NEWS BULLETIN

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Noble Roman's Announces 3rd Quarter 2022 Financial Results

(Indianapolis, Indiana) – November 9, 2022 - 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 financial results for the third quarter 2022 and other operational highlights.

The company-owned CPP locations continued to exhibit very favorable sales growth and margin increases in the third quarter. The margin for the most recent three-month period ended September 30, 2022 for the company-owned CPP locations was 15.2% of revenue compared to 10.6% of revenue for the same period last year. With direct managerial control over these operations, the company has been able to adapt to the changing circumstances brought about by COVID-19 and its aftermath. The company has been devising and constantly adapting personnel, cost control, and sales growth strategies that could generate positive outcomes despite unfavorable circumstances in the economy and the post-pandemic operating environment.

Results from the company's non-traditional franchising venue have also seen a favorable uptrend, gradually returning to pre-pandemic levels and positioned for future potential revenue growth. On a sequential quarterly basis, revenue from this venue has increased from $1.013 million in the quarter ended December 31, 2021, to $1.034 million in the quarter ended March 31, 2022, to $1.064 million in the quarter ended June 30, 2022, to $1.120 million in the quarter ended September 30, 2022.

The non-traditional franchising venue, especially in the entertainment segment, was impacted by COVID-19 and by the ensuing staffing, supply chain and general economic conditions thereafter. These franchised foodservice operations are typically located in underlying small businesses with little capital and operational flexibility to deal with prolonged, adverse conditions. Many in this segment were forced to close due to government regulations which had a lasting impact on those small businesses. To compensate for this, and to drive revenues in this venue, the company has focused on selling new franchises and opening new units. The company has sold 26 new non-traditional locations so far in 2022 and has an extensive backlog of additional prospects and units to open.

The company reported a net income of $4,000 and a net loss of $183,000 for the three-month and nine-month periods ended September 30, 2022 compared to a net loss of $79,000 and a net income of $833,000 for the comparable periods in 2021. The net income for the nine-month period in 2021 was the result of the company receiving funds through the Payroll Protection Plan accounted for as a grant of $941,000 in the first quarter 2021, limiting comparability of the results between 2022 and 2021.

Total revenue for the three-month and nine-month periods ended September 30, 2022 was $3.9 million and $11.1 million, respectively, compared to $3.4 million and $10.3 million for the comparable periods in 2021. Company-owned CPP revenue for the three-month and nine-month periods ended September 30, 2022 was $2.6 million and $7.4 million, respectively, compared to $2.1 million and $6.5 million for the comparable periods in 2021. Franchising revenue for the three-month and nine-month periods ended September 30, 2022 was $1.1 million and $3.2 million, respectively, compared to $1.2 million and $3.4 million in the comparable periods in 2021.

Scott Mobley, the company's President & CEO, stated, "Having negotiated through the extremely difficult operating environment thus far this year, we have now focused more of our resources on non-traditional franchising efforts as well as continuing to tightly manage results in our CPP restaurants. Taking into account the inflationary pressures from labor and ingredients, as well as the additional time consumed in addressing personnel staffing and managing supply chain challenges and emergencies, we remain pleased with the financial performance of our existing CPP restaurants, especially the way they have performed since the first two months of the year. At this time, given some relative relief in the emergency management status previously necessary to deal with supply chain issues, we have been able to redeploy human resources to the franchising venue while maintaining and improving our management controls at CPP."

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:

	Three Months ended September 30,				Nine Months ended September 30,			
Description	2021		2022		2021		2022	
Revenue	$2,122,352	100%	$2,587,182	100%	$6,495,788	100%	$7,374,143	100%
Cost of sales	444,831	21.0	569,470	22.0	1,355,148	20.9	1,562,878	21.2
Salaries and wages	618,729	29.2	712,239	27.5	1,489,980	22.9	2,155,734	29.2
Facility cost including rent, common area and utilities	353,382	16.7	432,126	16.7	808,134	12.4	1,232,359	16.7
Packaging	69,792	3.3	93,647	3.6	184,191	2.8	259,390	3.5
Third-party delivery fees	97,998	4.6	39,330	1.5	284,215	4.4	115,677	1.6
All other operating expenses	308,989	14.6	348,448	13.5	936,690	14.4	1,090,641	14.8
Total expenses	1,893,721	89.4	2,195,260	84.8	5,058,358	77.8	6,416,679	87.0
Margin contribution	$ 228,631	10.6%	$ 391,922	15.2%	$1,437,430	22.2%	$ 957,464	13.0%

Note: The application of the $940,734 PPP loan against relevant expenses in the quarter ended March 31, 2021 materially affected the comparability of the nine month period ended September 30, 2022 compared to the nine-month period ended September 30, 2021.

The revenue from this venue increased from $2.1 million to $2.6 million and from $6.5 million to $7.4 million for the respective three-month and nine-month periods ended September 30, 2022, compared to the corresponding periods in 2021. Revenue reflected the opening of additional Craft Pizza & Pub restaurants in October and December 2021 and same store sales increases, both of which were partially offset by the impact of the Omicron variant of COVID-19 in January and February 2022.

Cost of sales as a percentage of revenue from this venue increased from 21.0% to 22.0% for the three-month period and from 20.9% to 21.2% for the nine-month period ended September 30, 2022 compared to the corresponding periods in 2021. The company incurred significant increases in product cost but was able to offset much of that cost with menu price increases and efficiency gained as staffing levels stabilized and employee experience levels increased.

Salaries and wages were 27.5% and 29.2% for the three-month and nine-month periods ended September 30, 2022 compared to 29.2% and 22.9% for the corresponding periods in 2021. The cost of salaries and wages for this venue have increased significantly due to the competitive environment for available labor caused by the general shortness of available labor in 2022, which was offset in part by menu price increases. For the nine months ended September 30, 2021 salaries and wages were reduced to 22.9% of revenue as a result of the PPP loan/grant used in part to reimburse the company $370,832 of payroll costs in the first quarter 2021.

Gross margin contribution as a percentage of revenue for this venue was 15.2% and 13.0% for the three-month and nine-month periods ended September 30, 2022 compared to 10.6% and 22.2% for the corresponding periods in 2021. The margin of 13.0% for the nine-month period was reduced as a result of the lower sales in January and February because of the spread of the Omicron variant in the market area where the company-owned restaurants are located. The increase in margin in the most recent three-month period reflected more efficient use of labor and facility cost, which is continuing. The increase in margin for the nine-month period ended September 30, 2021 was a result of certain expenses being reimbursed in 2021 by the PPP loan/grant including the reimbursement of $370,832 payroll costs in the first quarter 2021.

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 September 30, 2021		2022		Nine Months ended September 30, 2021		2022	
Royalties and fees franchising	$1,177,776	100%	$1,119,793	100%	$3,430,995	100%	$3,218,401	100%
Salaries and wages	207,046	17.6	227,441	20.3	503,596	14.7	637,695	19.8
Trade show expense	105,000	8.9	90,000	8.0	294,000	8.6	225,000	7.0
Travel and auto	13,539	1.1	22,348	2.0	51,823	1.5	81,158	2.5
All other operating expenses	166,213	14.2	159,689	14.3	464,053	13.5	500,220	15.6
Total expenses	491,798	41.8	499,478	44.6	1,313,472	38.3	1,444,073	44.9
Margin contribution	$ 685,978	58.2%	$ 620,315	55.4%	$2,117,523	61.7%	$ 1,774,328	55.1%

Note: The application of the $940,734 PPP loan against relevant expenses in the quarter ended March 31, 2021 materially affected the comparability of the six month period ended June 30, 2022 compared to the period ended June 30, 2021.

Total revenue was $1.1 million and $3.2 million for the three-month and nine-month periods ended September 30, 2022 compared to $1.2 million and $3.4 million for the comparable periods in 2021, respectively. Franchising had a significant loss of sales during the COVID pandemic primarily because of closures of many host locations in different parts of the country which were forced to close due to government regulations to restrict the spread of COVID. The revenue has been gradually increasing again due to the opening of new locations and on a sequential quarter basis revenue from this venue increased from $1,013,000 in the three-month ended December 31, 2021, to $1,034,000 in the three-months ended March 31, 2022, to $1,064,000 in the three-months ended June 30, 2022, and to $1,120,000 in the three-months ended September 30, 2022, respectively. That trend is expected to continue to increase as a result of new openings anticipated during the balance of 2022 and into 2023.

Salaries and wages, trade show expense, insurance and other operating costs as a percentage of revenue from this venue were 44.6% and 44.9% for the three-month and nine-month periods ended September 30, 2022 compared to 41.8% and 38.3%, respectively, for the corresponding periods in 2021. The 38.3% for total expenses in the nine-months ended September 30, 2021 reflected the reduction of payroll and other expenses partially reimbursed by the PPP loan/grant in February 2021, but which was partially offset in the nine months ended September 30, 2022 by a reduction in trade show cost as a result of doing fewer trade shows.

Margin was 55.4% and 55.1% for the three-month and nine-month periods ended September 30, 2022, compared to 58.2% and 61.7% for the comparable periods in 2021, respectively. The decrease in margin was partially the result of the decrease in revenue. As explained above the revenue decreased due to the closure of locations throughout the country during the COVID-19 pandemic as a result of government regulations. That revenue decrease is gradually being overcome by the opening of new locations, as explained above.

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 September 30, 2021		2022		Nine Months ended September 30, 2021		2022	
Revenue	$ 120,316	100%	$ 195,647	100%	$ 353,617	100%	$ 505,891	100%
Total expenses	126,765	105.4	201,013	102.7	334,579	94.6	503,639	99.6
Margin contribution	$ (6,449)	(5.4)%	$ (5,366)	(2.7)%	$ 19,038	5.4%	$ 2,252	.4%

Gross revenue from this venue was $196,000 and $506,000 during the three-month and nine-month periods ended September 30, 2022 compared to $120,000 and $354,000 for the comparable periods in 2021, respectively. The primary reason for the increase during both periods was the withdrawal of certain restrictions placed on hospital locations as a result of the COVID-19 pandemic as a result of which hospitals were restricted from having outside visitors and staff inside the hospital restricted from going from one area of the hospital to another. The company does not intend to operate any more company-owned non-traditional locations except the one location that it is currently operating.

Total expenses were $201,000 and $504,000 for the three-month and nine-month periods ended September 30, 2022 compared to $127,000 and $335,000 for the comparable periods in 2021, respectively. The primary reason for the increase in both periods was the increase in revenue as a result of lifting restrictions on the hospital due to the COVID-19 pandemic, as explained above.

Corporate Expenses

Depreciation and amortization were $113,000 and $338,000 for the three-month and nine-month periods ended September 30, 2022 compared to $142,000 and $449,000 for the comparable periods in 2021, respectively. The depreciation decrease was the result of not opening any new corporate-owned locations to date in 2022.

General and administrative expenses were $518,000 and $1.6 million for the three-month and nine-month periods ended September 30, 2022, compared to $506,000 and $1.3 million for the comparable periods in 2021, respectively. The primary reason for the increase was a partial reimbursement of certain qualifying expenses through the February 2021 PPP loan/grant and the hiring of an outside investor relations consultant.

Operating income was $382,000 and $823,000 for the three-month and nine-month periods ended September 30, 2022 compared to $264,000 and $1.8 million for the comparable periods in 2021, respectively. The primary reason for the decrease was the $941,000 PPP loan/grant in February 2021 which was used to reduce certain qualifying expenses during that period.

Interest expense was $378,000 and $1.1 million for the three-month and nine-month periods ended September 30, 2022 compared to $343,000 and $1.0 million for the comparable periods in 2021, respectively. The primary reason for the increase in both periods was a result of the non-cash PIK interest which adds to the principal amount of the Corbel loan outstanding.

Net income (loss) was $4,000 and $(245,000) for the three-month and nine-month periods ended September 30, 2022, compared to $(79,000) and $833,000 for the comparable periods in 2021, respectively. The reason for the decrease was the $941,000 PPP loan/grant in February 2021, a decrease in revenue from franchising due to closures as explained above, and an increase in revenue from company-owned Craft Pizza & Pub locations which was somewhat reduced by the spread of the Omicron variant in January and February of 2022.

The Company's current ratio was 2.38-to-1 as of September 30, 2022, compared to 2.27-to-1 as of December 31, 2021.

The statements contained above 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, the availability of hourly and management labor to adequately staff company-operated and franchise operations, competitive factors and pricing pressures, accelerating inflation and the cost of labor, food items and supplies, non-renewal of franchise agreements, shifts in market demand, the success of new 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 impact of franchise regulation, the success or failure of individual franchisees and changes in prices or supplies of food ingredients and labor as well as the factors discussed under "Risk Factors" contained in the company's 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.

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Noble Roman's, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)

Assets	December 31, 2021	September 30, 2022
Current assets:		
Cash	$1,263,513	$ 742,989
Accounts receivable – net	904,474	1,031,063
Inventories	994,085	1,011,835
Prepaid expenses	415,309	471,646
Total current assets	3,577,381	3,257,533
Property and equipment:		
Equipment	4,216,246	4,340,277
Leasehold improvements	3,065,644	3,115,007
Construction and equipment in progress	235,051	259,882
	7,516,941	7,715,166
Less accumulated depreciation and amortization	2,366,927	2,704,922
Net property and equipment	5,150,014	5,010,244
Deferred tax asset	3,232,406	3,294,319
Deferred contract cost	810,044	878,363
Goodwill	278,466	278,466
Operating lease right of use assets	6,003,044	5,832,875
Other assets including long-term portion of receivables – net	324,402	407,115
Total assets	$19,375,757	$18,958,915
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 919,157	$ 403,402
Current portion of operating lease liability	656,146	700,516
Current portion of Corbel loan payable	-	266,664
Total current liabilities	1,575,303	1,370,582
Long-term obligations:		
Term loan payable to Corbel – net of current portion	7,898,941	7,959,959
Corbel warrant value	29,037	29,037
Convertible notes payable	597,229	616,455
Operating lease liabilities – net of current portion	5,570,639	5,370,921
Deferred contract income	810,044	878,363
Total long-term liabilities	14,905,890	14,854,735
Stockholders' equity:		
Common stock – no par value (40,000,000 shares authorized, 22,215,512 issued and outstanding as of December 31, 2021 and as of September 30, 2022)	24,791,568	24,813,707
Accumulated deficit	(21,897,004)	(22,080,109)
Total stockholders' equity	2,894,564	2,733,598
Total liabilities and stockholders' equity	$19,375,757	$18,958,915

Noble Roman's, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)

	Three months ended September 30, 2021	Three months ended September 30, 2022	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Revenue:				
Restaurant revenue - company-owned restaurants	$2,122,352	$2,587,182	$6,495,788	$7,374,143
Restaurant revenue - company-owned non-traditional	120,316	195,647	353,617	505,891
Franchising revenue	1,177,776	1,119,793	3,430,995	3,218,401
Administrative fees and other	3,734	5,961	10,803	25,226
Total revenue	3,424,178	3,908,583	10,291,203	11,123,661
Operating expenses:				
Restaurant expenses - company-owned restaurants	1,893,721	2,195,261	5,058,358	6,416,679
Restaurant expenses - company-owned non-traditional	126,765	201,013	334,579	503,639
Franchising expenses	491,798	499,478	1,313,472	1,444,073
Total operating expenses	2,512,284	2,895,752	6,706,409	8,364,391
Depreciation and amortization	142,133	112,555	448,892	337,994
General and administrative expenses	505,992	518,416	1,286,530	1,598,689
Total expenses	3,160,409	3,526,723	8,441,831	10,301,074
Operating income	263,769	381,860	1,849,372	822,587
Interest expense	343,184	378,008	1,016,214	1,067,605
Income (loss) before income taxes	(79,415)	3,852	833,158	(245,018)
Income tax expense (benefit)	-	-	-	(61,913)
Net income (loss)	$ (79,415)	$ 3,852	$ 833,158	$ (183,105)

Earnings per share – basic:

	Three months ended September 30, 2021	Three months ended September 30, 2022	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Net income(loss) before income tax	$ .00	$ .00	$ .04	$ (.01)
Net income(loss)	$ .00	$ .00	$ .04	$ (.01)
Weighted average number of common shares outstanding	22,215,512	22,215,512	22,215,512	22,215,512

Diluted earnings per share:

	Three months ended September 30, 2021	Three months ended September 30, 2022	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Net income (loss) before income tax	$ .00	$ .00	$ .04	$ (.01)
Net income(loss)	$ .00	$ .00	$ .04	$ (.01)
Weighted average number of common shares outstanding	23,522,028	23,513,954	23,522,028	23,513,954