NEWS BULLETIN

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Noble Roman’s Announces Year-End 2023 Financial Data

(Indianapolis, Indiana) – May 13, 2024 - Noble Roman's, Inc. (OTCQB: NROM), the Indianapolis based franchisor and licensor of Noble Roman’s Pizza and Noble Roman’s Craft Pizza & Pub (“CPP”), today announced results for the year 2023 and other company highlights.

Financial highlights from the year 2023 include:

- Net Income of $1.8 million compared to a net loss of $1.3 million, as restated, in 2022
- Net Income in 2023 reflected $168,000 in legal costs to defend against a frivolous and unsuccessful lawsuit filed against the company and its directors by a shareholder group
- Operating Income of $3.4 million compared to $428 thousand in 2022
- Total Revenues of $14.4 million compared to $14.5 million in 2022
- Basic Earnings per Share were $.08 compared to $(.06) in 2022

Other highlights from the year 2023 include:

- Cash balance increased to $872 thousand at year-end 2023 from $786 thousand at year-end 2022
- Total general and administrative expenses decreased to $1.5 million for 2023 from $2.2 million in 2022, despite inflationary pressures. Certain staff received salary increases in 2023 and 2024, while the Chief Financial Officer and Executive Chairman voluntarily declined contractual increases in every year for the last 10 years (and voluntarily lowered his salary in three of those years); the Chief Executive Officer and President voluntarily declined contractual increases in 4 of those years, including 2023 and 2024.
- Interest expense decreased to $1.7 million in 2023 from $1.9 million, as restated, in 2022, largely due to the effects of reduced principal balance outpacing the effects of rising interest rates and the compounding of paid-in-kind note interest. in the company expects overall interest will reduce further in 2024 as the principal balance continues to decline, assuming steady or declining interest rates.
- During 2023, the company determined it qualified for a refund of certain costs and lost revenue as a result of government regulations, due to COVID, through the Employee Retention Tax Credit (“ERTC”) program and applied for ERTCs to net $1.45 million after expenses by filing 10 quarterly refund applications combining both RH Roanoke, Inc. and Noble Roman’s, Inc. Payments of all but one of the refunds have been received to date.
- Revenues from the company’s non-traditional venue increased to $4.7 million in 2023 compared to $4.0 million in 2022.
- The company opened 61 new non-traditional units in 2023, nearly doubling the 31 it opened in 2022.

- The company entered into a 100-unit Development Agreement with Majors Management, LLC in October 2023 with a timetable for openings running through September 2026. As of May 10, 2024, 40 units have already opened.
- Revenues from company-owned restaurant locations were $9.7 million in 2023 compared to $10.4 million in 2022, with the difference primarily due to newer units exiting their grand opening windows, as well as the overall economy and the softness in consumer spending, especially in the latter half of 2023.
- Company-owned Craft Pizza & Pub prime variable costs improved year-over-year by .9% point for cost of sales and by .3% points for salaries and wages, despite commodity pricing pressures (especially in cheese) and significant inflationary pressures on restaurant salaries and wages.
- The company has not had a menu price increase at its company-owned CPP restaurants since a small increase in late summer 2022.
- In mid-November 2023, the company introduced its new, value-priced product promotion, the XL Pizza, into its CPP units, which had a significant positive impact during December 2023. During mid-March 2024, after a promotional hiatus, the company increased the introductory price of the XL Pizza from $9.99 to an every-day low price of $12, which is currently advertised on social media channels as well as local cable TV.

Scott Mobley, the company's President and CEO, commented saying, "I am very pleased with the progress the company made in 2023 and the combined efforts of our staff. A lot has been accomplished with the growth of our non-traditional segment as well as keeping our corporate and CPP controllable costs well under control. We had some weather-related issues to start off 2024, but we are now continuing to promote the new XL Pizza including, for the first time, some local cable TV advertising. In addition, we are making what looks like solid progress on the refinancing of the company's debt that matures in 2025, and we have a good backlog of both sold non-traditional franchises as well as a pipeline of prospects for additional franchise sales. As it stands now, 2024 is shaping up to be an outstanding year for the company."

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

	Year-Ended December 31,			
Description	2022		2023	
Revenue	$9,704,169	100%	$ 8,744,158	100%
Cost of sales	2,076,514	21.4	1,795,473	20.5
Salaries and wages	2,850,333	29.4	2,542,083	29.1
Facility cost including rent, common area and utilities	1,635,951	16.8	1,585,492	18.1
Packaging	344,823	3.6	289,139	3.3
All other operating expenses	1,608,784	16.5	1,600,989	18.3
Total expenses	8,516,405	87.7	7,813,176	89.4
Margin contribution	$1,187,764	12.3%	$ 930,982	10.6%

The revenue from this venue decreased from $9.7 million to $8.7 million for the 12 months ended December 31, 2023 compared to the corresponding period in 2022. The primary reason for the decrease in the 12-month period was same store sales reduction as a result of the general economy, high gas prices, extraordinarily high consumer credit card balances and a decrease in disposable income on the part of local consumers.

Despite inflationary pressures, cost of sales as a percentage of revenue decreased from 21.4% to 20.5% in 2023 compared to 2022. The decrease was the result of a small increase in menu prices in mid-2022 in addition to more stability in staffing, new efficiencies in production methodologies and declining commodity cheese prices late in 2023.

Salaries and wages as a percentage of revenue decreased from 29.4% to 29.1% for the 12-month period ended December 31, 2023 compared to 2022. The slight decrease in the 12-month period was the result of scheduling efficiencies and stabilized restaurant management, despite the significant increase in individual labor cost.

Facility costs, including rent, common area maintenance and utilities, as a percentage of revenue increased from 16.8% to 18.1% of revenue for the 12-month period ended December 31, 2023 compared 2022. The primary reasons for the increase were a slight decline in sales volumes and increases in other operating rent costs as well as utility costs.

All other operating costs and expenses as a percentage of revenue increased from 16.5% to 18.3% for the 12-month period ended December 31, 2023 compared to 2022. The increase was the result of general inflationary pressure on substantially all costs of operations.

CPP margin contribution decreased from 12.3% to 10.6% for the 12-month period ended December 31, 2023 compared to 2022. The decrease in margin was primarily the result of increase in wages and other costs due to inflationary pressures and slightly lower sales volumes only partially offset by tighter controls in both cost of sales and personnel cost. The Company had no menu price increases in 2023.

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

	Year Ended December 31,			
Description	2022		2023	
Royalties and fees franchising	$ 4,002,824	100%	$ 4,665,187	100%
Salaries and wages	861,190	21.5	886,680	19.0
Trade show expense	315,000	7.9	111,629	2.4
Travel and auto	113,186	2.8	148,846	3.2
All other operating expenses (benefit)	896,375	22.4	(1) (915,460)	(19.6)
Total expenses	2,185,751	54.6	231,695	5.0
Margin contribution	$ 1,817,073	45.4%	$4,433,492	95.0%

(1) All other expenses in franchising are shown as a large negative as the credits from the ERTC refunds for various expenses were not separated between other categories. In addition, certain cash outlays were treated as deferred expenses similar to original franchise fees recorded as deferred income.

Total revenue from this venue increased from $4.0 million to $4.7 million for the 12-month period ended December 31, 2023 compared to 2022. The increase in revenue from this venue was a result of opening more non-traditional locations as a result of the Company refocusing its efforts on that goal as COVID was receding and convenience stores and travel plazas became willing to invest to increase their margins and profitability. In addition, in October 2023 the Company entered into a development agreement with Majors Management, LLC for 100 franchise locations to be developed over the next three years. In addition, the Company believes that the development with Majors Management, LLC has spurred interest in the concept by many other owners of host facilities.

Gross margin in this venue increased from 45.4% to 95.0% for the 12-month period ended December 31, 2023 compared to 2022. A primary factor in this substantial growth in margin was the result of all of the additional sales and openings in this venue. However, it was aided by the refund of various expenses and reimbursement of lost revenue due to the ERTC which was created as a part of the CARES Act. The negative cost of other operating expenses in this category was a result of the ERTC program.

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	Year Ended December 31, 2022		2023	
Revenue	$ 712,517	100%	$ 934,662	100%
Total expenses	704,665	98.9	792,532	84.8
Margin contribution	$ 7,852	1.1%	$ 142,130	15.2%

Gross revenue from this venue increased from $713,000 to $935,000 for the 12-month period ended December 31, 2023 compared to 2022. 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 $705,000 to $793,000 for the 12-month period ended December 31, 2023 compared to 2022. The primary reason for the increase 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.

Detail on Corporate Expenses:

Depreciation and amortization decreased from $451,000 to $380,000 for the 12-month periods ended December 31, 2023 compared to 2022. These decreases were the result of the Company not opening any more Company locations during 2023.

General and administrative expenses decreased from $2.17 million to $1.55 million for the 12-month period ended December 31, 2023 compared to 2022. The decrease was the result of maintaining tight controls on expenditures despite the inflationary pressures on substantially all costs. In addition, $280,000 of the cost was deferred relating directly to costs attributable to new franchise locations to be amortized over the term of the contracts.

Interest expense decreased from $1.9 million, as restated, to $1.7 million for the 12-month period ended December 31, 2023 compared to 2022. The primary reason for the decrease was the result of principal payments on the Senior Note partially offset by compounding of the PIK interest on the Senior Note and an increase in interest rate due to the variable loan terms. This is also the correcting entry moving $257,926 into interest expense in 2022 from 2023. In 2024, the company expects that interest cost should decline gradually as a result of the required principal payment on the note assuming steady or falling interest rates.

Direct expenses to defend against an activist shareholder was $168,000 for the twelve-month period ended December 31, 2023 compared to none in 2022. Shortly before the 2023 annual meeting, BT Brands, Inc. filed a lawsuit against Noble Roman's, Inc. and its Directors seeking to reverse the disqualification of its purported nomination of a candidate to be elected as a Director at that meeting. Additionally, BT Brands filed motions for a temporary restraining and for a preliminary injunction. The Federal court denied both of BT Brands' motions, in part because the Judge ruled that the underlying claims in the lawsuit would not be successful on the merits. As a result, BT Brands voluntarily dismissed their lawsuit against Noble Roman's, Inc. and its Directors on September 7, 2023.

Restatement of Certain 2022 Financial Information:

Recently, management of the company and Assurance Dimensions, its registered independent accounting firm, determined the company's previously issued financial statements in its Annual Report on Form 10-K for the year ended December 31, 2022 should be restated to correct an error with regard to accounts payable and accumulated deficit from previous periods that was reflected in the opening balance sheet for that year. The error related to years sometime prior to 2020 and was carried forward to 2022. As a result, the company has undertaken to restate such financial statements to correct the error, which is already incorporated in the results above. The correction also restates a fraction of the interest expense incurred in 2022 which the company had recorded in 2023.

The statements contained in this press release 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 continuing after-effects of the COVID-19 pandemic, the ability of franchisees to timely prepare their units for scheduled openings, the company's ability to maintain adequate staff for new openings, competitive factors and pricing and cost pressures, non-renewal of franchise agreements or the openings contemplated by the development agreement not occurring, shifts in market demand, the success of franchise programs, including the Noble Roman's Craft Pizza & Pub format, general economic conditions, changes in demand for the company's products or franchises, the company's ability to service its loans, the impact of franchise regulation, the success or failure of individual franchisees and inflation, other changes in prices or supplies of food ingredients and labor and, as well as the factors discussed under "Risk Factors" contained in this company's Annual Report on Form 10-K for the year ended December 31, 2022. 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. If activist stockholder activities ensue, the company's business could be adversely impacted.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

	December 31,	
Assets	2022 (As Restated)	2023
Current assets:		
Cash	$ 785,522	$ 872,335
Employee Retention Tax Credit Receivable	-	507,726
Accounts receivable - net	824,091	1,169,446
Inventories	997,868	965,819
Prepaid expenses	424,822	318,195
Total current assets	3,032,303	3,833,521
Property and equipment:		
Equipment	4,351,558	4,386,430
Leasehold improvements	3,116,030	3,130,430
Construction and equipment in progress	63,097	-
	7,530,685	7,516,860
Less accumulated depreciation and amortization	2,817,477	3,196,993
Net property and equipment	4,713,208	4,319,867
Deferred tax asset	3,374,841	3,374,841
Deferred contract costs	934,036	1,403,299
Goodwill	278,466	278,466
Operating lease right of use assets	5,660,155	4,930,014
Other assets	350,189	339,817
Total assets	$ 18,343,198	$ 18,479,825
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 1,807,035	$ 1,284,210
Current portion of operating lease liability	799,164	799,165
Current portion of Corbel loan payable	866,667	1,000,000
Total current liabilities	3,472,866	3,083,375
Long-term obligations:		
Loan payable to Corbel net of current portion	7,499,937	6,289,847
Convertible notes payable	622,864	575,000
Operating lease liabilities – net of current portion	5,103,286	4,378,927
Deferred contract income	934,036	1,577,299
Total long-term liabilities	14,160,123	12,821,073
See Note 11 regarding Contingencies		
Stockholders' equity:		
Common Stock – no par value (40,000,000 shares authorized, 22,215,512 issued and outstanding as of December 31, 2022 and December 31, 2023)	24,819,736	24,840,126
Accumulated deficit	(24,109,527)	(22,324,726)
Total stockholders' equity	710,209	2,515,400
Total liabilities and stockholders' equity	$ 18,343,198	$ 18,479,825

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

	Year Ended December 31,	
	2022 (As Restated)	2023
Restaurant revenue - company-owned restaurants	$ 9,704,169	$ 8,744,158
Restaurant revenue - company-owned non-traditional	712,517	934,662
Franchising revenue	4,002,824	4,665,187
Administrative fees and other	33,255	29,567
Total revenue	14,452,765	14,373,574
Operating expenses:		
Restaurant expenses - company-owned restaurants	8,516,405	7,813,176
Restaurant expenses - company-owned non-traditional	704,665	792,532
Franchising expenses	2,185,751	231,695
Total operating expenses	11,406,821	8,837,403
Depreciation and amortization	450,550	379,516
General and administrative	2,167,678	1,548,878
Defense against activist shareholder	-	168,092
Total expenses	14,025,049	10,933,889
Operating income	427,716	3,439,685
Interest expense	1,884,147	1,654,884
Net income (loss) before income taxes	(1,456,431)	1,784,801
Income tax expense (benefit)	(142,435)	-
Net income (loss)	$ (1,313,996)	$ 1,784,801
Income (loss)per share - basic:		
Net income (loss)	$ (.06)	$ .08
Weighted average number of common shares outstanding	22,215,512	22,215,512
Diluted income (loss)per share:		
Net income (loss) (1)	$ (.06)	$ .08
Weighted average number of common shares outstanding	22,215,512	23,599,853

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