Progress on Store Refresh Strategy:**
  - Opened a new store in Charleston, South Carolina on June 3, 2025 under refreshed branding and design.
  - Planned construction on a flagship location in downtown Chicago, with an opening expected ahead of the holiday season.
- **Advancing Brand Modernization:**
  - Completed development of a refreshed store design and branding platform.
  - Systemwide signage upgrades in process, with our first launch in Durango, Colorado on June 17, 2025.
- **Digital and Product Enhancements:**
  - Upcoming launch of a redesigned website expected in July 2025.
  - Updated packaging aligned with a new brand identity anticipated to begin shipping in early August 2025.

Fiscal Fourth Quarter 2025 Financial Results vs. Year-Ago Quarter

- Total revenue was $8.9 million in the fourth quarter of fiscal 2025 compared to $7.3 million in the fourth quarter of fiscal 2024. During the quarter, the Company experienced transitional impacts from its ERP and pricing system rollout, alongside early returns from new digital infrastructure and store-level data capabilities.

- Total product and retail gross profit was $(0.8) million in the fourth quarter of fiscal 2025 compared to $0.1 million in the fourth quarter of fiscal 2024. The decrease was primarily due to higher raw material costs.

- Total costs and expenses increased to $11.6 million in the fourth quarter of fiscal 2025 compared to $8.8 million in the fourth quarter of fiscal 2024. The increase was primarily attributed to investments in marketing and administrative infrastructure related to the brand refresh and prototype store rollout.

- Net loss from continuing operations was $2.9 million or $(0.37) per share in the fourth quarter of fiscal 2025, compared to a net loss from continuing operations of $1.6 million or $(0.25) per share in the fourth quarter of fiscal 2024.

Fiscal Year 2025 Results vs. Fiscal Year 2024

- Total revenue was $29.6 million in fiscal 2025 compared to $28.0 million in fiscal 2024.

- Total product and retail gross profit was $0.1 million in fiscal 2025 compared to $1.4 million in fiscal 2024. The decrease was primarily due to a sharp increase in the cost of cocoa and other inflationary pressures, as well as higher overhead costs and reduced production volume.

- Total costs and expenses increased to $35.5 million in fiscal 2025 compared to $32.9 million in fiscal 2024. The increase was primarily driven by inflationary cost pressures, including higher raw material costs, and general operating cost increases.

- Net loss from continuing operations was $6.1 million or $(0.86) per share in fiscal 2025 compared to a net loss from continuing operations of $4.9 million or $(0.77) per share in fiscal 2024.

Conference Call Information

The Company will conduct a conference call to discuss its financial results. A question-and-answer session will follow management's opening remarks. The conference call details are as follows:

Date: Wednesday, June 18, 2025
Time: 9:00 a.m. Eastern time
Dial-in registration link: here
Live webcast registration link: here

Please dial into the conference call 5-10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact the Company's investor relations team at RMCF@elevate-ir.com.

The conference call will also be broadcast live and available for replay in the investor relations section of the Company's website at https://ir.rmcf.com/.

About Rocky Mountain Chocolate Factory, Inc.

Rocky Mountain Chocolate Factory, Inc. is a leading franchiser of a premium chocolate and confectionary retail store concept. As America's ChocolatierTM, the Company has been producing an extensive line of premium chocolates and other confectionery products, including gourmet caramel apples since 1981. Headquartered in Durango, Colorado, Rocky Mountain Chocolate Factory is ranked among Entrepreneur's Franchise 500® for 2025 and Franchise Times' Franchise 400® for 2024. The Company and its franchisees and licensees operate nearly 260 Rocky Mountain Chocolate stores across the United States, with several international locations. The Company's common stock is listed on the Nasdaq Global Market under the symbol "RMCF."

Forward-Looking Statements

This press release includes statements of our expectations, intentions, plans and beliefs that constitute "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 forward-looking statements involve various 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 document may be identified by the use of forward-looking words such as "will," "intend," "believe," "expect," "anticipate," "should," "plan," "estimate," "potential," or similar expressions. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future - including statements regarding future financial and operating results and anticipated outcomes of our business strategy and plan are forward-looking statements. Management of the Company believes that these forward-looking statements are reasonable as and when made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date of this press release. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause our Company's actual results to differ materially from historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to: inflationary impacts, changes in the confectionery business environment, seasonality, consumer interest in our products, receptiveness of our products internationally, consumer and retail trends, costs and availability of raw materials, competition, the success of our co-branding strategy, the success of international expansion efforts and the effect of government regulations. For a detailed discussion of the risks and uncertainties that may cause our actual results to differ from the forward-looking statements contained herein, please see the section entitled "Risk Factors" contained in our periodic reports, each filed with the Securities and Exchange Commission.

Investor Contact

Sean Mansouri, CFA
Elevate IR
720-330-2829
RMCF@elevate-ir.com

ROCKY MOUNTAIN CHOCOLATE FACTORY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	AS OF FEBRUARY 28 or 29, 2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 720	$ 2,082
Accounts receivable, less allowance for credit losses of $307 and $332, respectively	3,405	2,184
Notes receivable, current portion, less current portion of the allowance for credit losses of $28 and $30, respectively	11	489
Refundable income taxes	64	46
Inventories	4,630	4,358
Other	393	443
Total current assets	9,223	9,602
Property and Equipment, Net	9,409	7,758
Other Assets		
Notes receivable, less current portion and allowance for credit losses of $0	69	695
Goodwill	576	576
Intangible assets, net	210	238
Lease right of use asset	1,241	1,694
Other	447	14
Total other assets	2,543	3,217
Total Assets	$ 21,175	$ 20,577
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 4,816	$ 3,411
Line of credit	-	1,250
Accrued salaries and wages	697	1,833
Gift card liabilities	649	624
Other accrued expenses	80	300
Contract liabilities	139	151
Lease liability	488	503
Total current liabilities	6,869	8,072
Note payable	5,957	-
Lease Liability, Less Current Portion	770	1,191
Contract Liabilities, Less Current Portion	604	678
Total Liabilities	14,200	9,941
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock, $.001 par value per share; 250,000 authorized; 0 shares issued and outstanding	-	-
Common stock, $.001 par value, 46,000,000 shares authorized, 7,722,124 shares and 6,310,543 shares issued and outstanding, respectively	8	6
Additional paid-in capital	12,355	9,896
(Accumulated Deficit) Retained earnings	(5,388)	734
Total stockholders' equity	6,975	10,636
Total Liabilities and Stockholders' Equity	$ 21,175	$ 20,577

ROCKY MOUNTAIN CHOCOLATE FACTORY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)

	Three Months Ended February 28,		Year Ended February 28,	
	2025	2024	2025	2024
Revenues				
Sales	$ 7,099	$ 5,568	$ 24,015	$ 22,022
Franchise and royalty fees	1,800	1,691	5,564	5,928
Total Revenue	8,899	7,259	29,579	27,950
Costs and Expenses				
Cost of sales	7,936	5,497	23,916	20,656
Franchise costs	305	712	2,414	2,582
Sales and marketing	1,155	645	1,995	2,132
General and administrative	2,017	1,722	6,305	6,674
Retail operating	152	220	716	671
Depreciation and amortization, exclusive of depreciation and amortization expense of $177, $209, $775 and $750, respectively, included in cost of sales	32	38	175	137
Total costs and expenses	11,597	8,834	35,521	32,852
Loss from Operations	(2,698)	(1,575)	(5,942)	(4,902)
Other Income (Expense)				
Interest expense	(196)	(29)	(454)	(53)
Interest income	6	12	27	80
Gain (loss) on disposal of assets	(7)	-	247	-
Other income, net	(197)	(17)	(180)	27
Loss Before Income Taxes	(2,895)	(1,592)	(6,122)	(4,875)
Income Tax Provision (Benefit)	-	-	-	-
Loss from Continuing Operations	(2,895)	(1,592)	(6,122)	(4,875)
Discontinued Operations				
Earnings from discontinued operations, net of tax	-	-	-	69
Gain on disposal of discontinued operations, net of tax	-	-	-	635
Earnings from discontinued operations, net of tax	-	-	-	704
Net Loss	$ (2,895)	$ (1,592)	$ (6, 122)	$ (4,172)
Basic Loss per Common Share				
Loss from continuing operations	$ (0.37)	$ (0.25)	$ (0.86)	$ (0.77)
Earnings from discontinued operations	-	-	-	0.11
Net loss	$ (0.37)	$ (0.25)	$ (0.86)	$ (0.66)
Diluted Loss per Common Share				
Loss from continuing operations	$ (0.37)	$ (0.25)	$ (0.86)	$ (0.77)
Earnings from discontinued operations	-	-	-	0.11
Net loss	$ (0.37)	$ (0.25)	$ (0.86)	$ (0.66)
Weighted Average Common Shares Outstanding - Basic	7,678,855	6,310,469	7,079,171	6,294,411
Dilutive Effect of Employee Stock Awards	-	-	-	-
Weighted Average Common Shares Outstanding - Diluted	7,678,855	6,310,469	7,079,171	6,294,411

Source: Rocky Mountain Chocolate Factory, Inc.

Exhibit 99.2

Rocky Mountain Chocolate Factory, Inc. - FQ4 2025 Earnings Call Transcript

Call Participants

Executives
Carrie E. Cass
Chief Financial Officer

Jeffrey Richart Geygan
Interim CEO & Director

Attendees
Sean Mansouri
Elevate Ir

Operator

Good morning, ladies and gentlemen. Thank you for standing by. Welcome to today's conference call to discuss Rocky Mountain Chocolate Factory's financial results for the fiscal fourth quarter and full year 2025. [Operator Instructions]. As a reminder, this conference is being recorded. Joining us on the call today is the company's interim CEO, Jeff Geygan; and CFO, Carrie Cass.

Please be advised that this conference call will contain statements that are considered forward-looking statements under the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to certain known and unknown risks and uncertainties as well as assumptions that could cause actual results to differ materially from those reflected in these forward-looking statements.

These forward-looking statements are also subject to other risks and uncertainties that are described from time to time in the company's filings with the SEC. Do not place undue reliance on any forward-looking statements, which are being made only as of the date of this call. Except as required by law, the company undertakes no obligation to publicly update or revise any forward-looking statements. And now I will turn the call over to the company's Interim CEO, Jeff Geygan. Jeff, please go ahead.

Jeffrey Richart Geygan
Interim CEO & Director

Thank you. Good morning, and welcome. This was a year of hard behind-the-scenes work, a year where we understood, confronted and corrected deeply rooted problems ingrained in our operations systems and company culture. While fiscal Q4 did not deliver the profitability we desired. The actions we took during the year were foundational to transforming Rocky Mountain Chocolate Factory into a more accountable, resilient and focused business.

Understanding the past helps us navigate the present and plan for our future. Our efforts over the past year were broad and structural. We revamped core systems, realigned pricing to rethink how we serve both franchisees and end customers. We rebuilt nearly every core process while redesigning our org structure, upgrading our IT and manufacturing systems, all while bringing on new executive talent, transforming how the company operates at nearly every level.

Just as important, we reset business culture. We made difficult decisions to part ways with individuals, unable to meet the standard of excellence and accountability required in this next phase of business growth. We're building a team of motivated detail-oriented and results-driven leaders are propelling our transformation.

Today, I'll walk through key milestones from the past year and how they align with our long-term strategic business. I'll first discuss our consumer packaging transition in fulfillment. One of the most significant operational pivots we made was our decision to bring consumer packaging back in-house to Durango.

The previous partnership with a third-party provider in Salt Lake City, Utah resulted in delayed fulfillment, inflated logistics costs and inefficiencies that eroded margins, particularly during the holiday season. Since relocating our consumer packaging lines in early January and mid-February, we've improved execution, fulfillment reliability and cost management setting a stronger foundation for future seasonal demand.

This move has also allowed us to better control labor, streamline workflows and eliminate costly back and forth shipping between facilities, issues that were previously contributing to unnecessary time and expense with both e-commerce and franchise fulfillment. This was a critical step in addressing fulfillment challenges that severely impacted our operations since the move was made in October of 2023.

By unwinding this costly and inefficient third-party packaging arrangement, we not only eliminated unnecessary complexity, but will also avoid approximately $1.5 million in annual losses. Regarding specialty market repricing, we took decisive steps to reevaluate all of our specialty markets customer relationships. In certain cases, we chose to discontinue partnerships that no longer supported our pricing objectives.

At the same time, we work closely with key customers to implement more favorable pricing that reflects our current costs. These actions were not easy but they reflect our discipline and willingness to prioritize long-term financial health or production volume for volume's sake. The response from our partners has been constructive and we're seeing signs of positive contribution from these sales channels after our repricing.

These changes were part of a broader effort to reestablish operational discipline. Regarding new stores, we continue to build a healthy franchise network through strategically planned new openings and store transfers. While we did not open any stores in the fourth quarter, we're actively evaluating development opportunities with new and existing franchisees in such markets as Atlanta, Sacramento, Park City and even the Jersey Shore to name just a few.

On June 3, we opened our newest store in Charleston, South Carolina, our first location built with our refreshed design and branding. Construction is scheduled to begin shortly on a flagship location in downtown Chicago at 1 State Street, an absolutely outstanding location. Additionally, our Corpus Christi store, one of 2 company-owned stores is being remodeled with our new store design, serving as a prototype for future franchise upgrades.

Our goal is to build deeper regional density with fewer stronger operators with multiunit development plans. We have actively worked to transfer existing locations to stronger operators while closing underperforming units. These moves are helping us preserve high-quality locations and reinvigorate store-level performance with motivated and ambitious operators who are interested in increasing their commitment to our brand. Our experience with store transfers has been positive with high year-over-year sales growth recorded when existing stores are placed under new management.

Regarding pricing, March 1 was a critical inflection point for Rocky Mountain Chocolate Factory. Backed by our recently installed ERP and improved business visibility, we moved away from a historic one-size-fits-all pricing model and introduced a dynamic model that reflects actual input cost per item.

This change allows us to adjust prices on a frequent basis, keeping target profit margin aligned with ever-changing input cost. We saw an immediate improvement in gross margin as a result of our March 1 price adjustment. We now adjust pricing on a quarterly basis or more frequently if needed, ensuring tighter cost alignment while managing to a targeted gross margin percent.

We estimate this initiative alone will capture several million dollars in additional gross profit in fiscal '26. We expect to return to historic gross margin rates over the coming years. The execution of this strategy would not have been possible without the technology and visibility provided by our new ERP system and input from both current and newly hired data and analytics personnel.

Regarding operational visibility and infrastructure. For the first time in our company's history, we now have daily store level of visibility into sales and inventory across the majority of our network allowing us to make smarter, faster decisions about production, pricing and marketing.

This is a result of our newly rolled out POS system, which is now operating in over 100 of our current stores with nearly all stores scheduled for installation. This allows us to monitor real-time sell-through, inventory trends and product performance at a store level. The system has given us new found insights into franchise operations and is critical to the effective alignment of production, marketing and pricing strategies.

Regarding our ERP system implementation, as I mentioned, in January, we launched our new ERP system, a major milestone in our transformation. This platform integrates all of our core functions, including production, procurement, inventory and finance. It has already enabled smarter planning, tighter SKU rationalization, and more precise cost controls.

ERP was the backbone behind the pricing adjustments we made in March, and it will continue to guide data-driven decision-making across the business. The ERP infrastructure upgrade represented a significant investment totaling nearly $1 million in capital expenditure during fiscal '25. With this system now fully implemented, we expect capital spending in fiscal '26 to be modest, focused primarily on maintenance.

Regarding seasonal orders, we're pleased with the fulfillment performance we delivered to our franchisees this past holiday season. After several challenging quarters of focused efforts, we achieved nearly a 100 fulfillment rate for franchisees demand during Q4, and this trend continues in our new fiscal year.

This improved performance represents a significant turnaround, reinforcing our ability to reliably meet demand and rebuild trust across our franchise and specialty markets channels. It's a testament to the operational changes we've made into the focus and resilience of our team.

Regarding brand repositioning, as we look to the quarters ahead, we're excited to begin unveiling the updated Rocky Mountain Chocolate Factory brand. This includes a new logo, modernized store design and elegantly updated packaging. The full rebrand will launch later this year. As I mentioned earlier, we expect the first remodeled store to open in mid-July.

Initial feedback on the updated store concept has been fantastic. We're finalizing cost models and network-wide build-out time lines. Interest from current and prospective franchisees is growing as they see our premium updated aesthetic and vision. System-wide signage upgrades are already underway. In fact, our Durango, Colorado location new signage was installed yesterday.

Our elegantly updated packaged offering are expected to begin shipping to stores in late July. All of these refreshed updates reflect a modern premium brand identity, which we believe will elevate the customer brand experience and attract stronger franchise partners.

Regarding e-commerce, our e-commerce business delivered record sales this past holiday season, but profitability was challenged due to inefficient fulfillment and elevated advertising spend with consumer packaging now back in Durango and disciplined oversight of marketing costs, we expect profitable contribution from our e-comm in fiscal '26, which we are already seeing. We will introduce a newly designed and easy-to-use e-commerce site in mid-July with a vastly improved user interface experience.

rmcf.com has been thoughtfully designed. As a result, we believe it will drive additional interest in our upcoming new packaged item offerings and establishes a platform to drive future e-commerce sales. Together, these initiatives are helping us build a stronger digital foundation to complement our in-store experience while driving customer traffic to a local store.

Regarding new store pipeline, we expect to show positive store growth this year, ending more than 10 years of declining store counts. We are targeting prime retail locations operated by highly motivated franchisees, many of whom work with us now and others who will be new to the RMCF family of franchisees.

We are identifying well-capitalized financially sophisticated and entrepreneurial operators to join us and become our next generation of franchisees. We are building a healthy pipeline of new stores and expect to provide ongoing communication to investors as we get locations under lease and into permitting. Fiscal '25 was a design period, not a construction period. We are now positioned to grow, having built a foundation of what, when, where and how we were meticulous in our planning efforts.

Looking ahead, as we look into fiscal '26, we're already seeing signs that heavy lift from fiscal '25 is bearing fruit. Our systems are stronger. Our cost structure is leaner. Our franchisee network is healthier. There's more to do, but we're gaining momentum as we now visit each franchise location several times a year and engage in on-site audits and annual business planning sessions.

We're optimistic about our plans to return Rocky Mountain Chocolate Factory to growth and are focused on returning to profitability this year. Our leadership team has taken a business in long-term decline and begun to rebuild it from the ground up.

Over the past year, we made significant strides in positioning the company for future success. To support our transformation, we raised $2.2 million in equity capital last August, and refinanced our $4 million credit facility into a $6 million term loan in September. These actions gave us the financial flexibility to invest in systems, human talent, and the brand refresh we needed to drive our business through this transformational process.

The steps we've taken put us on a solid path toward long-term value creation, most importantly, we're building a corporate culture of excellence, transparency and accountability. After experiencing 3 years of operating loss, we fully expect to return to profitability in fiscal '26 with a strong foundation in place and a new level of discipline across the business. Thank you for your attention. I'll now turn it over to our CFO, Carrie Cass, to walk you through our fiscal Q4 and full year financial results. Carrie?

Carrie E. Cass
Chief Financial Officer

Thank you, Jeff. Please note that unless otherwise stated, all comparisons are on a year-over-year basis. Total revenue for the quarter was $8.9 million compared to $7.3 million in the same period last year. Product sales were $7.1 million compared to $5.6 million last year, and franchise and royalty fees were essentially flat at $1.8 million.

Total product and retail gross profit was a negative $0.8 million compared to $0.1 million. The decrease was primarily attributed to higher raw material costs. Total costs and expenses were $11.6 million compared to $8.8 million. The increase was due primarily to marketing and administrative investments associated with the brand refresh and prototype store rollout. Net loss from continuing operations was $2.9 million or a negative $0.37 per share compared to $1.6 million or a negative $0.25 per share.

Turning to the balance sheet. We ended our fiscal year with a cash balance of $0.7 million compared to $2.1 million at the end of fiscal '24. We also ended our fiscal year with total inventories of $4.6 million compared to $4.4 million last year. As of February 28, '25, we had $6 million in debt outstanding related to our term loan and no balance on our line of credit. This compares to $1.25 million drawn on our revolving line and no other debt outstanding at the end of fiscal '24.

Now turning to our full year '25 results. Revenue was $29.6 million compared to $28 million for the full year of '24. Total product and retail gross profit was $0.1 million compared to $1.4 million. The decrease was primarily due to a sharp increase in the cost of cocoa and other inflationary pressures as well as higher overhead costs and reduced production volume.

Total costs and expenses increased to $35.5 million compared to $32.9 million. The increase was primarily driven by inflationary cost pressures, including higher raw material costs and general operating cost increases. Net loss from continuing operations was $6.1 million or a negative $0.86 per share compared to a net loss from continuing operations of $4.9 million or negative $0.77 per share. This concludes our prepared remarks. We'll now open it up to Q&A. Operator, back to you.

Operator

[Operator Instructions] Thank you. Ladies and gentlemen, before we open the call to the live Q&A, the company would like to address questions that have been received via e-mail over the past week. I will now turn the call over to Sean Mansouri, RMCF External Investor Relations Adviser.

Sean Mansouri
Elevate Ir

Thank you, operator. Jeff, Carrie to kick things off, you mentioned quarterly price adjustments going forward. What's your process for determining those changes and how do you avoid pricing fatigue with franchisees or consumers?

Jeffrey Richart Geygan
Interim CEO & Director

Thanks, Sean. Carrie, I'll take this one. The March 1 reset wasn't a onetime event. It's part of an ongoing discipline in which we want to make sure our cost and pricing is aligned. I anticipate that we'll do this on a quarterly basis or more frequently as needed. With full transparency, if we're able to reduce cost. I think cocoa prices going up and down, we'll pass that on to our customers. What we need to do is maintain a target margin and with our franchisees, we've tried to give them adequate notice in terms of when we're changing. So I'm not concerned about inconsistencies or fatigue.

Sean Mansouri
Elevate Ir

Understood. And where do you stand in the entire rebranding process? And what has the response been so far, especially now that you have a new store with the brand refresh rolled out?

Jeffrey Richart Geygan
Interim CEO & Director

Yes, thanks. The feedback has been fantastic. And if you have a chance to see the Charleston store, and we'll try and put some live pictures up there on our website in the not-too-distant future. It's immaculate. It's fantastic. And the feedback from our customers there as well as the owner operator has been really good.

I think all of our franchisees who have had a chance to see the store are duly impressed. And as I mentioned, we're in the process of going to permitting up in Chicago, our 1 State Street location, which is a terrific case and that will be a fantastic store.

We have new packaging coming out as well. Consumer Packaging, which is so elegant. It really looks great. Again, we're planning to roll that out first shipping to stores and mid to late July with every store having product by early August. And we think that's going to be a terrific success. So the latter part, and I'm not clear if I'm going a little bit beyond the question you asked, but we have new signage, new store remodels that we'll begin -- some of the signages occurring right now. The remodel will begin in earnest later this year, and we'll schedule out all stores for some level of remodel. So we have consistency in the look and brand feel for our stores.

Sean Mansouri
Elevate Ir

Next one, what's your strategy for new unit growth going forward? Will growth come from new franchisees, existing operators or company-owned stores?

Jeffrey Richart Geygan
Interim CEO & Director

Yes, probably fewer company-owned stores. That's not our objective. But we have a number of really excellent franchisees right now who after they've seen what we're doing, the vision, the direction, where we're going with the company and particularly with the opening of the Charleston store, there's been a reinvigorated level of engagement where our franchisees -- our existing franchisees many of whom operate excellent businesses are contacting us and saying they'd like to contemplate a new store strategically, and I think we've identified this in previous communications with investors.

There are markets where we like to have more density. There are markets where we'd like to have presence. I think Boston, New York, Atlanta, Miami where we have virtually no presence and there's an obvious reason for us to be there. So that will require an existing franchisee or engagement with the new franchisee.

But as we're contemplating new franchisees, and I mentioned during this call, the next generation of franchisee needs to be well capitalized, financially sophisticated on entrepreneurial individuals, preferably people that have experience in franchising that are currently multi-unit or multi-brand operators as we think the path forward for us is engaging with fewer franchisees operating more stores.

So if we could -- if we're going to have 50 new stores, I'd rather have 5 operators with 10 stores rather than 50 operators with 1 store for all the obvious reasons.

Sean Mansouri
Elevate Ir

Yes. And last one for the inbound Q&A via e-mail. Your filings were delayed this year. Can you provide context on what happened and why it's taken so long to report earnings?

Jeffrey Richart Geygan
Interim CEO & Director

Yes, of course, I'll turn that over to Carrie.

Carrie E. Cass
Chief Financial Officer

Yes. There were a few things that occurred, of course, at the time, but mostly it was due to the ERP installation. We had to do some additional testing. The auditors needed to do additional testing to make sure that the data we were getting out of the new system was consistent and correct.

And so the delays really -- we're revolved around that, but there were also a number of initiatives happening at the same time. And while delays are never ideal, they don't reflect any issues or problems. And we're really focusing on execution and the transformation that we're making here and looking forward.

Sean Mansouri
Elevate Ir

Excellent. Operator, we'll turn it back to you for the live Q&A.

Operator
[Operator Instructions] This concludes today's conference call. You may disconnect your phone lines at this time, and have a wonderful day. Thank you for your participation.