U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

(Mark one)
_X_ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934** for the fiscal year ended December 31, 2022.
___ **Transition Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934** for the transition period from ____ to____.

Commission file number 0-11104

NOBLE ROMAN'S, INC.
(Exact name of registrant as specified in its charter)

Indiana	**35-1281154**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

6612 E. 75th Street, Suite 450
Indianapolis, Indiana 46250
(Address of principal executive offices)

Registrant's telephone number, including area code: (317) 634-3377
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A		

Securities registered pursuant to Section 12(g) of the Act: Common Stock

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No __X__

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No __X__

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes __X__ No _____

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes _X_ No _____

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer”, “acceleratedfiler”, “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer___ Accelerated Filer___
Non-Accelerated Filer _X_ Smaller Reporting Company_X_
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. ___

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report___

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registratant included in the filing reflect the correction of an error to previously issued financial statements. ___

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the Registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ___

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ___ No _X_

The aggregate market value of the common stock held by non-affiliates of the registrant as of June 30, 2022, the last business day of the registrant’s most recently completed second fiscal quarter, based on the closing price of the registrant’s common shares on such date was approximately $3.4 million.

Indicate the number of shares outstanding of each of the registrant’s classes of common stock, as of the latest practicable date: 22,215,512 shares of common stock as of March 15, 2023.

Documents Incorporated by Reference: None

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PART 1

ITEM 1. BUSINESS

General Information

Noble Roman's, Inc., an Indiana corporation incorporated in 1972, sells and services franchises and licenses and operates Company-owned stand-alone restaurants and non-traditional foodservice operations under the trade names "Noble Roman's Craft Pizza & Pub," "Noble Roman's Pizza," "Noble Roman's Take-N-Bake," and "Tuscano's Italian Style Subs." References in this report to the "Company" are to Noble Roman's, Inc. and its two wholly-owned subsidiaries, RH Roanoke, Inc. and Pizzaco, Inc., unless the context requires otherwise. RH Roanoke, Inc. operates a Company-owned non-traditional location. Pizzaco, Inc. currently is dormant.

The Company has been operating, franchising and licensing Noble Roman's Pizza operations in a variety of stand-alone and non-traditional locations across the country since 1972. Its first Craft Pizza & Pub location opened in January 2017 as a Company-operated restaurant in a northern suburb of Indianapolis, Indiana. Since then, the Company opened a total of eight more Company-operated locations in 2017, 2018, 2020 and 2021, with additional locations under consideration. The Company-operated locations serve as the base for what it sees as a significant potential future growth driver, including additional Company operated locations and franchising its full-service restaurant format to experienced, multi-unit restaurant operators with a track record of success. In 2019 the Company executed an agreement with the first franchise operator, Indiana's largest Dairy Queen franchisee with 19 franchised Dairy Queen locations at that time. The franchisee opened the first franchised Craft Pizza & Pub location in May 2019 and another location in November 2020. In November 2019, another franchisee, with an operations background in McDonald's, opened a Craft Pizza & Pub in Evansville, Indiana.

As discussed below under "Impact of COVID-19 Pandemic" the COVID-19 pandemic materially affected the Company's business and its franchising strategy since the pandemic emerged during the first quarter of 2020.

Noble Roman's Craft Pizza & Pub

The Noble Roman's Craft Pizza & Pub format incorporates many of the basic elements first introduced in 1972 but in a modern atmosphere with up-to-date baking technology and equipment to maximize speed, enhance quality and perpetuate the taste customers love and expect from a Noble Roman's.

The Noble Roman's Craft Pizza & Pub provides for a selection of over 40 different toppings, cheeses and sauces from which to choose. Beer and wine also are featured, with 16 different beers on tap including both national and local craft selections. Wines include 16 affordably priced options by the bottle or glass in a range of varietals. Beer and wine service is provided at the bar and throughout the dining room.

The Company designed the system to enable fast cook times, with oven speeds running approximately 2.5 minutes for traditional pizzas and 5.75 minutes for Sicilian pizzas. Popular pizza favorites such as pepperoni are options on the menu but also offered is a selection of Craft Pizza & Pub original pizza creations. The menu also features a selection of contemporary and fresh, made-to-order salads and fresh-cooked pasta. The menu also incorporates baked sub sandwiches, hand-sauced wings and a selection of desserts, as well as Noble Roman's famous Breadsticks with Spicy Cheese Sauce, most of which has been offered in its locations since 1972. In 2022, new salad bars were rolled out over time across all Company-operated restaurants.

Additional enhancements include a glass enclosed “Dough Room” where Noble Roman’s Dough Masters hand make all pizza and breadstick dough from scratch in customer view. Kids and adults enjoy Noble Roman’s self-serve root beer tap, which is also part of a special menu for customers 12 and younger. Throughout the dining room and the bar area there are many giant screen television monitors for sports and the nostalgic black and white shorts featured in Noble Roman’s since 1972.

The Company designed its curbside service for carry-out customers, called “Pizza Valet Service,” to create added value and convenience. With Pizza Valet Service, customers place orders ahead, drive into the restaurant’s reserved valet parking spaces and have their pizza run to their vehicle by specially uniformed pizza valets. Customers who pay when they place their orders are able to drive up and leave with their order very quickly without stepping out of their vehicle. For those who choose to pay after they arrive, pizza valets can take credit card payments on their mobile payment devices right at the customer's vehicle. With the fast baking times, the entire experience, from order to pick-up can take as little as 12 minutes.

Noble Roman’s Pizza For Non-Traditional Locations

In 1997, the Company started franchising non-traditional locations (a Noble Roman’s pizza operation within some other host business or activity with existing traffic) such as entertainment facilities, hospitals, convenience stores and other types of facilities. These locations utilize the two pizza styles the Company started with in 1972, along with its great tasting, high quality ingredients and menu extensions.

The hallmark of Noble Roman’s Pizza for non-traditional locations is “Superior quality that our customers can taste.” Every ingredient and process has been designed with a view to produce superior results.

- A fully-prepared pizza crust that captures the made-from-scratch pizzeria flavor which gets delivered to non-traditional locations in a shelf-stable condition so that dough handling is no longer an impediment to a consistent product, which otherwise is a challenge in non-traditional locations.
- Fresh packed, uncondensed and never cooked sauce made with secret spices, parmesan cheese and vine-ripened tomatoes in all venues.
- 100% real cheese blended from mozzarella and Muenster, with no additives or extenders.
- 100% real meat toppings, with no soy additives or extenders, a distinction compared to many pizza concepts.
- Vegetables (like onions and green peppers) and mushrooms for pizzas are sliced and delivered fresh, never canned.
- An extended product line that includes breadsticks and cheesy stix with dip, pasta, baked sandwiches, salads, wings and a line of breakfast products.
- The fully-prepared crust also forms the basis for the Company’s Take-N-Bake pizza for use as an add-on component for its non-traditional franchise and licensing base.

Business Strategy

The Company is focused on revenue expansion while carefully managing corporate-level overhead expenses. To accomplish this, the Company plans to continue developing, owning and operating Craft

Pizza & Pub locations and franchising that format to qualified multi-unit franchisees. At the same time, the Company will continue to focus on franchising/licensing for non-traditional locations by franchising that format primarily to convenience stores and entertainment centers.

The initial franchise fees for a Noble Roman's Pizza non-traditional location or a Craft Pizza & Pub location are as follows:

	Non-Traditional Except Hospitals	Non-Traditional Hospitals	Traditional Stand-Alone
Either a Noble Roman's Pizza or Craft Pizza & Pub	$ 7,500	$10,000	$30,000 (1)

(1) With the sale of multiple traditional stand-alone franchises to a single franchisee, the franchise fee for the first unit is $30,000, the franchise fee for the second unit is $25,000 and the franchise fee for the third unit and any additional unit is $20,000.

The franchise fees are paid upon signing the franchise agreement and, when paid, are non-refundable in consideration of the administration and other expenses incurred by the Company in granting the franchises and for the lost and/or deferred opportunities to grant such franchises to any other party.

The Company's proprietary ingredients are manufactured pursuant to the Company's recipes and formulas by third-party manufacturers under contracts between the Company and its various manufacturers. These contracts require the manufacturers to produce ingredients meeting the Company's specifications and to sell them to Company-approved distributors at prices negotiated between the Company and the manufacturer.

The Company utilizes distributors it has strategically identified in areas across the United States where Company-owned and franchise operations are located. The distributor agreements require the distributors to maintain adequate inventories of all ingredients necessary to meet the needs of the Company's franchisees and licensees in their distribution areas for weekly deliveries.

Competition

The restaurant industry and the retail food industry in general are very competitive with respect to convenience, price, product quality and service. In addition, the Company competes for franchise and license sales on the basis of product engineering and quality, investment cost, cost of sales, distribution, simplicity of operation and labor requirements. Actions by one or more of the Company's competitors could have an adverse effect on the Company's ability to sell additional franchises or licenses, maintain and renew existing franchises or licenses, or sell its products. Many of the Company's competitors are very large, internationally established companies.

Within the environment in which the Company competes, management has identified what it believes to be certain competitive advantages for the Company. Many of the Company's competitors in the non-traditional venue were established with little or no organizational history operating traditional foodservice locations. This lack of operating experience may limit their ability to attract and maintain non-traditional franchisees or licensees who, by the nature of the venue, often have little exposure to foodservice operations themselves. The Company's background in traditional restaurant operations has provided it experience in structuring, planning, marketing, and controlling costs of franchise or license unit operations which may be of material benefit to franchisees or licensees.

The Company's Noble Roman's Craft Pizza & Pub format competes with similar restaurants in its service area. Some of the competitors are company-owned, some are franchised locations of large chains and others are independently owned. Some of the competitors are larger and have greater financial resources than the Company.

Seasonality of Sales

Inclement or unusually cold winter weather conditions tend to adversely affect sales, especially those of the Craft Pizza & Pubs which are primarily designed for in-store dining and carry-out, which in turn affects Company revenue. Initial nice spring weather may also adversely affect sales in Craft Pizza & Pub locations as people first start to spend time outside. Sales of non-traditional franchises or licenses may be affected by weather and holiday periods. Sales to certain non-traditional venues may be slower around major holidays such as Thanksgiving and Christmas, and during the first quarter of the year. Product sales of the non-traditional franchises/licenses may be slower during the first quarter of the year.

Human Capital

As of March 1, 2023, the Company employed approximately 44 persons full-time and 163 persons on a part-time, hourly basis, of which 14 of the full-time employees are employed in sales and service of the franchise/license units and 30 in restaurant locations. No employees are covered under a collective bargaining agreement. The Company believes that relations with its employees are good.

Trademarks and Service Marks

The Company owns and protects several trademarks and service marks. Many of these, including NOBLE ROMAN'S®, Noble Roman's Pizza®, THE BETTER PIZZA PEOPLE®, "Noble Roman's Take-N-Bake Pizza," "Noble Roman's Craft Pizza & Pub®," "Pizza Valet" and "Tuscano's Italian Style Subs®," are registered with the U.S. Patent and Trademark Office as well as with the corresponding agencies of certain other foreign governments. The Company believes that its trademarks and service marks have significant value and are important to its sales and marketing efforts.

Government Regulation

The Company and its franchisees and licensees are subject to various federal, state and local laws affecting the operation of the respective businesses. Each location, including the Company's Craft Pizza & Pub locations, are subject to licensing and regulation by a number of governmental authorities, which include health, safety, sanitation, building, employment, alcohol and other agencies and ordinances in the state or municipality in which the facility is located. The process of obtaining and maintaining required licenses or approvals can delay or prevent the opening of a location. Vendors, such as third parties that produce and distribute products the Company and its franchisees and licensees sell are also licensed and subject to regulation by state and local health and fire codes, and the U. S. Department of Transportation. The Company, its franchisees, licensees and vendors are also subject to federal and state environmental regulations, as well as laws and regulations relating to minimum wage and other employment-related matters.The Company is subject to various local, state and/or federal laws requiring disclosure of nutritional and/or ingredient information concerning the Company's products, its packaging, menu boards and/or other literature. Changes in the laws and rules applicable to the Company or its franchisees or licensees, or their interpretation, could have a material adverse effect on the Company's business.

The Company is subject to regulation by the Federal Trade Commission ("FTC") and various state agencies pursuant to federal and state laws regulating the offer and sale of franchises. Several states also regulate aspects of the franchisor-franchisee relationship. The FTC requires the Company to furnish to prospective franchisees a disclosure document containing specified information. Several states also regulate the sale of franchises and require registration of a franchise disclosure document with state authorities. Substantive state laws that regulate the franchisor-franchisee relationship presently exist in a substantial number of states and bills have been introduced in Congress from time to time that would provide for additional federal regulation of the franchisor-franchisee relationship in certain respects. State laws often limit, among other things, the duration and scope of non-competition provisions and the ability of a franchisor to terminate or refuse to renew a franchise. Some foreign countries also have disclosure requirements and other laws regulating franchising and the franchisor-franchisee relationship, and the Company is subject to applicable laws in each jurisdiction where it seeks to market additional franchised units.

Impact of COVID-19 Pandemic

In the first quarter of 2020, a novel strain of coronavirus (COVID-19) emerged and spread throughout the United States. The World Health Organization recognized COVID-19 as a pandemic in March 2020. In response to the pandemic, the U.S. federal government and various state and local governments have, among other things, imposed travel and business restrictions, including stay-at-home orders and other guidelines that required restaurants and bars to close or restrict inside dining. The pandemic resulted in significant, economic volatility, uncertainty and disruption, reduced commercial activity and weakened economic conditions in the regions in which the Company and its franchisees operate.

The pandemic and the governmental response had a significant adverse impact on the Company, due to, among other things, governmental restrictions, reduced customer traffic, staffing challenges and supply difficulties especially as a result of the emergence of the Omicron and other variants of COVID-19 in late 2021 and early in 2022. Many states and municipalities in the United States, including Indiana where all of the Company-owned Craft Pizza & Pub restaurants are located, have from time to time temporarily restricted travel and suspended the operations of dine-in restaurants and other businesses in light of COVID-19 which negatively affected the Company's operations. As the duration and scope of the pandemic is uncertain these orders are subject to further modification, which could adversely affect the Company. Further, the Company can provide no assurance the phase out of restrictions will have a positive effect on the Company's business.

Host facilities for the Company's non-traditional franchises were also affected by labor shortages which adversely impacted those developments and in turn slowed the sales of franchises. The uncertainty and disruption in the U.S. economy caused by the pandemic are likely to continue to adversely impact the volume and resources of potential franchisees for both the Company's Craft Pizza & Pub and non-traditional venues.

On February 5, 2021, the Company received a loan of $940,734 under the Paycheck Protection Program ("PPP"), which was in addition to prior PPP loans. In accordance with the applicable accounting policy adopted, the Company accounted for the loan as a government grant and presented it in the Condensed Consolidated Statement of Operations as a reduction of certain qualifying expenses incurred during the three-month period ended March 31, 2021. The expenses included payroll costs and benefits, interest on mortgage obligations, rent under lease agreements and utilities and other qualifying expenses pursuant to the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). Because the $940,734 loan was applied against relevant expenses in the first quarter 2021, the result of operations for the 12-month periods in 2021 and 2022 are of limited comparability.

The employee retention credit ("ERC") is a refundable tax credit that businesses can claim on qualified wages paid to employees. The program was introduced on March 27, 2020 in the CARES Act to incentivize employees to keep their employees on their payroll during the pandemic and economic shutdown. The credit applies to all qualified wages, including certain health plan expenses, paid during the period in which the operations were fully or partially suspended due to a government shutdown order or where there was significant decline in gross receipts.

When first established under the CARES Act, the tax credit was equal to 50% of the qualified wages an eligible employer paid to employees after March 12, 2020 and before January 1, 2021. The credit was also limited to a maximum annual per employee credit of $5,000. The credit was then extended through June 30, 2021 by the Tax Payer Certainty and Disaster Relief Act ("Relief Act") (Division EE of the Consolidated Appropriations Act). The Relief Act modified the credit to be 70% of up to $10,000 of qualified wages per quarter in 2021 through June 30, 2021. The program was further extended through December 31, 2021 by the American Rescue Plan Act of 2021 ("ARPA") but was retroactively cut short by the Infrastructure Investment and Jobs Act, ending effective September 30, 2021.

During the first quarter of 2023 the Company determined that it is entitled to an ERC of $1.718 million and has submitted amended federal Form 941 returns claiming that refund. The ERC refund is treated as a government grant and will be reducing appropriate expenses for the $1.718 million less expenses for applying for the refund of $258,000 or a net of $1.460 million.

Available Information

We make available, free of charge through our Investor Relations website (http://www.nrom.info), our latest Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file these reports with, or furnish them to, the Securities and Exchange Commission. The information on our website is not incorporated into this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

All phases of the Company's operations are subject to a number of uncertainties, risks and other influences, many of which are outside of its control, and any one or a combination of which could materially affect its results of operations. Important factors that could cause actual results to differ materially from the Company's expectations are discussed below. Prospective investors should carefully consider these factors before investing in our securities as well as the information set forth under "Forward-Looking Statements" in Item 7 of this report. These risks and uncertainties include:

Risks Related to Economic Conditions and Events.

COVID-19 pandemic.

The COVID-19 pandemic and the governmental response had a significant adverse impact on the Company, due to among other things, governmental restrictions, reduced customer traffic, staffing challenges and supply difficulties especially as a result of the emergence of the Omicron and other variants of COVID-19 in late 2021 and early 2022. Many states and municipalities in the United States, including Indiana where all of the Company-owned Craft Pizza & Pub restaurants are located, have from time to time suspended the operation of dine-in restaurants and other businesses in light of COVID-19, which negatively affected the Company's operations. As the duration and scope of the pandemic is uncertain, these orders are subject to further modifications which could adversely affect the Company and its ability to execute its growth plans. Further the Company can provide no assurance the phase-out of restrictions will have a positive effect on the Company's business.

Host facilities for the Company's non-traditional franchises were also affected by labor shortages which adversely impacted those developments and in turn slowed the sale of franchises. The uncertainty and disruption in the U.S. economy caused by the pandemic are likely to continue to adversely impact the volume and resources of potential franchisees for both the Company's Craft Pizza & Pub and non-traditional venues.

The Company has experienced several disruptions in supply including due to the temporary closure of certain meat processors. The Company has implemented alternative work-arounds for these disruptions but could face additional supply disruptions to a minor or major degree which could impact the Company's ability to serve products with the impacted ingredients. The potential of such disruptions has prompted the Company-operated units to take on a larger than normal supply of certain key ingredients. Depending on the duration of the COVID-19 pandemic and any lingering economic, labor and supply chain upheaval, the Company's ability to execute its growth plans could be adversely affected. These risks and any additional risks associated with COVID-19 or a similar outbreak may materially adversely affect the Company's business or results of operations, and may impact the Company's liquidity or financial condition, particularly if these risks persist for a significant amount of time. The COVID-19 pandemic has also adversely affected the Company's franchising business due to its impact on the operations and financial condition of host facilities as well as constraints on the Company's historical marketing efforts, including participation in trade shows.

Competition from larger companies.

The Company competes with large national companies and numerous regional and local companies for franchise and license sales and with respect to its Company-owned locations. Many of its competitors have greater financial and other resources than the Company. The restaurant industry in general is intensely competitive with respect to convenience, price, product quality and service. In addition, the Company competes for franchise and license sales on the basis of several factors, including product engineering and quality, investment cost, cost of sales, distribution, simplicity of operation and labor requirements. Activities of the Company's competitors could have an adverse effect on the Company's ability to sell additional franchises or licenses or maintain and renew existing franchises and licenses or the operating results of the Company's system.

Dependence on growth strategy.

The Company's growth strategies include selling new franchises or licenses for non-traditional locations and to expand Craft Pizza & Pub locations in the future by franchising to qualified franchisees and gradually increasing the number of Company-owned Craft Pizza & Pub locations. The opening and success of new locations will depend upon various factors, which include: (1) the traffic generated by and viability of the underlying activity or business in non-traditional locations; (2) the continued viability of the Craft Pizza & Pub locations; (3) the ability of the franchisees and licensees of either venue to operate their locations effectively; (4) the franchisee's ability to comply with applicable regulatory requirements; and (5) the effect of competition and general economic and business conditions including food and labor costs. Many of the foregoing factors are not within the Company's complete control. There can be no assurance that the Company will be able to achieve its plans with respect to the opening and/or operation of new franchises/licenses for Craft Pizza & Pub or non-traditional locations.

Risks Related to the Company's Operations

Dependence on success of franchisees and licensees.

While an increasing portion of its revenues are being generated by Company-owned operations, a significant portion of the Company's revenues continues to come from royalties and other fees generated by its franchisees and licensees which are independent operators. Their employees are not the Company's employees. The Company is dependent on the franchisees to accurately report their weekly sales and, consequently, the calculation of royalties. If the franchisees underreport their sales, the Company's revenue could be adversely affected. The Company provides training and support to franchisees and licensees but the quality of the store operations and collectability of the receivables may be diminished by a number of factors beyond the Company's control. Consequently, franchisees and licensees may not operate locations in a manner consistent with the Company's standards and requirements, or may not hire and train qualified managers and other store personnel. If they do not, the Company's image and reputation may suffer, and its revenues and stock price could decline. While the Company attempts to ensure that its franchisees and licensees maintain the quality of its brand and branded products, franchisees and licensees may take actions that adversely affect the value of the Company's intellectual property or reputation. Overall inflation, initiatives to increase the Federal minimum wage and a shortage of available labor could have an adverse financial effect on our franchisees/licensees or the Company by increasing labor and other costs.

Dependence on distributors.

The success of the Company's license and franchise offerings depends upon the Company's ability to engage and retain unrelated, third-party distributors. The Company's distributors collect and remit certain of the Company's royalties and must reliably stock and deliver products to the Company's licensees and franchisees as well as the Company-owned operations. The Company's inability to engage and retain quality distributors, or a failure by distributors to perform in accordance with the Company's standards, could have a material adverse effect on the Company. The COVID-19 pandemic had a materially adverse impact on many of the Company's current distributors as well as other potential distributors, especially those located in or servicing states that had or have significant and/or prolonged restrictions. These potential disruptions in distribution may result in loss of distribution to some areas or result in distribution service under less favorable terms to the Company and its franchisees and licensees.

Dependence on consumer preferences and perceptions.

The restaurant industry and the retail food industry is often affected by changes in consumer tastes, national, regional and local economic conditions, demographic trends, traffic patterns and the type, number and location of competing restaurants. The Company could be substantially adversely affected by publicity resulting from food quality, illness, an infection pandemic, injury, other health concerns or operating issues stemming from one restaurant or retail outlet or a limited number of restaurants and retail outlets.

Interruptions in supply or delivery of food products.

Dependence on frequent deliveries of product from unrelated third-party manufacturers through unrelated third-party distributors also subjects the Company to the risk that shortages or interruptions in supply caused by contractual interruptions, market conditions, inclement weather or other conditions could adversely affect the availability, quality and cost of ingredients. The COVID-19 pandemic created supply chain shortages that adversely impacted the Company's operations. In addition, factors such as inflation, which has intensified significantly since the beginning of 2021, market conditions for cheese, wheat, meats, paper, labor and other items may also adversely affect the franchisees and licensees and, as a result, can adversely affect the Company's ability to add new franchised or licensed locations.

Federal, state and local laws with regard to the operation of the businesses.

The Company is subject to regulation by the FTC and various state agencies pursuant to federal and state laws regulating the offer and sale of franchises. Several states also regulate aspects of the franchisor-franchisee relationship. The FTC requires the Company to furnish to prospective franchisees a disclosure document containing specified information. Several states also regulate the sale of franchises and require registration of a franchise disclosure document with state authorities. Substantive state laws that regulate the franchisor-franchisee relationship presently exist in a substantial number of states, and bills have been introduced in Congress from time to time that would provide for federal regulation of the franchisor-franchisee relationship in certain respects. The state laws often limit, among other things, the duration and scope of non-competition provisions and the ability of a franchisor to terminate or refuse to renew a franchise. Some foreign countries also have disclosure requirements and other laws regulating franchising and the franchisor-franchisee relationship, and the Company would be subject to applicable laws in each jurisdiction where it seeks to market additional franchise units.

Each franchise and Company-owned location is subject to licensing and regulation by a number of governmental authorities, which include health, safety, sanitation, building, alcohol, employment and other agencies and ordinances in the state or municipality in which the facility is located. The process of obtaining and maintaining required licenses or approvals can delay or prevent the opening of a franchise location. Vendors, such as the Company's third-party production and distribution services, are also licensed and subject to regulation by state and local health and fire codes, and U. S. Department of Transportation regulations. The Company, its franchisees and its vendors are also subject to federal and state environmental regulations. Failure of the Company or its franchisees to comply with these laws and regulations could have an adverse impact on the Company, its operations, financial results or reputation. Additionally, expenses related to compliance with these laws and regulations could have an adverse impact on the Company's financial results.

Risks Related to the Company's Indebtedness

Ability to service our outstanding indebtedness and the dilutive effect of our outstanding warrants.

As of March 15, 2023, the Company has approximately $9.0 million in principal amount debt obligations. Of that debt, $8.4 million is in the form of a senior secured promissory note (the "Senior Note") and $625,000 is in the form of convertible, subordinated, unsecured promissory notes (the "Notes"), each as described below.

On February 7, 2020, the Company entered into a Senior Secured Promissory Note and Warrant Purchase Agreement (the "Agreement") with Corbel Capital Partners SBIC, L.P. (the "Purchaser"). Pursuant to the Agreement, the Company issued to the Purchaser the Senior Note in the initial principal amount of $8.0 million. The Company has used the net proceeds of the Agreement as follows: (i) $4.2 million was used to repay the Company's then-existing bank debt which was in the original amount of $6.1 million; (ii) $1.275 million was used to repay the portion of the Company's outstanding subordinated convertible debt the maturity date of which most had not previously been extended; (iii) debt issuance costs; and (iv) the remaining net proceeds were used for working capital or other general corporate purposes, including development of new Company-owned Craft Pizza & Pub locations.

The Senior Note bears cash interest of LIBOR, as defined in the Agreement, plus 7.75%. Interest is payable in arrears on the last calendar day of each month. In addition, the Note requires non-cash payment-in-kind interest ("PIK Interest") of 3% per annum, which is added to the principal amount of the Senior Note. The Senior Note matures on February 7, 2025. Beginning February 28, 2023, the Senior Note as amended also requires fixed principal payments in the amount of $33,333 per month during February 2023 and $83,333 per month continuing until maturity. At the end of the third quarter 2022, the Company entered into an amendment to the Senior Note agreement changing the required payments of principal beginning in March 2023 from $33,333 per month to $83,333 per month in exchange for lowering the financial covenants and eliminating the excess cash flow requirement. In addition, when LIBOR is phased out it will be replaced with SOFR.

In conjunction with the Senior Note, the Company issued to the Purchaser a warrant (the "Corbel Warrant") to purchase up to 2,250,000 shares of Common Stock. The Corbel Warrant entitles the Purchaser to purchase from the Company, at any time or from time to time: (i) 1,200,000 shares of Common Stock at an exercise price of $0.57 per share ("Tranche 1"), (ii) 900,000 shares of Common Stock at an exercise price of $0.72 per share ("Tranche 2"), and (iii) 150,000 shares of Common Stock at an exercise price of $0.97 per share ("Tranche 3"). The Purchaser is required to exercise the Corbel Warrant with respect to Tranche 1 if the Common Stock is trading at $1.40 per share or higher for a specified period, and is further required to exercise the Corbel Warrant with respect to Tranche 2 if the Common Stock is trading at $1.50 per share or higher for a specified period. Cashless exercise of the Corbel Warrant is only permitted with respect to Tranche 3. The Purchaser has the right, within six months after the issuance of any shares under the Corbel Warrant, to require the Company to repurchase such shares for cash or for put notes, at the Company's discretion. The Corbel Warrant expires on the sixth anniversary of the date of its issuance.

Additionally, the Company previously issued certain units (the "Units") consisting of a Note in an aggregate principal amount of $50,000 and warrants (the "Warrants") to purchase up to 50,000 shares of the Company's Common Stock at a price of $1.00 per share, no par value per share. Following the refinancing described above, $625,000 in principal amount of Notes and the associated Warrants remain outstanding, however, per the terms of the agreement, the Warrants were re-priced to $0.57 per share. Notes with an outstanding principal balance of $150,000 matured and accompanying Warrants expired January 31, 2023; however, the principal amount of such Notes cannot be repaid until Corbel's loan is paid because the Notes are subordinate to such loan. Notes with an outstanding principal balance of $475,000, and accompanying Warrants, have been extended to February 28, 2025.

Risks Related to Human Capital

Dependence on key executives.

The Company's business has been and will continue to be dependent upon the efforts and abilities of its executive staff generally, and particularly Paul W. Mobley, its Executive Chairman and Chief Financial Officer, and A. Scott Mobley, its President and Chief Executive Officer. The loss of either of their services could have a material adverse effect on the Company.

Risks Related to the Company's Common Stock

Indiana law with regard to purchases of the Company's stock.

Certain provisions of Indiana law applicable to the Company could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from attempting to acquire, control of the Company. Such provisions could also limit the price that certain investors might be willing to pay in the future for shares of its Common Stock. These provisions include prohibitions against certain business combinations with persons or groups of persons that become “interested shareholders” (persons or groups of persons who are beneficial owners of shares with voting power equal to 10% or more) unless the board of directors approves either the business combination or the acquisition of stock before the person becomes an “interested shareholder.”

Inapplicability of corporate governance standards that apply to companies listed on a national exchange.

The Company’s stock is quoted on the OTCQB, a Nasdaq-sponsored and operated inter-dealer automated quotation system for equity securities not included on the Nasdaq Stock Market. The Company is not subject to the same corporate governance requirements that apply to exchange-listed companies. These requirements include: (1) a majority of independent directors; (2) an audit committee of independent directors; and (3) shareholder approval of certain equity compensation plans or equity issuances. As a result, stockholders do not have the same governance protection as they would for a stock traded on a national exchange.

Thinly traded stock

The market for the Common Stock is limited, meaning that an investment in the Company’s stock is less liquid than in a stock listed on a national exchange with a higher average trading volume. Because of this, attempts by one or more stockholders of the Company to sell significant amounts of stock may result in an imbalance in the market that materially decreases the trading price of the stock which could continue for an indefinite period of time. Accordingly, the traded price of the stock may not reflect the Company’s equity value. Additionally, there is no assurance that the Company’s stock will continue to be authorized for quotation by the OTCQB or any other market in the future.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The Company owns no real property. Its headquarters are located in 8,088 square feet of leased office space in Indianapolis, Indiana. The lease for this property expires in April 2029.

The Company also leases space for its Company-owned restaurants in Westfield, Indiana which expires in January 2027, in Whitestown, Indiana which expires in November 2027, in Fishers, Indiana which expires in January 2028, in Carmel, Indiana which expires in June 2028, in Brownsburg, Indiana which expires October 2030, in Greenwood, Indiana which expires in October 2030, in McCordsville, Indiana which expires in February 2031, in Indianapolis, Indiana which expires in October 2031, and in Franklin, Indiana which expires in February 2032. The Company’s lender holds a security interest in the leasehold interest.

ITEM 3. LEGAL PROCEEDINGS

The Company, from time to time, is or may become involved in litigation or regulatory proceedings arising out of its normal business operations.

Currently, there are no such pending proceedings which the Company considers to be material.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

The Company's Common Stock is included on the Nasdaq OTCQB and trades under the symbol "NROM". The over-the-counter market quotations on the Nasdaq OTCQB reflect inter-dealer prices without retail markup, markdown or commission and may not necessarily represent actual transactions.

Holders of Record

As of March 1, 2023, there were approximately 212 holders of record of the Company's Common Stock. This excludes persons whose shares are held of record by a bank, brokerage house or clearing agency.

Dividends

The Company has never declared or paid dividends on its Common Stock. The Company's current loan agreement, as described in Note 3 of the notes to the Company's consolidated financial statements included in Item 8 of this report, prohibits the payment of dividends on Common Stock.

Sale of Unregistered Securities

None.

Repurchases of Equity Securities

None.

Equity Compensation Plan Information

The following table provides information as of December 31, 2022 with respect to the shares of the Company's Common Stock that may be issued under its existing equity compensation plan.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by stockholders	-	$ -	-
Equity compensation plans not approved by stockholders	5,355,167	$ .59	(1)
Total	5,355,167	$ .59	(1)

(1) The Company may grant additional options under the employee stock option plan. There is no maximum number of shares available for issuance under the employee stock option plan.

The Company maintains an employee stock option plan for its employees, officers and directors. Any employee, officer and director of the Company is eligible to be awarded options under the plan. The employee stock option plan provides that any options issued pursuant to the plan will generally have a three-year vesting period and will expire ten years after the date of grant. Awards under the plan are periodically made at the recommendation of the Executive Chairman and the Chief Executive Officer and authorized by the Board of Directors. The employee stock option plan does not limit the number of shares that may be issued under the plan.

ITEM 6. RESERVED

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

The Company currently owns and operates nine Craft Pizza & Pub locations and one non-traditional location in a hospital. Craft Pizza & Pub is designed to have a fun, pleasant atmosphere serving pizza and other related menu items, all made fresh using fresh ingredients in the view of the customers for inside dining and offers Pizza Valet service for a quick, easy and fun way to provide carry-out for those customers who want to dine elsewhere. These units operate under the trade name "Noble Roman's Craft Pizza & Pub".

The Company also sells and services franchises and licenses for non-traditional foodservice operations under the trade names "Noble Roman's Pizza" and "Noble Roman's Take-N-Bake." The non-traditional concepts' hallmarks include high quality pizza along with other related menu items, simple operating systems, fast service times, labor-minimizing operations, attractive food costs and overall affordability.

During the 12-month period ended December 31, 2022 there were no company-operated or franchised Craft Pizza & Pub restaurants opened or closed. During the same 12-month period there were 31 new non-traditional outlets opened and seven non-traditional outlets closed.

The Company, at December 31, 2021 and December 31, 2022, had deferred tax assets on its balance sheet totaling $3.2 million and $3.5 million, respectively, after adding a tax benefit in 2022 of $292,435. Based on the Company's review of its available tax credits and 2022 tax benefit, the Company believes it is more likely than not that the deferred tax assets will be utilized prior to their expiration.

Financial Summary

The preparation of the consolidated financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results may differ from those estimates. The Company evaluates the carrying values of its assets, including property, equipment and related costs, accounts receivable and deferred tax assets, periodically to assess whether any impairment indications are present due to (among other factors) recurring operating losses, significant adverse legal developments, competition, changes in demand for the Company's products or changes in the business climate that affect the recovery of recorded values. If any impairment of an individual asset is evident, a charge will be recorded to reduce the carrying value to its estimated fair value.

Condensed Consolidated Statement of Operations Data
Noble Roman's, Inc. and Subsidiaries

	Years Ended December 31,		
	2020	2021	2022
Revenue:			
Restaurant revenue – company-owned restaurants	$ 6,209,279	$ 8,939,569	$9,704,169
Restaurant revenue –company-owned non-traditional	470,846	485,595	712,517
Franchising revenue	4,841,229	4,444,826	4,002,824
Administrative fees and other	14,310	14,898	33,255
Total revenue	11,535,664	13,884,888	14,452,765
Operating expenses:			
Restaurant expenses – company-owned restaurants	4,938,133	7,224,833	8,516,405
Restaurant expenses – company-owned non-traditional	447,040	466,469	704,665
Franchising expenses	1,736,870	1,810,363	2,185,751
Total operating expenses	7,122,043	9,501,665	11,406,821
Depreciation and amortization	382,368	848,913	450,550
General and administrative expenses	1,717,209	1,790,722	2,167,678
Total expenses	9,221,620	12,141,300	14,025,049
Operating income	2,314,044	1,743,588	427,716
Interest expense	1,914,344	1,361,625	1,626,221
Adjust valuation of receivables	4,941,718	-	-
Income (loss) before income taxes	(4,542,018)	381,963	(1,198,505)
Income tax expense (benefit)	839,928	(127,502)	(142,435)
Net income (loss)	$(5,381,946)	$ 509,465	$ (1,056,070)

Quarter Ended December 31,		
	2021	2022
Revenue:		
Restaurant revenue – company-owned restaurants	$ 2,443,781	$ 2,330,026
Restaurant revenue - company-owned non-traditional	131,978	206,625
Franchising revenue	1,013,831	784,423
Administrative fees and other	4,095	8,029
Total revenue	3,593,685	3,329,103
Operating expenses:		
Restaurant expenses - company-owned restaurants	2,166,475	2,099,726
Restaurant expenses - company-owned non-traditional	131,890	201,026
Franchising expenses	496,891	741,678
Total operating expenses	2,795,256	3,042,430

Depreciation and amortization	399,931	112,555
General and administrative expenses	504,282	568,989
Total expenses	3,699,469	3,723,974
Operating income	(105,784)	(394,871)
Interest expense	345,410	558,617
Loss before income taxes	(451,194)	(953,486)
Income tax expense (benefit)	(127,502)	(80,522)
Net loss	$ (323,692)	$ (872,964)

(1) In 2022, the Company incurred $18,552 in rent expense in addition to rent paid as a non-cash expense as required by the new lease accounting rules. The Company, in the first quarter of 2023, submitted amended federal Form 941 returns for 2020 and 2021 to obtain a credit under the ERC of $1.718 million which will be reduced by $258,000 commission for a net of $1.460 million. While the ERC is applied to prior periods and is recorded as a reduction of expenses in the first quarter of 2023 and is expected to be received within a few months.

(2) Decreases in revenue for both the three-month and 12-month periods were the result of an adjustment of prior years allowances of approximately $140,000 and additional adjustments in the fourth quarter of approximately $235,000 as a reserve against possible uncollectables, which in the opinion of management were not necessary except to be ultra conservative.

(3) The income tax benefit in both the three-montha and 12-month ended December 31, 2022 was reduced by $150,000 to lower the deferred tax asset on the balance sheet.

The following table sets forth the revenue, expense and margin contribution of the Company's Craft Pizza & Pub locations and the percent relationship to its revenue:

Description	Three Months ended December 31, 2021		2022		Year-Ended December 31, 2021		2022	
Revenue	$2,443,781	100%	$2,330,026	100%	$8,939,569	100%	$9,704,169	100%
Cost of sales	513,848	21.0	513,636	22.0	1,868,997	20.9	2,076,514	21.4
Salaries and wages	743,396	30.5	694,600	29.8	2,233,376	25.0	2,850,333	29.4
Facility cost including rent, common area and utilities	379,851	15.5	403,592	17.3	1,187,984	13.3	1,635,951	16.8
Packaging	87,317	3.6	85,433	3.7	271,507	3.0	344,823	3.6
All other operating expenses	442,063	18.1	402,467	17.3	1,662,969	18.6	1,608,784	16.5
Total expenses	2,166,475	88.7	2,099,726	90.1	7,224,833	80.8	8,516,405	87.7
Margin contribution	$ 277,306	11.3%	$ 230,301	9.9%	$1,714,736	19.2%	$1,187,764	12.3%

The following table sets forth the revenue, expense and margin contribution of the Company's franchising venue and the percent relationship to its revenue:

Description	Three Months ended December 31, 2021		2022		Year Ended December 31, 2021		2022	
Royalties and fees franchising	$ 860,192	84.8%	$ 627,719	80.0%	$ 3,816,164	85.8%	$ 3,371,643	84.2%
Royalties and fees grocery	153,639	15.2	156,704	20.0	628,662	14.2	631,181	15.8
Total royalties and fees	1,013,831	100%	784,423	100%	4,444,826	100%	4,002,824	100%
Salaries and wages	215,656	21.3	223,495	28.5	719,252	16.2	861,190	21.5
Trade show expense	105,000	10.4	90,000	11.5	399,000	9.0	315,000	7.9
Travel and auto	21,446	2.1	32,028	4.1	73,270	1.6	113,186	2.8
All other op. expenses	154,789	15.2	396,155	50.5	618,841	13.9	896,375	22.4
Total expenses	496,891	49.0	741,678	94.6	1,810,363	40.7	2,185,751	54.6
Margin contribution	$ 516,940	51.0%	$ 42,745	5.4%	$ 2,634,463	59.3%	$ 1,817,073	45.4%

The following table sets forth the revenue, expense and margin contribution of the Company-owned non-traditional venue and the percent relationship to its revenue:

Description	Three Months ended December 31, 2021		2022		Year Ended December 31, 2021		2022	
Revenue	$ 131,978	100%	$ 206,625	100%	$ 485,595	100%	$ 712,517	100%
Total expenses	131,890	99.9	201,026	97.3	466,469	96.1	704,665	98.9
Margin contribution	$ 88	.1%	$ 5,599	2.7%	$ 19,126	3.9%	$ 7,852	1.1%

Results of Operations

Company-Owned Craft Pizza & Pub

The revenue from this venue decreased from $2.4 million to $2.3 million for the fourth quarter and grew from $8.9 million to $9.7 million for the 12 months ended December 31, 2022, respectively, compared to the corresponding periods in 2021. The primary reason for the decrease in the three-month period and the increase in the 12-month period was same store sales reduction in the fourth quarter as a result of being in the opening period for two locations last year, and the increase in year-to-date was same store sales increases.

Cost of sales as a percentage of revenue increased from 21.0% to 22.0% in the fourth quarter and from 20.9% to 21.4%, respectively, for the comparable periods in 2022 compared to 2021. The increases were the result of increased prices on most ingredients, which were partially offset by menu price increases.

Salaries and wages as a percentage of revenue decreased from 30.5% to 29.8% in the fourth quarter and increased from 25.0% to 29.4% for the 12-month periods ended December 31, 2022 compared to the corresponding periods in 2021. This decrease in the fourth quarter was the result of scheduling efficiencies and a slight easing in the labor market and the increase in the annual cost was primarily the effect of the PPP loan in 2021 which reduced certain expenses including salaries and wages.

Facility costs, including rent, common area maintenance and utilities, as a percentage of revenue increased from 15.5% to 17.3% and from 13.3% to 16.89% of revenue for the respective three-month and 12-month periods ended December 31, 2022 compared to the corresponding periods in 2021. The primary reason for the increase in both periods were two locations that opened during the fourth quarter 2021.

All other operating costs and expenses as a percentage of revenue decreased from 18.1% to 17.3% for the three-month period ended December 31, 2022 and from 18.6% to 16.5% for the 12-month period ended December 31, 2022, respectively, compared to the corresponding periods in 2021. The decreases were the result of more efficient operations as the locations had been there longer combined with menu price increases.

Gross margin contribution decreased from 11.3% to 9.9% and from 19.2% to 12.3% for the respective three-month and 12-month periods ended December 31, 2022, respectively, compared to the corresponding periods in 2021. The decreases in margin were primarily the result of increase in wages and other costs due to inflationary pressures only partially offset by menu price increases. The Company initiated a second price increase during the second quarter of 2022 to help offset the continued cost pressures. The largest impact on the 12-month period was the impact of the PPP loan in 2021 used to offset certain expenses.

Franchising Revenue and Expense

Total revenue from this venue declined from $1.01 million to $784,000 and from $4.4 million to $4.0 million for the three-month and 12-month periods ended December 31, 2022, respectively, compared to the corresponding periods in 2021. Many of the grocery stores that previously offered take-n-bake were not offering take-n-bake at this time because of operational demands on the grocery stores and a shortage of available labor. Decreases in revenue for both the three-month and 12-month periods were the result of an adjustment of prior years allowances of approximately $140,000 and additional adjustments in the fourth quarter of approximately $235,000 as a reserve against possible uncollectables, which in the opinion of management were not necessary except to be ultra conservative. The decrease was also caused by a number of locations that had to be closed because of COVID restrictions partially offset by an increase in revenue from other existing locations.

Gross margin in this venue decreased from 51.0% to 5.4% and from 59.3% to 49.4% for the three-month and 12-month periods ended December 31, 2022, respectively, compared to the corresponding periods in 2021. The decrease in gross margin for both periods was a decrease in revenue of approximately $140,000 and an increase in expense of approximately $235,000 as explained in the previous paragraph. Going forward this venue has been showing new growth activity and both the revenue and margin is expected to achieve or exceed historic levels in upcoming periods.

Company-Owned Non-Traditional Locations

Gross revenue from this venue increased from $132,000 to $207,000 and from $486,000 to $713,000 for the respective three-month and 12-month periods ended December 31, 2022 compared to the corresponding periods in 2021. This venue consists of one location in a hospital. Access to the hospital had been very limited and movement within the hospital was prohibited because of the potential spread of COVID-19, and revenue increased as those restrictions within the hospital were relaxed. The Company does not intend to operate any more Company-owned non-traditional locations except for the one location that is currently being operated.

Total expenses increased from $132,000 to $201,000 and from $466,000 to $705,000 for the three-month and 12-month periods ended December 31, 2022, respectively, compared to the corresponding periods in 2021. The primary reason for the increases was increased revenue as the hospital relieved many of their restrictions on access to the hospital and on movement within the hospital, as discussed in the previous paragraph, resulting from the COVID-19 pandemic.

Corporate Expenses

Depreciation and amortization decreased from $400,000 to $113,000 and from $849,000 to $451,000 for the three-month and 12-month periods ended December 31, 2022, respectively, compared to the corresponding periods in 2021. These decreases were the result of opening costs for new Company-owned locations of Craft Pizza & Pub restaurants becoming fully expensed prior to 2022.

General and administrative expenses increased from $504,000 to $569,000 and from $1.79 million to $2.17 million for the three-month and 12-month periods ended December 31, 2022, respectively, compared to the corresponding periods in 2021. The increase reflected general inflation pressures as well as the growth of the Craft Pizza & Pub venue.

Interest expense increased from $345,000 to $559,000 and from $1.36 million to $1.63 million for the respective three-month and 12-month periods ended December 31, 2022, respectively, compared to the corresponding periods in 2021. The primary reason for the increase in both periods was the compounding of the PIK interest on the Senior Note and the increase in interest rate. In 2023, the interest cost should decline gradually as a result of the required principal payment on the note which should more than offset the additional interest because of compounding of the PIK notes.

During the first quarter of 2023 the Company determined that it is entitled to an ERC of $1.718 million and has submitted amended federal Form 941 returns claiming that refund. The ERC refund is treated as a government grant reducing appropriate expenses for the $1.718 million less expenses for applying for the refund of $258,000 or a net of $1.460 million. Recording this refund in the first quarter of 2023 will result in significantly improved margins in the Company-owned Craft Pizza and Pub, Franchising Revenue and Expense, Company-Owned Non-Traditional Locations and Corporate Expenses.

Impact of Inflation

The primary inflation factors affecting both Company and franchised operations are food and labor costs. Cheese makes up the single largest ingredient cost on a pizza. Cheese prices have fluctuated substantially for the past several years. In 2015 through 2017, cheese prices averaged 3% below the 10-year average. In 2018, prices further decreased and averaged 6% below the 10-year average. On April 15, 2020, cheese prices hit a record low, since the Company started tracking it in 1999. Since April 2020, cheese gradually increased to a record high, declined somewhat over the latter part of 2020 but remained well above the previous ten-year average causing the ten-year average to shift higher. During 2021, cheese price fluctuated erratically due to the various impacts of COVID-19 modestly above and below the now higher ten-year average. During 2022, cheese prices were well above the ten-year average and ending the year approximately 20% above the ten-year average. So far in 2023, cheese prices are remaining well above the ten-year average but have declined somewhat in recent weeks to about 13.5% above the ten-year average as of the filing of this Annual Report on Form 10-K.

The Company has also been impacted in recent times by inflationary pressures on other commodities, such as pork, beef, chicken and wheat. The Company expects further significant inflationary pricing pressures to occur, at a minimum, in both the wheat and tomato markets as well as beef.

Labor costs across the Company's markets generally have seen upward pressure on hourly rates as the unemployment rate decreased and competition for hourly employees increased, which intensified during the post-peak period of the COVID-19 pandemic. The same applies to salaried management. The Company's Craft Pizza & Pub operations currently pay well above minimum wage rates to remain competitive. The Company has experienced similar pressure on management salaries. Future labor cost increases for non-traditional franchisees and licensees may be somewhat mitigated due to the relatively low labor requirements of the Company's franchise concepts. Mounting pressures in the labor markets, with the return of an improved economy, could be a factor in both franchised and Company operations going forward. Should labor costs increase substantially, or if commodity prices for cheese or other ingredients rise significantly, or some combination thereof occurs, restaurants and foodservice concepts, including the Company and its franchisees, would face pressure to increase menu pricing, the feasibility of which could be subject to competitive concerns and customer tolerance.

Liquidity and Capital Resources

The Company's strategy is to grow its business by concentrating on franchising/licensing non-traditional locations, franchising its updated stand-alone concept, Craft Pizza & Pub, and operating a limited number of Company-owned Craft Pizza & Pub restaurants. The Company added new Company-operated Craft Pizza & Pub locations in January and November 2017, January and June 2018, March, October and November 2020, and October and December 2021. The Company added no new Company-operated Craft Pizza & Pub locations during 2022; however locations of non-traditional franchising have increased in recent months.

The Company is operating one non-traditional location in a hospital and has no plans for operating any additional non-traditional locations.

The Company's current ratio was 1.3-to-1 as of December 31, 2022 compared to 2.3-to-1 as of December 31, 2021. The Company's current ratio was negatively impacted by amortization of the Corbel loan which began in February and increased in March 2023. In addition, it was negatively impacted by the approximately $140,000 in prior year allowances and additional adjustments in the fourth quarter of approximately $235,000 as a reserve against possible uncollectables, which in the opinion of management were not necessary except to be ultra conservative. Going forward the current ratio will be significantly improved in the first quarter of 2023 as the Company determined that it is entitled to an ERC of $1.718 million and has submitted amended federal Form 941 returns claiming that refund. The ERC refund is treated as a government grant by reducing appropriate expenses for the $1.718 million less expenses for applying for the refund of $258,000 or a net of $1.460 million. Recording this refund in the first quarter of 2023 will result in significantly improved margins in the Company-owned Craft Pizza and Pub, Franchising Revenue and Expense, Company-Owned Non-Traditional Locations and Corporate Expenses.

In January 2017, the Company completed the offering of $2.4 million principal amount of the Notes convertible to Common Stock at $0.50 per share and Warrants to purchase up to 2.4 million shares of the Company's Common Stock at an exercise price of $1.00 per share, subject to adjustment. In 2018, $400,000 principal amount of Notes was converted into 800,000 shares of the Company's Common Stock, in January 2019 another Note in the principal amount of $50,000 was converted into 100,000 shares of the Company's Common Stock, and in August 2019 another Note in the principal amount of $50,000 was converted into 100,000 shares of the Company's Common Stock, leaving principal amounts of Notes of $1.9 million outstanding as of December 31, 2019. Holders of Notes in the principal amount of $775,000 extended their maturity date to January 31, 2023. In February 2020, $1,275,000 principal amount of the Notes were repaid in conjunction with a new financing leaving a principal balance of $625,000 of subordinated convertible notes outstanding due January 31, 2023. During 2022, all of those Notes were extended except for Notes with outstanding principal of $150,000 which cannot be repaid until the Corbel Note is repaid. These Notes bear interest at 10% per annum, including the Notes which have not been extended, paid quarterly and are convertible to Common Stock any time prior to maturity at the option of the holder at $0.50 per share. The remaining Warrants to purchase 775,000 shares were re-priced to $0.57 per share as a result of the financing completed in February 2020.

On February 7, 2020, the Company entered into the Agreement with Corbel, pursuant to which the Company issued to Corbel the Senior Note in the initial principal amount of $8.0 million. The Company has used the net proceeds of the Agreement as follows: (i) $4.2 million was used to repay the Company's then-existing bank debt which were in the original amount of $6.1 million; (ii) $1,275,000 was used to repay the portion of the Company's existing subordinated convertible debt the maturity date of which most had not previously been extended, (iii) debt issuance costs; and (iv) the remaining net proceeds was used for working capital and other general corporate purposes, including development of new Company-owned Craft Pizza & Pub locations.

The Senior Note bears cash interest of LIBOR, as defined in the Agreement, plus 7.75%. In addition, the Senior Note requires PIK Interest of 3% per annum, which is added to the principal amount of the Senior Note. Interest is payable in arrears on the last calendar day of each month. The Senior Note matures on February 7, 2025. The Senior Note requires principal payments of $33,333 in February 2023 and beginning in March 2023 principal payments of $83,333 per month continuing until maturity. At the end of the third quarter 2022, the Company entered into an amendment to the Senior Note agreement changing the required payments of principal beginning in March 2023 from $33,333 per month to $83,333 per month in exchange for lowering the financial covenants and eliminating the excess cash flow requirement. In addition, when LIBOR is phased out it will be replaced with SOFR.

On April 25, 2020, the Company received a loan of $715,000 under the PPP. In accordance with the applicable accounting policy adopted, the Company accounted for the loan as a government grant and presented it in the Condensed Consolidated Statement of Operations as a reduction of certain qualifying expenses incurred during the three-month period ended June 30, 2020. These expenses included payroll costs including payroll benefits, interest on mortgage obligations, rent under lease agreements and utilities and other qualifying expenses pursuant to the CARES Act. On February 19, 2021, the Company received notice from the SBA that the entire $715,000 loan was forgiven in accordance with the provisions of the CARES Act.

On February 5, 2021, the Company received an additional loan of $940,734 under the PPP. The Company used the proceeds of this loan for qualifying expenses under the CARES Act. The Company accounted for this loan as a government grant and presented in the condensed Consolidated Statement of Operations as reduction of certain qualifying expenses incurred during the three-month period ended March 31, 2021. On November 19, 2021 the Company received notice from the SBA that the entire $940,734 loan was forgiven in accordance with the provision of the CARES Act.

The Company, in the first quarter of 2023, submitted amended federal Form 941 returns for 2020 and 2021 to obtain a credit under the ERC (which is a part of the CARES Act) of $1.718 million which will be reduced by $258,000 commission for a net of $1.461 million. While the ERC is applied to prior periods, the expected net refund was recorded as a reduction in expenses in the first quarter of 2023 and is expected to be received within a few months.

As a result of the financial arrangements described above and the Company's cash flow projections, the Company believes it will have sufficient cash flow to meet its obligations and to carry out its current business plan. The Company's cash flow projections for the next two years are primarily based on the Company's strategy of growing the non-traditional franchising/licensing venues, operating Craft Pizza & Pub locations and pursuing a franchising program for Craft Pizza & Pub restaurants as market conditions allow. The Company intends to refinance its outstanding debt before the maturity of the Corbel debt in February 2025.

The Company does not anticipate that any of the recently issued pronouncements relating to the Statement of Financial Accounting Standards will have a material impact on its Consolidated Statement of Operations or its Consolidated Balance Sheet.

Contractual Obligations

The following table sets forth the future contractual obligations of the Company as of March 1, 2023:

	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Long-term debt (1)	$ 9,390,425	$ 866,663	$ 8,523,762	$ -	$ -
Operating leases	5,922,892	732,689	2,626,041	1,611,098	953,063
Total	$15,313,317	$1,599,352	$11,149,803	$1,611,098	$953,063

(1) The amounts do not include interest.

Forward-Looking Statements

The statements contained above in Management's Discussion and Analysis concerning the Company's future revenues, profitability, financial resources, market demand and product development are forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995) relating to the Company that are based on the beliefs of the management of the Company, as well as assumptions and estimates made by and information currently available to the Company's management. The Company's actual results in the future may differ materially from those indicated by the forward-looking statements due to risks and uncertainties that exist in the Company's operations and business environment, including, but not limited to the effects of the COVID-19 pandemic and its aftermath, competitive factors and pricing and cost pressures, non-renewal of franchise agreements, shifts in market demand, the success of franchise programs, including the Noble Roman's Craft Pizza & Pub format, the Company's ability to successfully operate an increased number of Company-owned restaurants, general economic conditions, changes in demand for the Company's products or franchises, the Company's ability to service its loans, the acceptance of the amended federal Form 941 returns relating to the ERC, the impact of franchise regulation, the success or failure of individual franchisees and inflation and other changes in prices or supplies of food ingredients and labor as well as the factors discussed under "Risk Factors" above in this Annual Report on Form 10-K. Should one or more of these risks or uncertainties materialize, or should underlying assumptions or estimates prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's exposure to interest rate risk relates primarily to its variable-rate debt. As of December 31, 2022, the Company had outstanding variable interest-bearing debt in the aggregate principal amount of $8.4 million. The Company's current borrowings were at a variable rate tied to LIBOR plus 7.25% per annum adjusted on a monthly basis. Based on its current debt structure, for each 1% increase in LIBOR the Company would incur increased interest expense of approximately $85,000 over the succeeding 12-month period. At the end of the third quarter 2022, the Company entered into an amendment to the Senior Note agreement changing the required payments of principal beginning in March 2023 from $33,333 per month to $83,333 per month in exchange for lowering the financial covenants and eliminating the excess cash flow requirement. In addition, when LIBOR is phased out it will be replaced with SOFR.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Consolidated Balance Sheets
Noble Roman's, Inc. and Subsidiaries

	December 31, 2021	December 31, 2022
Assets		
Current assets:		
Cash	$ 1,263,513	$ 785,522
Accounts receivable - net	904,474	824,091
Inventories	994,085	997,868
Prepaid expenses	415,309	424,822
Total current assets	3,577,381	3,032,303
Property and equipment:		
Equipment	4,216,246	4,351,558
Leasehold improvements	3,065,644	3,116,030
Construction and equipment in progress	235,051	63,097
	7,516,941	7,530,685
Less accumulated depreciation and amortization	2,366,927	2,817,477
Net property and equipment	5,150,014	4,713,208
Deferred tax asset	3,232,406	3,374,841
Deferred contract costs	810,044	934,036
Goodwill	278,466	278,466
Operating lease right of use assets	6,003,044	5,660,155
Other assets including long-term portion of accounts receivable - net	324,402	350,189
Total assets	$ 19,375,757	$ 18,343,198
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 919,157	$ 650,582
Current portion of operating lease liability	656,146	799,164
Current portion of Corbel loan payable	-	866,667
Total current liabilities	1,575,303	2,316,413
Long-term obligations:		
Loan payable to Corbel net of current portion	7,898,941	7,470,900
Corbel warrant value	29,037	29,037
Convertible notes payable	597,229	622,864
Operating lease liabilities – net of current portion	5,570,639	5,103,286
Deferred contract income	810,044	934,036
Total long-term liabilities	14,905,890	14,160,123
Stockholders' equity:		
Common Stock – no par value (40,000,000 shares authorized, 22,215,512 issued and outstanding as of December 31, 2021 and December 31, 2022)	24,791,568	24,819,736
Accumulated deficit	(21,897,004)	(22,953,074)
Total stockholders' equity	2,894,564	1,866,662
Total liabilities and stockholders' equity	$ 19,375,757	$ 18,343,198

See accompanying notes to consolidated financial statements.

Consolidated Statements of Operations
Noble Roman's, Inc. and Subsidiaries

	Year Ended December 31,		
	2020	2021	2022
Restaurant revenue - company-owned restaurants	$ 6,209,279	$ 8,939,569	$ 9,704,169
Restaurant revenue - company-owned non-traditional	470,846	485,595	712,517
Franchising revenue	4,841,229	4,444,826	4,002,824
Administrative fees and other	14,310	14,898	33,255
Total revenue	11,535,664	13,884,888	14,452,765
Operating expenses:			
Restaurant expenses - company-owned restaurants	4,938,133	7,224,833	8,516,405
Restaurant expenses - company-owned non-traditional	447,040	466,469	704,665
Franchising expenses	1,736,870	1,810,363	2,185,751
Total operating expenses	7,122,043	9,501,665	11,406,821
Depreciation and amortization	382,368	848,913	450,550
General and administrative	1,717,209	1,790,722	2,167,678
Total expenses	9,221,620	12,141,300	14,025,049
Operating income	2,314,044	1,743,588	427,716
Interest expense	1,914,344	1,361,625	1,626,221
Adjust valuation of receivables	4,941,718	-	-
Net (loss) income before income taxes	(4,542,018)	381,963	(1,198,505)
Income tax expense (benefit)	839,928	(127,502)	(142,435)
Net (loss) income	$(5,381,946)	$ 509,465	$ (1,056,070)
Income (loss)per share - basic:			
Net income (loss)	$ (.24)	$ .02	$ (.05)
Weighted average number of common shares outstanding	22,215,512	22,215,512	22,215,512
Diluted income (loss) per share:			
Net income (loss) (1)	$ (.24)	$ .02	$ (.05)
Weighted average number of common shares outstanding	23,465,512	23,641,678	23,512,550

(1) Net loss per share is shown the same as basic loss per share because the underlying dilutive securities have anti-dilutive effect.

See accompanying notes to consolidated financial statements.

**Consolidated Statements of Changes in
Stockholders' Equity
Noble Roman's, Inc. and Subsidiaries**

	Shares	Amount	Deficit	Total
Balance at December 31, 2019	22,215,512	$24,858,311	$(17,024,523)	$7,833,788
2020 net loss			(5,381,946)	(5,381,946)
Write-off unamortized closing to sub-debt that was converted		(116,400)		(116,400)
Amortization of value of stock options	-	21,536	-	21,536
Balance at December 31, 2020	22,215,512	$24,763,447	$(22,406,469)	$2,356,978
2021 net income			509,465	509,465
Amortization of value of stock options		28,121		28,121
Balance at December 31, 2021	22,215,512	$24,791,568	$(21,897,004)	$2,894,564
2022 net loss			(1,056,070)	(1,056,070)
Amortization of value of stock options		28,168		28,168
Balance at December 31, 2022	22,215,512	24,819,736	($22,953,074)	$1,866,662

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows
Noble Roman's, Inc. and Subsidiaries

	Year ended December 31,		
OPERATING ACTIVITIES	2020	2021	2022
Net income (loss)	$ (5,381,946)	$ 509,465	$ (1,056,070)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	1,433,295	1,330,017	942,977
Amortization of lease cost in excess of cash paid	46,994	36,223	18,552
Deferred income taxes	839,928	(127,502)	(142,435)
Changes in operating assets and liabilities			
(Increase) decrease in:			
Accounts receivable	(98,388)	(24,971)	80,384
Inventories	(9,896)	(103,530)	(3,783)
Prepaid expenses	189,884	(19,391)	(9,514)
Other assets including long-term portion of accounts receivable	4,508,836	(122,440)	122,804
Increase in:			
Accounts payable and accrued expenses	147,040	41,058	76,669
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,675,747	1,518,929	29,584
INVESTING ACTIVITIES			
Purchase of property and equipment	(2,084,710)	(1,449,779)	(507,575)
NET CASH USED BY INVESTING ACTIVITIES	(2,084,710)	(1,449,779)	(507,575)
FINANCING ACTIVITIES			
Payment of principal on First Financial Bank loan	(4,379,024)	-	-
Payment of principal on convertible notes	(1,275,000)	-	-
Net proceeds from new financings net of closing costs	7,039,218	-	-
Lease liabilities	-		
NET CASH PROVIDED BY FINANCING ACTIVITIES	1,385,194	-	-
Increase (decrease) in cash	976,231	69,150	(477,991)
Cash at beginning of year	218,132	1,194,363	1,263,513
Cash at end of year	$ 1,194,363	$ 1,263,513	$ 785,522

Supplemental Schedule of Non-Cash Investing and Financing Activities:

None.

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements
Noble Roman’s, Inc. and Subsidiaries

Note l: Summary of Significant Accounting Policies

Organization: The Company, with two wholly-owned subsidiaries, sells and services franchises and licenses and operates Company-owned stand-alone restaurants and non-traditional foodservice operations under the trade names “Noble Roman’s Pizza”, “Noble Roman’s Craft Pizza & Pub” and “Tuscano’s Italian Style Subs”. Unless the context otherwise indicates, reference to the “Company” are to Noble Roman’s, Inc. and its wholly-owned subsidiaries.

Principles of Consolidation: The consolidated financial statements include the accounts of Noble Roman’s, Inc. and its wholly-owned subsidiaries, RH Roanoke, Inc. and Pizzaco, Inc. Inter-company balances and transactions have been eliminated in consolidation.

Inventories: Inventories consist of food, beverage, restaurant supplies, restaurant equipment and marketing materials and are stated at the lower of cost (first-in, first-out) or net realizable value.

Property and Equipment: Equipment and leasehold improvements are stated at cost. Depreciation and amortization are computed on the straight-line method over the estimated useful lives ranging from five years to 20 years. Leasehold improvements are amortized over the shorter of estimated useful life or the term of the lease including likely renewals. Construction and equipment in progress are stated at cost for leasehold improvements, equipment for a new restaurant being constructed and for pre-opening costs of any restaurant not yet open as of the date of the statements.

Significant Accounting Policies: There have been no significant changes in the Company's accounting policies from those disclosed in its Annual Report on Form 10-K for the year ended December 31, 2020.

Leases: The Company determines if an arrangement is a lease at inception. Operating leases are included in right-of-use assets ("ROU"), and lease liability obligations are included in the Company's balance sheets. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liability obligations represent its obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As the Company's leases typically do not provide an implicit rate, the Company estimates its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The Company uses the implicit rate when readily determinable. The ROU asset also includes in the lease payments made and excludes lease incentives and lease direct costs. The Company's lease term may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense is recognized on a straight-line basis over the lease term.

The Company adopted the new standard to all material leases existing on January 1, 2019 and recognized a cumulative effect adjustment to the opening balance of accumulated deficit on that date.

Cash and Cash Equivalents: Includes actual cash balance. The cash is not pledged nor are there any withdrawal restrictions.

Advertising Costs: The Company records advertising costs consistent with the Financial Accounting Standards Board’s (the “FASB”) Accounting Standards Codification (“ASC”) “Other Expense” topic and

"Advertising Costs" subtopic. This statement requires the Company to expense advertising production costs the first time the production material is used.

Fair Value Measurements and Disclosures: The Fair Value Measurements and Disclosures topic of the FASB's ASC requires companies to determine fair value based on the price that would be received to sell the assets or paid to transfer to liability to a market participant. The fair value measurements and disclosure topic emphasis that fair value is a market based measurement, not an entity specific measurement. The guidance requires that assets and liabilities carried at fair value be classified and disclosed in one of the following categories:

Level One: Quoted market prices in active markets for identical assets or liabilities.

Level Two: Observable market–based inputs or unobservable inputs that are corroborated by market data.

Level Three: Unobservable inputs that are not corroborated by market data.

Use of Estimates: The preparation of the consolidated financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. After a thorough review by management in 2018, the Company permanently wrote off $1.3 million and created an additional reserve for possible non-collection of $2.8 million. After a review in 2019 and also considering the impact of the COVID-19 pandemic, it was decided to add an additional reserve of $1.3 million for possible non-collections. In 2020, in light of the additional uncertainty created as a result of the COVID-19 pandemic, the Company decided to create a reserve for uncollectability on all long-term franchisee receivables. The Company will continue to pursue collection where circumstances are appropriate and all collections of these receivables in the future will result in additional income at the time received. The Company evaluates its property and equipment and related costs periodically to assess whether any impairment indications are present, including recurring operating losses and significant adverse changes in legal factors or business climate that affect the recovery of recorded value. If any impairment of an individual asset is evident, a loss would be provided to reduce the carrying value to its estimated fair value.

Debt Issuance Costs: Debt issuance cost is presented on the balance sheet as a direct reduction from the carrying amount of the associated liability. Debt issuance costs are amortized to interest expense ratably over the term of the applicable debt. The unamortized debt issuance cost at December 31, 2022 was $371,920.

Intangible Assets: The Company recorded goodwill of $278,000 as a result of the acquisition of RH Roanoke, Inc. of certain assets of a former franchisee of the Company. Goodwill has an indeterminable life and is assessed for impairment at least annually and more frequently as triggering events may occur. In making this assessment, management relies on a number of factors including operating results, business plans, economic projections, anticipated future cash flows, and transactions and marketplace data. Any impairment losses determined to exist are recorded in the period the determination is made. There are inherent uncertainties related to these factors and management's judgment is involved in performing goodwill and other intangible assets valuation analysis, thus there is risk that the carrying value of goodwill and other intangible assets may be overstated or understated. The Company has elected to perform the annual impairment assessment of recorded goodwill as of the end of the Company's fiscal year. The results of this annual impairment assessment indicated that the fair value of the reporting unit as of December 31, 2022, exceeded the carrying or book value, including goodwill, and therefore recorded goodwill was not subject to impairment.

Royalties, Administrative and Franchise Fees: Royalties are generally recognized as income monthly based on a percentage of monthly sales of franchised or licensed restaurants and from audits and other inspections as they come due and payable by the franchisee. Fees from the retail products in grocery stores are recognized monthly based on the distributors' sale of those retail products to the grocery stores or grocery store distributors. Administrative fees are recognized as income monthly as earned. The Company adopted Accounting Standards Update ("ASU") 2014-09 effective January 2018 which did not materially affect the Company's recognition of royalties, fees from the sale of retail products in grocery stores, administrative fees or sales from Company-owned restaurants. However, initial franchise fees and related contract costs are now deferred and amortized on a straight-line basis over the term of the franchise agreements, generally five to ten years. The effect to comparable periods within the financial statements is not material as the initial franchise fee for the non-traditional franchise is intended to defray the initial contract cost, and the franchise fees and contract costs initially incurred and paid approximate the relative amortized franchise fees and contract costs for those same periods.

Exit or Disposal Activities Related to Discontinued Operations: The Company records exit or disposal activity for discontinued operations when management commits to an exit or disposal plan and includes those charges under results of discontinued operations, as required by the ASC "Exit or Disposal Cost Obligations" topic.

Income Taxes: The Company provides for current and deferred income tax liabilities and assets utilizing an asset and liability approach along with a valuation allowance as appropriate. The Company evaluated its deferred tax assets in 2018 and determined that $1,422,960 of the deferred tax credits may expire in 2019 and 2020 before they are fully utilized, which increased the Company's tax expense for 2018 and reduced the deferred tax credit on the balance sheet. The Company again evaluated its deferred tax assets in 2019 and determined that $1.7 million of its net operating loss carry-forward may expire before they are used resulting in an additional $400,000 in tax expense in 2019. In 2020, the Company again reviewed its deferred tax asset and determined that 2020 taxable income used up $267,528 and $572,400 deferred credits were expiring. The Company, at December 31, 2021 and December 31, 2022, had deferred tax assets on its balance sheet totaling $3.2 million and $3.4 million, respectively, after adding a tax benefit in 2022 of $142,135. Based on the Company's review of its available tax credits and 2022 tax benefit, the Company believes it is more likely than not that the deferred tax assets will be utilized prior to their expiration.

U.S. generally accepted accounting principles require the Company to examine its tax positions for uncertain positions. Management is not aware of any tax positions that are more likely than not to change in the next 12 months, or that would not sustain an examination by applicable taxing authorities. The Company's policy is to recognize penalties and interest as incurred in its Consolidated Statements of Operations. None were included for the years ended December 31, 2020, 2021 and 2022. The Company's federal and various state income tax returns for 2019 through 2021 are subject to examination by the applicable tax authorities, generally for three years after the later of the original or extended due date.

Basic and Diluted Net Income Per Share: Net income per share is based on the weighted average number of common shares outstanding during the respective year. When dilutive, stock options and warrants are included as share equivalents using the treasury stock method.

The following table sets forth the calculation of basic and diluted loss per share for the year ended December 31, 2020:

	Income (Numerator)	Shares (Denominator)	Per Share Amount
Net loss per share - basic			
Net loss	$ (5,381,946)	22,215,512	$ (.24)
Effect of dilutive securities			
Options	-	-	
Convertible Notes	62,500	1,250,000	
Diluted net loss per share			
Net loss (1)	$ (5,319,446)	23,465,512	$ (.24)

(1) Net loss per share is shown the same as basic loss per share because the underlying dilutive securities have an anti-dilutive effect

The following table sets forth the calculation of basic and diluted income per share for the year ended December 31, 2021:

	Income (Numerator)	Shares (Denominator)	Per Share Amount
Net income per share – basic			
Net income	$ 509,465	22,215,512	$ .02
Effect of dilutive securities			
Options	-	176,166	
Convertible Notes	62,500	1,250,000	
Diluted net loss per share			
Net income	$ 571,965	23,641,678	$ .02

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The following table sets forth the calculation of basic and diluted income per share for the year ended December 31, 2022:

	Income (Numerator)	Shares (Denominator)	Per Share Amount
Net income per share – basic			
Net income	$ (1,056,070)	22,215,512	$ (.05)
Effect of dilutive securities			
Options	-	47,038	
Convertible Notes	62,500	1,250,000	
Diluted net loss per share			
Net income	$ (993,570)	23,512,550	$ (.04)

Subsequent Events: The Company evaluated subsequent events through the date the consolidated statements were issued and filed with the Annual Report on Form 10-K.

The ERC is a refundable tax credit that businesses can claim on qualified wages paid to employees. The program was introduced on March 27, 2020 in the CARES Act to incentivize employees to keep their employees on their payroll during the pandemic and economic shutdown. The credit applies to all qualified wages, including certain health plan expenses, paid during the period in which the operations were fully or partially suspended due to a government shutdown order or where there was significant decline in gross receipts.

When first established under the CARES Act, the tax credit was equal to 50% of the qualified wages an eligible employer paid to employees after March 12, 2020 and before January 1, 2021. The credit was also limited to a maximum annual per employee credit of $5,000. The credit was then extended through June 30, 2021 by the Tax Payer Certainty and Disaster Relief Act ("Relief Act") (Division EE of the Consolidated Appropriations Act). The Relief Act modified the credit to be 70% of up to $10,000 of qualified wages per quarter in 2021 through June 30, 2021. The program was further extended through December 31, 2021 by the American Rescue Plan Act of 2021 ("ARPA") but was retroactively cut show by the Infrastructure Investment and Jobs Act, ending effective September 30, 2021.

During the first quarter 2023 the Company has determined that it is entitled to an ERC of $1.718 million and has submitted amended federal Form 941 returns claiming that refund. The ERC refund is treated as a government grant reducing appropriate expenses for the $1.718 million less expenses for applying for the refund of $258,000 or a net of $1.460 million.

Note 2: Accounts Receivable

At December 31, 2021 and 2022, the carrying value of the Company's accounts receivable has been reduced to anticipated realizable value. As a result of this reduction of carrying value, the Company anticipates that substantially all of its net receivables reflected on the Consolidated Balance Sheets as of December 31, 2021 and 2022 will be collected.

Other assets, as of December 31, 2022, include security deposit and cash value of life insurance.

Note 3: Notes Payable

On February 7, 2020, the Company entered into a Senior Secured Promissory Note and Warrant Purchase Agreement (the "Agreement") with Corbel Capital Partners SBIC, L.P. (the "Purchaser"). Pursuant to the Agreement, the Company issued to the Purchaser a senior secured promissory note (the "Senior Note") in the initial principal amount of $8.0 million. The Company has used the net proceeds of the Agreement as follows: (i) $4.2 million was used to repay the Company's then-existing bank debt which was in the original amount of $6.1 million; (ii) $1,275,000 was used to repay the portion of the Company's existing subordinated convertible debt the maturity date of which most had not previously been extended; (iii) debt issuance costs; and (iv) the remaining net proceeds were used for working capital or other general corporate purposes, including development of new Company-owned Craft Pizza & Pub locations.

The Senior Note bears cash interest of LIBOR, as defined in the Agreement, plus 7.75%. In addition, the Senior Note requires payment-in-kind interest ("PIK Interest") of 3% per annum, which is being added to the principal amount of the Senior Note. Interest is payable in arrears on the last calendar day of each month. The Senior Note requires principal payments of $33,333 in February 2023 and beginning in March 2023 principal payments of $83,333 per month continuing until maturity. At the end of the third quarter 2022, the Company entered into an amendment to the Senior Note agreement changing the required payments of principal beginning in March 2023 from $33,333 per month to $83,333 per month in exchange for lowering the financial covenants and eliminating the excess cash flow requirement. In addition, when LIBOR is phased out it will be replaced with SOFR.

In conjunction with the borrowing under the Senior Note, the Company issued to the Purchaser a warrant (the "Corbel Warrant") to purchase up to 2,250,000 shares of Common Stock. The Corbel Warrant entitles the Purchaser to purchase from the Company, at any time or from time to time: (i) 1,200,000 shares of Common Stock at an exercise price of $0.57 per share ("Tranche 1"), (ii) 900,000 shares of Common Stock at an exercise price of $0.72 per share ("Tranche 2"), and (iii) 150,000 shares of Common

Stock at an exercise price of $0.97 per share (“Tranche 3”). The Purchaser is required to exercise the Corbel Warrant with respect to Tranche 1 if the Common Stock is trading at $1.40 per share or higher for a specified period, and is further required to exercise the Corbel Warrant with respect to Tranche 2 if the Common Stock is trading at $1.50 per share or higher for a specified period. Cashless exercise of the Corbel Warrant is only permitted with respect to Tranche 3. The Purchaser has the right, within six months after the issuance of any shares under the Corbel Warrant, to require the Company to repurchase such shares for cash or for Put Notes, at the Company's discretion. The Corbel Warrant expires on the sixth anniversary of the date of its issuance.

At December 31, 2022, the balance of the Senior Note was comprised of:

Principal Due	$ 8,736,388
Unamortized Loan Closing Cost	$ 369,784
Carrying Value	$ 8,367,604

In the fourth quarter of 2016, the Company issued 32 Units, for a purchase price of $50,000 per Unit, or $1,600,000 in the aggregate and, in January 2017, the Company issued another 16 Units, or an additional $800,000 in the aggregate. Each $50,000 Unit consisted of a convertible, subordinated, unsecured promissory note (the “Notes”) in an aggregate principal amount of $50,000 and warrants (the “Warrants”) to purchase up to 50,000 shares of the Company’s Common Stock, no par value per share. The Company issued Units to investors including the following related parties: Paul W. Mobley, the Company’s Executive Chairman, Chief Financial Officer and a director of the Company ($150,000); and Herbst Capital Management, LLC, the principal of which is Marcel Herbst, a director of the Company ($200,000).

Interest on the Notes accrued at the annual rate of 10% and is payable quarterly in arrears. Initially, the Notes matured, and the Warrants expired, three years after issuance. However, in December 2018, the Company offered to extend the maturity of the Notes and the expiration date of the Warrants to January 2023. Certain of the holders of the Notes and Warrants accepted the Company’s offer. Accordingly, of the principal amount of the Notes, holders of $775,000 in principal amount extended their Notes until January 31, 2023. In 2018 and 2019, holders of $500,000 in principal amount of the Notes converted those Notes to 1,000,000 shares of the Company’s Common Stock in accordance with the terms of the Note. In February 2020, in conjunction with the Company’s refinancing of its debt, $1,275,000 in principal amount of those Notes was repaid leaving a balance of $625,000 which mature on January 31, 2023. The holders of the remaining $625,000 principal amount of Notes can elect, at their option any time prior to maturity, convert those Notes to Common Stock in accordance with the terms of the Notes. In 2022, the holders of all $625,000 principal balance extended the maturity of the Notes and Warrants to February 28, 2025 except for Notes with outstanding principal of $150,000 which matured on January 31, 2023, however the principal amount of such Notes cannot be repaid until Corbel’s loan is paid because the Notes are subordinated to such loan.

The Warrants issued with the Notes provide for an exercise price of $1.00 per share of Common Stock (subject to anti-dilution adjustments). As a result of the February 7, 2020 financing with Corbel, the Warrants adjusted to $0.57 per share. All warrants were canceled with the repayment of the Notes except Warrants issued with $775,000 principal amount of Notes that were extended to the new maturity of January 31, 2023. After January 31, 2023, only the Warrants associated with $475,000 principal Notes that were extended are outstanding. Subject to certain limitations, the Company may redeem the outstanding Warrants at a price of $0.001 per share of Common Stock subject to the Warrant upon 30 days’ notice if the daily average weighted trading price of the Common Stock equals or exceeds $2.00 per share for a period of 30 consecutive trading days.

Placement agent fees and other origination costs of the Notes are deducted from the carrying value of the Notes as original issue discount ("OID"). The OID is being amortized over the term of the Notes.

At December 31, 2022, the balance of the Notes is comprised of:

Face Value	$ 625,000
Unamortized OID	2,136
Carrying Value	$ 622,864

Total cash and non-cash interest accrued on the Company's indebtedness in 2022 was $1.63 million and in 2021 was $1.36 million.

Note 4: Royalties and Fees

Approximately $198,000, $204,000 and $293,500 are included in 2020, 2021 and 2022, respectively, royalties and fees in the Consolidated Statements of Operations for amortized initial franchise fees. Also included in royalties and fees were approximately $45,000, $32,000 and $61,000 in 2020, 2021 and 2022, respectively, for equipment commissions. Most of the cost for the services required to be performed by the Company are incurred prior to the franchise fee income being recorded which is based on contractual liability for the franchisee. Such incremental costs, include training, design and related travel cost to new franchises. The deferred contract income and costs approximated $810,000 on December 31, 2021 and $934,000 on December 31, 2022.

In conjunction with the development of Noble Roman's Pizza and Tuscano's Italian Style Subs, the Company has devised its own recipes for many of the ingredients that go into the making of its products ("Proprietary Products"). The Company contracts with various manufacturers to manufacture its Proprietary Products in accordance with the Company's recipes and formulas and to sell those products to authorized distributors at a contract price which includes an allowance for use of the Company's recipes. The manufacturing contracts also require the manufacturers to hold those allowances in trust and to remit those allowances to the Company on a periodic basis, usually monthly. The Company recognizes those allowances in revenue as earned based on sales reports from the distributors.

During the 12-month period ended December 31, 2022 there were no company-operated or franchised Craft Pizza & Pub restaurants opened or closed. During the same twelve-month period there were 31 new non-traditional outlets opened and seven non-traditional outlets closed.

Note 5: Liabilities for Leased Facilities

The Company has future obligations of $15.31 million under long-term debt and current operating leases as follows: due in less than one year $1.6 million, due in one to three years $11.15 million, due in three to five years $1.61 million and due in more than five years $953,000.

To implement the new accounting policies for leases, the Company used a weighted average discount rate of 7% and the weighted average lease term of 7.3 years. The Company recorded $18,775 more in lease expense than cash actually paid in 2022 for the leases.

Note 6: Income Taxes

The Company had deferred tax assets, as a result of prior operating losses, of $3.2 million at December 31, 2021 and $3.4 million at December 31, 2022. The net operating loss carry-forward is approximately $12.6 million so the Company will have no obligation to pay income tax on income up to the amount of that operating loss carry-forward, prior to its expiration.

Note 7: Common Stock

As of December 31, 2022, outstanding were $625,000 principal amount of Notes convertible into Common Stock at $0.50 per share and warrants to purchase 775,000 shares with an exercise price of $0.57 per share. During 2022, all of those Notes were extended excepted for Notes with outstanding principal of $150,000. The unextended Notes matured, and accompanying Warrants expired, January 31, 2023, but cannot be repaid until the Corbel Note is repaid. The Company issued to the Purchaser the Corbel Warrant to purchase up to 2,250,000 shares of Common Stock, as described in Note 3 of these notes to the Company's consolidated financial statements.

The Company has an incentive stock option plan for key employees, officers and directors. The options are generally exercisable three years after the date of grant and expire ten years after the date of grant. The option prices are the fair market value of the stock at the date of grant. At December 31, 2022, the Company had the following employee stock options outstanding:

# Common Shares Issuable	Exercise Price
1,756,167	$0.58
722,500	1.00
280,000	0.53
35,000	0.50
372,500	0.51
330,000	0.623
472,000	0.60
403,000	0.40
438,500	0.70
520,000	0.22

As of December 31, 2022, options for 4,141,167 shares were exercisable.

The Company adopted the modified prospective method to account for stock option grants, which does not require restatement of prior periods. Under the modified prospective method, the Company is required to record compensation expense for all awards granted after the date of adoption and for the unvested portion of previously granted awards that remain outstanding at the date of adoption, net of an estimate of expected forfeitures. Compensation expense is based on the estimated fair values of stock options determined on the date of grant and is recognized over the related vesting period, net of an estimate of expected forfeitures which is based on historical forfeitures.

The Company estimates the fair value of its option awards on the date of grant using the Black-Scholes option pricing model. The risk-free interest rate is based on external data while all other assumptions are determined based on the Company's historical experience with stock options. The following assumptions were used for grants in 2020, 2021 and 2022:

Expected volatility	20%
Expected dividend yield	None
Expected term (in years)	3
Risk-free interest rate	1.68 to 2.82%

The following table sets forth the number of options outstanding as of December 31, 2019, 2020, 2021 and 2022 and the number of options granted, exercised or forfeited during the years ended December 31, 2020, 2021 and 2022:

Balance of employee stock options outstanding as of 12/31/19	3,978,167
Stock options granted during the year ended 12/31/20	443,500
Stock options exercised during the year ended 12/31/20	0
Stock options forfeited during the year ended 12/31/20	0
Balance of employee stock options outstanding as of 12/31/20	4,421,667
Stock options granted during the year ended 12/31/21	463,500
Stock options exercised during the year ended 12/31/21	0
Stock options forfeited during the year ended 12/31/21	(30,000)
Balance of employee stock options outstanding as of 12/31/21	4,855,167
Stock options granted during the year ended 12/31/22	520,000
Stock options exercised during the year ended 12/31/22	0
Stock options forfeited during the year ended 12/31/22	59,000
Balance of employee stock options outstanding as of 12/31/22	5,316,167

The following table sets forth the number of non-vested options outstanding as of December 31, 2019, 2020, 2021 and 2022, and the number of stock options granted, vested and forfeited during the years ended December 31, 2020, 2021and 2022.

Balance of employee non-vested stock options outstanding as of 12/31/19	731,336
Stock options granted during the year ended 12/31/20	443,500
Stock options vested during the year ended 12/31/20	(212,500)
Stock options forfeited during the year ended 12/31/20	0
Balance of employee non-vested stock options outstanding as of 12/31/20	962,336
Stock options granted during the year ended 12/31/21	463,500
Stock options vested during the year ended 12/31/21	(354,336)
Stock options forfeited during the year ended 12/31/21	(30,000)
Balance of employee non-vested stock options outstanding as of 12/31/21	1,041,500
Stock options granted during the year ended 12/31/22	520,000
Stock options vested during the year ended 12/31/22	(327,500)
Stock options forfeited during the year ended 12/31/22	(59,000)
Balance of employee non-vested stock options outstanding as of 12/31/22	1,175,000

The weighted average grant date fair value of employee stock options granted during 2020 was $0.40, during 2021 was $0.70 and during 2022 was $0.22. Total compensation cost recognized for share-based payment arrangements was $21,536 in 2020 with a tax benefit of $5,168, $28,119 in 2021 with a tax benefit of $6,861 and $28,168 in 2022 with a tax benefit of $6,873. As of December 31, 2022, total unamortized compensation cost related to options was $26,106, which will be recognized as compensation cost over the next six to 36 months. No cash was used to settle equity instruments under share-based payment arrangements.

Note 8: Statements of Financial Accounting Standards

The Company does not believe that the recently issued Statements of Financial Accounting Standards will have any material impact on the Company's Consolidated Statements of Operations or its Consolidated Balance Sheets. In June 2016, the FASB issued Accounting Standards Update 2016-13 "Financial instruments - Credit Losses (Topic 326) measurement of credit losses on financial instruments" which introduces a forward-looking approach, based on expected losses, to estimate credit losses on certain types of financial instruments, including trade and other receivables. The estimate of expected credit losses will require entities to incorporate considerations of historical information, current information and reasonable and supportable forecast. As a result these changes may result in earlier recognition of credit losses. This accounting standard updates also expands the disclosure requirements to enable users of financial statements to understand the entities assumptions, models and methods of estimating expected credit losses. This guidance is effective for fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact of this accounting standards update.

Note 9: Contingencies

The Company, from time to time, is or may become involved in litigation or regulatory proceedings arising out of its normal business operations.

Currently, there are no such pending proceedings which the Company considers to be material.

Note 10: Certain Relationships and Related Transactions

The following is a summary of transactions to which the Company and certain officers and directors of the Company are a party or have a financial interest. The Board of Directors of the Company has adopted a policy that all transactions between the Company and its officers, directors, principal shareholders and other affiliates must be approved by a majority of the Company's disinterested directors, and be conducted on terms no less favorable to the Company than could be obtained from unaffiliated third parties.

Of the 48 Units sold in the private placement which began in October 2016, three Units were purchased by Paul W. Mobley, Executive Chairman,and four Units were purchased by Marcel Herbst, Director. Each Unit consists of a Note in the principal amount of $50,000 and a Warrant to purchase 50,000 shares of the Company's Common Stock. These transactions were all completed on the same terms and conditions as all of the independent investors who purchased the other 41Units. The Notes, at the time of issue, were to mature three years after issue date. In late 2018, the Company sent an offer to each remaining Note holder offering to extend the maturity of the Notes to January 31, 2023. Holders of $775,000 in principal amount of the Notes accepted that offer of extension including the Notes held by Paul W. Mobley and Herbst Capital Management, LLC. In conjunction with the refinancing of the Company in February 2020, Notes held by Paul Mobley were included in the $1,275,000 in principal amount of Notes that were repaid out of the proceeds of the new financing.

Note 11: Unaudited Quarterly Financial Information

	2022			
	Quarter Ended			
	December 31	September 30	June 30	March 31
	(in thousands, except per share data)			
Total revenue	$ 3,329	$ 3,909	$ 3,750	$ 3,465
Operating income (loss)	(395)	382	282	159
Net income (loss) before income taxes	(953)	4	(66)	(183)
Net income (loss)	(873)	4	(50)	(137)
Net income (loss) per common share				
Basic	(.05)	(.01)	(.01)	(.01)
Diluted	(.05)	(.01)	(.01)	(.01)

	2021			
	Quarter Ended			
	December 31	September 30	June 30	March 31
	(in thousands, except per share data)			
Total revenue	$ 3,594	$ 3,424	$ 3,585	$ 3,282
Operating income	(106)	264	424	1,162
Net income (loss)before income taxes	(451)	(79)	85	827
Net income (loss)	(324)	(79)	85	827
Net income (loss) per common share				
Basic	(.01)	0	0	.04
Diluted	(.01)	0	0	.04

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Noble Roman's, Inc.
Indianapolis, Indiana

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Noble Roman's, Inc. and subsidiaries (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of operations, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Valuation of Deferred Tax Assets

As described in Notes 1 and 6 to the consolidated financial statements, the Company's deferred tax asset was $3.4 million at December 31, 2022.

We identified the valuation of deferred tax assets as a critical audit matter. Specifically, management is required to make significant judgments and assumptions to estimate forecasted taxable income. Auditing these elements involved especially challenging and subjective auditor judgment due to the nature and extent of audit effort required to address these matters.

The primary procedures we performed to address this critical audit matter included:

- Understanding the design of controls relating to management's assessment of forecasted taxable income.
- Testing the completeness and accuracy of historical taxable income.
- Evaluating the assessment of forecasted taxable income through consideration of recent performance trends.

Valuation of Accounts Receivable

As described in Note 2 to the consolidated financial statements, the Company has recorded its accounts receivable at anticipated realizable value at December 31, 2022.

We identified the allowance for doubtful accounts as a critical audit matter. Specifically, management is required to make significant judgments and assumptions to estimate cash flows and evaluate collectability. Auditing these elements involved especially challenging and subjective auditor judgment due to the nature and extent of audit effort required to address these matters.

The primary procedures we performed to address this critical audit matter included:

- Understanding the design of controls relating to management's assessment of estimated cash flow and collectability.
- Testing the completeness and accuracy of historical collections.
- Evaluating the assessment of estimated cash flows through consideration of recent performance trends and changes to collectability.

We have served as the Company's auditor since 2007.

Somerset CPA's, P.C.
Indianapolis, Indiana
March 31, 2023

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Internal control over financial reporting is a process designed by, or under the supervision of, the Company's principal executive and principal financial officers, or persons performing similar functions, and effected by the Company's Board of Directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with United States generally accepted accounting principles ("GAAP") and includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of applicable limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Public Company Accounting Oversight Board's Auditing Standard No. 5 defines a material weakness as a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. A deficiency in internal control over reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Our management, including Paul W. Mobley, the Company's Executive Chairman of the Board and Chief Financial Officer, and A. Scott Mobley, the Company's President and Chief Executive Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2021 based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Our management has concluded that the Company's internal controls over financial reporting are effective.

There have been no changes in internal controls over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

This Annual Report on Form 10-K does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this Annual Report on Form 10-K.

Management's Evaluation of Disclosure Controls and Procedures

Based on their evaluation, as of the end of the period covered by this report, Paul W. Mobley, the Company's Executive Chairman of the Board and Chief Financial Officer, and A. Scott Mobley, the Company's President and Chief Executive Officer, have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are effective.

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS OF THE REGISTRANT AND CORPORATE GOVERNANCE

Set forth below is certain information regarding the executive officers and the directors of the Company:

Name	Age	Positions with the Company
Paul W. Mobley	82	Executive Chairman of the Board, Chief Financial Officer and Class II Director
A. Scott Mobley	59	Chief Executive Officer, President, Secretary and Class III Director
Douglas H. Coape-Arnold	77	Class I Director
Marcel Herbst	52	Class I Director
William Wildman	74	Class II Director
Troy Branson	59	Executive Vice President of Franchising

The officers of the Company serve at the discretion of the board of directors and are elected at the annual meeting of the board of directors. The board of directors has a classified structure in which the directors are divided into three classes with approximately one-third of the directors standing for election each year. Under this structure, directors serve staggered three-year terms or until their successors are duly elected and qualified.

The following is a brief description of the previous business background of our executive officers and directors:

Paul W. Mobley has been Executive Chairman of the Board and Chief Financial Officer since November 2014. Prior to November 2014, Mr. Mobley was Chairman of the Board, Chief Executive Officer and Chief Financial Officer since December 1991, and a director since 1974. Mr. Mobley was President of the Company from 1981 to 1997. From 1975 to 1987, Mr. Mobley was a significant shareholder and president of a company which owned and operated 17 Arby's franchise restaurants. From 1974 to 1978, he also served as Vice President and Chief Operating Officer of the Company and from 1978 to 1981 as its Senior Vice President. Mr. Mobley has a B.S. in Business Administration from Indiana University. He is the father of A. Scott Mobley.

A. Scott Mobley has been President and Chief Executive Officer since November 2014. Prior to November 2014, Mr. Mobley was President and Chief Operating Officer since 1997. He has served as a director since 1992, and Secretary since 1993. Mr. Mobley was Vice President from 1988 to 1997, and from 1987 until 1988 he also served as Director of Marketing for the Company. Prior to joining the Company Mr. Mobley was a strategic planning analyst with a division of Lithonia Lighting Company. Mr. Mobley has a B.S. in Business Administration from Georgetown University, and an MBA from Indiana University. He is the son of Paul W. Mobley.

Douglas H. Coape-Arnold has been a director of the Company since 1999. Mr. Coape-Arnold has been Managing General Partner of Geovest Capital Partners, L.P. since 1997, and was Managing Director of TradeCo Global Securities, Inc. from 1994 to 2002. Mr. Coape-Arnold is a Chartered Financial Analyst.

Marcel Herbst has been a director of the Company since July 2016. Mr. Herbst is the co-founder and portfolio manager of Herbst Capital Management, LLC and has over 15 years of investment experience in equities, fixed income and commodities. Mr. Herbst started his professional career in 1991 in Germany with a commercial diploma in banking. Prior to founding Herbst Capital Management, LLC, Mr. Herbst had more than 10 years' experience in the management of hospitality services for large, upscale, branded properties in the US and Europe. Most recently he served as the Director of Food and Beverage at the 1544 room Hilton Chicago, overseeing $40 million in annual food and beverage revenue. Mr. Herbst has a Bachelor degree of Business Administration from Schiller International University in Heidelberg, Germany and a Master's degree of Management in Hospitality concentrating in food and beverage from Cornell University.

William Wildman has been a director of the Company since June 2019. Mr. Wildman is the President and Chief Executive Officer of Pinnacle Commercial Capital ("Pinnacle"), a provider of growth funding to multi-unit franchisees and franchisors. Mr. Wildman has extensive working knowledge of restaurant concepts, their franchisors and their franchise groups, including both multi-unit and single-unit operators. Before founding Pinnacle, Mr. Wildman served as a Vice President with each of Provident Bank, a regional commercial bank, Atherton Capital, a San Francisco based capital markets lender, and Meridian Financial Corporation, an equipment leasing company in Indianapolis. Mr. Wildman studied business and law at the University of Evansville, and undertook additional financial management studies at the Indiana Banking School at Purdue.

Troy Branson has been Executive Vice President of Franchising for the Company since 1997, and from 1992 to 1997, he was Director of Business Development. Before joining the Company Mr. Branson was an owner of Branson-Yoder Marketing Group from 1987 to 1992. Mr. Branson received a B.S. in Business from Indiana University.

CODE OF ETHICS

The Company has adopted a code of ethics for its senior executive and financial officers. The code of ethics can be obtained without charge by contacting the Company's executive office at 6612 E. 75th Street, Suite 450, Indianapolis, Indiana 46250 and requesting a copy of the code of ethics.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table for 2021 and 2022

The following table sets forth the cash and non-cash compensation awarded to or earned by the Executive Chairman of the Board and Chief Financial Officer, the Chief Executive Officer, President and Secretary and the one other highest paid executive officer of the Company.

Name and Principal Position(s)	Year	Salary	Non-Equity Incentive Compensation	Option Awards(1)	Total Compensation
Paul W. Mobley	2022	$ 330,750	$ -	$ 2,800	$ 333,550
Executive Chairman of the Board and Chief Financial Officer	2021	$ 315,000	$ -	$ 4,900	$ 319,900
A. Scott Mobley	2022	$ 489,078	$ -	$ 4.800	$ 493,878
Chief Executive Officer, President and Secretary	2021	$ 461,506	$ -	$ 8,400	$ 469,906
Troy Branson	2022	$ 191,798	$ 18,016	$ 2,800	$ 212,614
Executive Vice President	2021	$ 132,308	$ 72,728	$ 2,450	$ 207,486

(1) These amounts represent the grant date fair value of the option awards. See "—Equity Incentive Awards" for information regarding valuation of stock option grants.

Equity Incentive Awards

The Company maintains an employee stock option plan for our employees, officers and directors that is designed to motivate them to increase shareholder value. Any employee, officer or director of the Company is eligible to be awarded options under the plan. The employee stock option plan provides that any options issued pursuant to the plan for non-director employees will have a three-year vesting period and for director employees will vest one-third each year and both will expire ten years after the date of grant. The vesting period is intended to provide incentive for longevity with the Company. Awards under the plan are periodically made at the recommendation of the Executive Chairman/Chief Financial

Officer and President/Chief Executive Officer, and then approved by the board of directors. The employee stock option plan does not have a limit on the number of shares that may be issued under the plan.

The Summary Compensation Table includes the grant date fair value for stock options granted in 2021 and 2022 to the named executive officers under the Company's employee stock option plan. The Company determines the grant date fair value of stock options calculated in accordance with ASC Topic 718. See Note 7 to the Notes to the Company's Consolidated Financial Statements in this Annual Report on Form 10-K a discussion of the Company's determination of the grant date fair value of stock options.

In 2022, the Company granted options to purchase 520,000 shares on June 1, 2022 at an exercise price equal to the then-current market price of $0.22 per share. There were no employee stock options exercised in 2022 and 59,000 stock options were forfeited.

Employment Agreements

Paul W. Mobley has an employment agreement with the Company which: (A) fixes his base compensation at $650,000 per year for 2022 (although Mr. Mobley voluntarily reduced his base compensation to $330,750 for 2022 and pursuant to an agreement entered into in conjunction with the Corbel financing in 2020 Mr. Mobley agreed to limit his salary in future years to a 5% per annum increase); (B) provides for reimbursement of travel and other expenses incurred in connection with his employment, including the furnishing of an automobile and health and accident insurance similar to that provided other employees; and (C) provides life insurance in an amount related to his base salary. The initial term of the agreement is seven years and the term automatically renews each year for a seven-year period unless the board of directors takes specific action to not renew. The agreement is terminable by the Company for cause as defined in the agreement. The agreement does not provide for any benefits payable as a result of a change of control of the Company.

A. Scott Mobley has an employment agreement with the Company which: (A) fixes his base compensation at $578,550 per year for 2022(although Mr. Mobley voluntarily reduced his base compensation to 489,078 for 2022 and pursuant to an agreement entered into in conjunction with the Corbel financing in 2020 Mr. Mobley agreed to limit his salary in future years to a 5% per annum increase); (B) provides for reimbursement of travel and other expenses incurred in connection with his employment, including the furnishing of an automobile and health and accident insurance similar to that provided other employees; and (C) provides life insurance in an amount related to his base salary. The initial term of the agreement is five years and the term automatically renews each year for a five-year period unless the board of directors takes specific action to not renew. The agreement is terminable by the Company for cause as defined in the agreement. The agreement does not provide for any benefits payable as a result of a change of control of the Company.

Non-Equity Incentive Arrangements

The Company had a non-equity incentive arrangement with our Executive Vice President under which he earned additional compensation, but that plan was replaced by salary in the second quarter of 2022. His compensation was based, before being converted to salary, on 2.5% of the Company's adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA").

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information concerning the number of outstanding equity awards of the executive officers named in the Summary Compensation Table as of December 31, 2022.

	Option Awards			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price ($)**	**Option Expiration Date**
Paul W. Mobley	100,000		0.58	9/30/23
	900,000		0.58	9/30/23
	33,333		0.58	6/27/22
	50,000		1.00	7/2/23
	60,000		1.00	7/2/24
	70,000		1.00	6/23/25
	60,000		0.53	7/7/26
	70,000		0.51	7/7/27
	70,000		0.623	7/6/28
	80,000		0.60	7/2/29
	46,667	23,333	0.40	9/30/30
	23,333	46,667	0.70	7/2/31
	0	70,000	0.22	6/1/32
A. Scott Mobley	25,000		0.58	9/302/23
	300,000		0.58	9/3023
	33,334		0.58	6/27/22
	50,000		1.00	7/2/23
	60,000		1.00	7/2/24
	70,000		1.00	6/23/25
	70,000		0.53	7/7/26
	90,000		0.51	7/7/27
	80,000		0.623	7/6/28
	100,000	0	0.60	7/2/29
	53,333	26,667	0.40	9/30/30
	40,000	80,000	0.70	7/2/31
	0	120,000	0.22	6/1/32
Troy Branson	10,000		0.58	9/30/23
	40,000		1.00	7/2/23
	30,000		1.00	7/2/24
	40,000		1.00	6/23/25
	35,000		0.53	7/7/26
	42,500		0.51	7/7/27
	42,500		0.623	7/6/28
	42,500		0.60	7/2/29
		30,000	0.40	9/30/30
		35,000	0.70	7/2/31
		70,000	0.22	6/1/32

The employee stock option plan provides that any options issued pursuant to the plan for non-director employees will have a three-year vesting period and for director employees will vest one-third each year, so long as the optionee continues to be employed by the Company, and both will expire ten years after the date of grant.

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash ($)	Option Awards ($)	All Other Compensation ($)	Total ($)
Douglas H. Coape-Arnold	18,500	1,800	-	20,300
Marcel Herbst	18,500	1,800	-	20,300
William Wildman	18,500	1,800	-	20,300

Each non-employee director is compensated: $18,000 as an annual retainer fee paid quarterly; a $500 fee for each board of directors meeting attended. The directors are all eligible for stock option grants and are reimbursed for out-of-pocket expenses incurred in connection with their board service. The board of directors currently does not have any standing committees.

The Company does not pay any separate compensation for directors that are also employees of the Company.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

As of March 15, 2023, there were 22,215,512 shares of the Company's Common Stock outstanding. The following table sets forth the amount and percentage of the Company's Common Stock beneficially owned on March 15, 2023, including shares that may be acquired by the exercise of options, by: (A) each director and named executive officer individually; (B) each beneficial owner of more than 5% of the Company's outstanding Common Stock known to the Company; and (C) all executive officers and directors as a group.

Name of Beneficial Owner	Number of Shares Beneficially Owned (1)	Percent of Common Stock(2)
Corbel Capital Partners SBIC, L.P.	2,250,000 (3)	9.2%
Paul W. Mobley	4,399,368 (4)	17.8
A. Scott Mobley	2,191,245 (5)	9.4
Douglas H. Coape-Arnold	615,000 (6)	2.7
Marcel Herbst	555,491 (7)	2.5

Troy Branson	447,500 (8)	2.0
William Wildman	255,000 (9)	1.1
BT Brands, Inc. and Gary Copperud	1,437,184 (10)	6.5
All executive officers and directors as a group (6) persons	8,463,604	30.9%

(1) All shares owned directly with sole investment and voting power, unless otherwise noted.

(2) The percentage calculations are based upon 22,215,512 shares of the Company's Common Stock issued and outstanding as of the most recent practicable date and, for each officer, director or significant holder of the group, the number of shares subject to options, warrants or conversion rights exercisable within 60 days of March 15, 2023.

(3) According to the information provided to the Company in a Schedule 13G, filed with the SEC on February 14, 2020, the total includes 2,250,000 warrants to purchase up to 2,250,000 shares. The Schedule 13-G states that the filer has sole voting power and sole dispositive power for all such shares. Corbel's address is 11777 San Vicente Blvd., Suite 777, Los Angeles, California 90049.

(4) The total includes 1,703,333 shares of Common Stock subject to options granted under a stock option plan, 400,000 shares issuable upon conversion of convertible notes and warrants to purchase 350,000 shares . Mr. Mobley's address is 6612 E. 75th Street, Suite 450, Indianapolis, Indiana 46250.

(5) The total includes 1,198,334 shares of Common Stock subject to options granted under a stock option plan. Mr. Mobley's address is 6612 E. 75th Street, Suite 450, Indianapolis, Indiana 46250.

(6) The total includes 615,000 shares of Common Stock subject to options granted under a stock option plan. Mr. Coape-Arnold's address is 6612 E. 75th Street, Suite 450, Indianapolis, Indiana 46250.

(7) The total includes 280,000 shares of Common Stock subject to options granted under a stock option plan. Mr. Herbst's address is 6612 E. 75th Street, Suite 450, Indianapolis, Indiana 46250.

(8) The total includes 417,500 shares of Common Stock subject to options granted under a stock option plan. Mr. Branson's address is 6612 E. 75th Street, Suite 450, Indianapolis, Indiana 46250.

(9) The total includes 200,000 shares of Common Stock subject to options granted under a stock option plan. Mr. Wildman's address is 6612 E. 75th Street, Suite 450, Indianapolis, Indiana 46250.

(10) According to information provided to the Company in an amendment to Schedule 13D filing filed with SEC on February 23, 2023, the total includes 176,031 shares for which Mr. Copperud states he sole voting power and sole dispositive power and 1,261,153 shares for which BT Brands, Inc. states it has sole voting power and sole dispositive power. The reporting persons' address is 405 West Main Avenue, Suite 2D, West Fargo, North Dakota 58078.

The following table provides information as of December 31, 2022 with respect to the shares of the Company's Common Stock that may be issued under its existing equity compensation plan.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by stockholders	-	$ -	-
Equity compensation plans not approved by stockholders	5,355,167	$ .59	(1)
Total	5,355,167	$ .59	(1)

(1) The Company may grant additional options under the employee stock option plan. There is no maximum number of shares available for issuance under the employee stock option plan.

The Company maintains an employee stock option plan for its employees, officers and directors. Any employee, officer and director of the Company is eligible to be awarded options under the plan. The employee stock option plan provides that any options issued pursuant to the plan will generally have a three-year vesting period and will expire ten years after the date of grant. Awards under the plan are periodically made at the recommendation of the Executive Chairman and the Chief Executive Officer and authorized by the Board of Directors. The employee stock option plan does not limit the number of shares that may be issued under the plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

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The Company has reviewed all transactions to which the Company and officers and directors of the Company are a party or have a financial interest. The board of directors of the Company has adopted a policy that all transactions between the Company and its officers, directors, principal shareholders and other affiliates must be approved by a majority of the Company's disinterested directors, and be conducted on terms no less favorable to the Company than could be obtained from unaffiliated third parties.

Of the 48 Units sold in the private placement which began in October 2016, three Units were purchased by Paul W. Mobley, Executive Chairman, and four Units were purchased by Marcel Herbst, Director, via Herbst Capital Management, LLC. Each Unit consists of a Note in the principal amount of $50,000 and a Warrant to purchase 50,000 shares of the Company's Common Stock. These transactions were all on the same terms and conditions as all of the independent investors who purchased the other 41 Units. The Notes, at the time of issue, were to mature three years after issue date. In late 2018, the Company sent an offer to each remaining Note holder offering to extend the maturity of the Notes to January 31, 2023. Holders of $775,000 in principal amount of the Notes accepted that offer of extension including the Notes held by Paul W. Mobley and Herbst Capital Management, LLC. In conjunction with the refinancing of the Company in February 2020, Notes held by Paul Mobley were included in the $1,275,000 in principal amount of Notes that were repaid out of the proceeds of the new financing.

The Company's board of directors is currently comprised of: Paul W. Mobley, our Executive Chairman and Chief Financial Officer; A. Scott Mobley, our President and Chief Executive Officer; Douglas H. Coape-Arnold; Marcel Herbst; and William Wildman. For the purpose of determining director independence, the Company has adopted the New York Stock Exchange definition of independence. The board of directors has determined that Messrs. Coape-Arnold, Herbst and Wildman are independent directors under that definition.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table presents fees for professional audit services rendered by Somerset CPAs for the audit of our annual financial statements and review of our quarterly financial statements, and fees billed for other services rendered by Somerset during 2022 and 2021.

	2022	**2021**
Audit fees and review fees (1)	$110,000	$110,000

(1) Audit fees consist of fees rendered for professional services rendered by Somerset for the audit of our financial statements included in our annual reports on Form 10-K for the years ended December 31, 2022 and 2021, and the review of the unaudited financial statements included in our quarterly reports on Form 10-Q during 2022 and 2021.

The engagement of Somerset, for conducting the audit of the Company's financial statements for the years ended December 31, 2022 and 2021, and for the review of its financial statements included in its Form 10-Q's during 2022 and 2021 was pre-approved by the Company's board of directors. Somerset has not been engaged by the Company to perform any services other than audits of the financial statements included in its Form 10-Ks and review of the financial statements in its Form 10-Qs. The board of directors does not have a pre-approval policy with respect to work performed by the Company's independent auditor.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Exhibit Number	Description
3.1	Amended Articles of Incorporation of the Registrant, filed as an exhibit to the Registrant's Amendment No. 1 to the Post-Effective Amendment No. 2 to Registration Statement on Form S-1 filed July 1, 1985 (SEC File No.2-84150), is incorporated herein by reference.
3.2	Amended and Restated By-Laws of the Registrant, as currently in effect, filed as an exhibit to the Registrant's Form 8-K filed December 23, 2009, is incorporated herein by reference.
3.3	Articles of Amendment of the Articles of Incorporation of the Registrant effective February 18, 1992 filed as an exhibit to the Registrant's Registration Statement on Form SB-2 (SEC File No. 33-66850), ordered effective on October 26, 1993, is incorporated herein by reference.
3.4	Articles of Amendment of the Articles of Incorporation of the Registrant effective May 11, 2000, filed as Annex A and Annex B to the Registrant's Proxy Statement on Schedule 14A filed March 28, 2000, is incorporated herein by reference.
3.5	Articles of Amendment of the Articles of Incorporation of the Registrant effective April 16, 2001 filed as Exhibit 3.4 to Registrant's annual report on Form 10-K for the year ended December 31, 2005, is incorporated herein by reference.
3.6	Articles of Amendment of the Articles of Incorporation of the Registrant effective August 23, 2005, filed as Exhibit 3.1 to the Registrant's current report on Form 8-K filed August 29, 2005, is incorporated herein by reference.
3.7	Articles of Amendment of the Articles of Incorporation of the Registrant effective February 7, 2017, filed as Exhibit 3.7 to the Registrant's Registration on Form S-1 (SEC File No.332-217442) filed April 25, 2017, is incorporated herein by reference.
4.1	Description of Registered Securities
4.2	Specimen Common Stock Certificates filed as an exhibit to the Registrant's Registration Statement on Form S-18 filed October 22, 1982 and ordered effective on December 14, 1982 (SEC File No. 2-79963C), is incorporated herein by reference.
4.3	Warrant to purchase common stock, dated July 1, 2015, filed as Exhibit 10.11 to the Registrant's Form 10-Q filed on August 11, 2015, is incorporated herein by reference.
4.4	Form of Senior Secured Promissory Note issued by Registrant to Corbel Capital Partners SBIC, L.P. dated February 7, 2020 and filed as Exhibit 4.3 to Registrant's annual report on Form 10-K for the year ended December 31, 2019 is incorporated herein by reference.
4.5	Form of Warrant issued to Corbel Capital Partners SBIC, L.P. dated February 7, 2020 and filed as Exhibit 4.4 to Registrant's annual report on Form 10-K for the year ended December 31, 2019 is incorporated herein by reference.
10.1*	Employment Agreement with Paul W. Mobley dated January 2, 1999filed as Exhibit 10.1 to Registrant's annual report on Form 10-K for the year ended December 31, 2005, is incorporated herein by reference.
10.2*	Employment Agreement with A. Scott Mobley dated January 2, 1999 filed as Exhibit 10.2 to Registrant's annual report on Form 10-K for the year ended December 31, 2005, is incorporated herein by reference.

10.3	Agreement dated April 8, 2015, by and among Noble Roman's, Inc. and the shareholder parties, filed as Exhibit 10.1 to Registrant's Form 8-K filed on April 8, 2015, is incorporated herein by reference.
10.4	Form of 10% Convertible Subordinated Unsecured note filed as Exhibit 10.16 to the Registrant's Form 10-K filed on March 27, 2017, is incorporated herein by reference.
10.5	Form of Redeemable Common Stock Purchase Class A Warrant filed as Exhibit 10.21 to the Registrant's Registration Statement on Form S-1 (SEC File No. 33-217442) on April 25, 2017, is incorporated herein by reference.
10.6	Registration Rights Agreement dated October 13, 2016 by and between the Registrant and the investors signatory thereto, filed as Exhibit 10.22 to the Registrant's Registration Statement on Form S-1 (SEC File No. 33-217442) on April 25, 2017, is incorporated herein by reference.
10.7	First Amendment to the Registration Rights Agreement dated February 13, 2017 by and between the Registrant and the investors signatory thereto, filed as Exhibit 10.23 to the Registrant's Registration Statement on Form S-1 (SEC File No. 33-217442) on April 25, 2017, is incorporated herein by reference.
10.8	Senior Secured Note and Warrant Purchase Agreement dated February 7, 2020 by and between the Registrant and Corbel Capital Partners SBIC, L.P. filed as Exhibit 10.11 to Registrant's annual report on Form 10-K for the year ended December 31, 2019 is incorporated herein by reference.
10.9	Promissory Note under the Paycheck Protection Program loan issued by Noble Roman's, Inc. to Huntington National Bank dated February 5, 2021 filed as Exhibit 10.1 to Registrants current report on Form 8-K filed February 8, 2021 is incorporated herein by reference.
21.1	Subsidiaries of the Registrant filed in the Registrant's Registration Statement on Form SB-2 (SEC File No 33-66850) ordered effective on October 26, 1993, is incorporated herein by reference.
31.1	C.E.O. Certification under Rule 13a-14(a)/15d-14(a)
31.2	C.F.O. Certification under Rule 13a-14(a)/15d-14(a)
32.1	C.E.O. Certification under Section 1350
32.2	C.F.O. Certification under Section 1350
101	Interactive Financial Data

* Management contract for compensation plan..

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

In accordance with of Section 13 or 15(d) 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.

NOBLE ROMAN'S, INC.

Date: March 31, 2023

By: /s/ A. Scott Mobley________________________
A. Scott Mobley, President and Chief Executive Officer

Date: March 31, 2023

By: /s/ Paul W. Mobley________________________
Paul W. Mobley, Executive Chairman, Chief Financial Officer and Principal Accounting Officer

In accordance with the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: March 31, 2023

/s/ Paul W. Mobley
Paul W. Mobley
Executive Chairman of the Board,
Chief Financial Officer and Director

Date: March 31, 2023

/s/ A. Scott Mobley
A. Scott Mobley
President, Chief Executive Officer and Director

Date: March 31, 2023

/s/ Douglas H. Coape-Arnold
Douglas H. Coape-Arnold
Director

Date: March 31, 2023

/s/ Marcel Herbst
Marcel Herbst
Director

Date: March 31, 2023

/s/ William Wildman
William Wildman
Director

Exhibit 31.1

I, A. Scott Mobley, certify that:

1. I have reviewed this annual report on Form 10-K of Noble Roman's, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 31, 2023

/s/ A. Scott Mobley
A. Scott Mobley
President and Chief Executive Officer

Exhibit 31.2

I, Paul W. Mobley, certify that:

1. I have reviewed this annual report on Form 10-K of Noble Roman's, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2023

/s/ Paul W. Mobley
Paul W. Mobley
Executive Chairman and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Noble Roman’s, Inc. (the “Company”) on Form 10-K for the year ended December 31, 2022,as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, A. Scott Mobley, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ A. Scott Mobley
A.Scott Mobley
President and Chief Executive Officer

March 31, 2023

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Noble Roman's, Inc. (the "Company") on Form 10-K for the year ended December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul W. Mobley, Executive Chairman and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Paul W. Mobley
Paul W. Mobley
Executive Chairman and Chief Financial Officer

March 31, 2023