

NEWS BULLETIN

RE: NOBLE ROMAN'S, INC.

1 Virginia Avenue, Suite 300
Indianapolis, IN 46204

FOR ADDITIONAL INFORMATION, CONTACT:

For Media Information: Scott Mobley, President & CEO 317/634-3377

For Investor Relations: Paul Mobley, Executive Chairman 317/634-3377

Noble Roman's Provides First Quarter Strategic Review; Publishes First Quarter 2018 Financial Summary

(Indianapolis, Indiana) – May 15, 2018. Noble Roman's, Inc. (OTCQB: NROM), the Indianapolis based franchisor of Noble Roman's Pizza, today announced its first quarter 2018 earnings and provided a review of the strategic highlights.

During the first quarter, the company signed a lease for its fourth company-operated Craft Pizza & Pub location in Carmel, Indiana, which is expected to open to the public on May 29, 2018. Designed as a vehicle to drive revenue growth into the future, Noble Roman's Craft Pizza & Pub is the company's new-generation, stand-alone pizzeria concept developed using the company's extensive experience with full-service pizzeria operations. The first Craft Pizza & Pub location opened in Westfield, Indiana as a company operated restaurant on January 31, 2017. A second location opened in November of 2017 in Whitestown, Indiana, and a third opened in Fishers, Indiana in January of 2018.

The three current Craft Pizza & Pub locations all continue to exceed management's pre-opening sales expectations. The first location to open, which is currently the only one with a full-year operating history, had gross sales for the first twelve months of approximately \$1.8 million and an operating margin of 24.1%. Despite unusually cold and bitter weather during the first quarter, this same location did nearly \$450,000 in sales and earned a profit margin of 25.7%. Consistent with previously stated policy, the company will not publish same-store sales on Craft Pizza & Pub restaurants until they have been in operation for over 15 months. However, as an indicator of how this location is performing, sales were up 9.4% for the recent six weeks from April 1, 2018 to May 12, 2018 compared to the same six weeks in 2017.

Noble Roman's intends to accelerate the development of additional Craft Pizza & Pub locations through franchising and is in the early stages of initiating this effort. General franchising is planned for Indiana and surrounding areas, with a focus on multi-unit operators and development territories for other markets deemed suitable for the concept.

During the first quarter of 2018, the company refocused its efforts on selling franchises for non-traditional franchised locations and has sold 18 such franchises between January 1, 2018 and May 12, 2018. Despite the highly inclement weather in the company's primary trade areas during the first quarter, which normally affects restaurant sales negatively, especially in the company's non-traditional venues, the company was able to match ongoing non-traditional franchise royalty and fee revenue, less upfront fees, from the same quarter in 2017.

Financial Results for the Quarter Ended March 31, 2018 Compared to the Comparable Period in 2017

- Net income was \$403,000, or \$.02 per basic share, compared to \$193,000, or \$.01 per basic share.
- Total revenue was \$3.0 million compared to \$2.2 million, an increase of 33.4%.
- Operating income from continuing operations was \$699,000 compared to \$649,000.
- Net income before taxes was \$539,000 compared to \$311,000. As a result of the deferred tax credits, the company will not pay any income taxes on approximately the next \$21.6 million in net income.
- Interest expense was \$160,000 compared to \$321,000. This was the result of the debt refinancing completed in September 2017, which increased total debt outstanding to provide for development of three Craft Pizza

& Pub locations, however it lowered the effective rate on all outstanding debt. The total cash interest paid in the first quarter 2018 was \$136,000.

- Operating income increased to \$699,000 from \$649,000. Operating income was 23.7% of total revenue compared to 29.3% of total revenue. Operating income decreased as a percentage of total revenue as a result of adding Craft Pizza & Pub locations which increased gross profit but at a lesser margin than other operations that generate primarily fee income.
- Upfront franchisee fees and commissions ("Upfront Fees") were \$79,000 compared to \$64,000.
- Royalties and fees less Upfront Fees were \$1.5 million compared to \$1.5 million.
- Royalties and fees from non-traditional franchises other than grocery stores were \$1.0 million compared to \$1.0 million.
- Royalties and fees from grocery store take-n-bake locations were \$404,000 compared to \$462,000.
- Royalties and fees from stand-alone take-n-bake locations were none compared to \$17,000. The company made the decision to discontinue the stand-alone take-n-bake venue.
- Royalties and fees from traditional locations were \$55,000 compared to \$57,000. The decrease was a result of one less former full-service restaurant open.

Balance Sheet Summary

Current assets totaled \$3.5 million and current liabilities totaled \$1.3 million as of March 31, 2018 compared to total current assets of \$3.7 million and current liabilities of \$1.4 million as of December 31, 2017. Total debt was \$7.0 million compared to \$7.4 million as of December 31, 2017. Total stockholders' equity was \$11.3 million compared to \$10.6 million as of December 31, 2017.

About Noble Roman's Craft Pizza & Pub

Noble Roman's Craft Pizza & Pub is intended to provide a fun, pleasant atmosphere serving pizza and other related menu items, all made fresh in customer view. In January, 2017, Noble Roman's opened its first company-owned Craft Pizza & Pub restaurant in Westfield, Indiana, a prosperous and growing community on the northwest side of Indianapolis. Since that time, two additional Craft Pizza & Pubs have been opened as company-owned restaurants with a fourth location now under development and expected to open May 29, 2018. Noble Roman's Craft Pizza & Pub is designed to harken back to the company's early history when it was known simply as "Pizza Pub." Like then, and like the new full-service pizza concepts today, ordering takes place at the counter and food runners deliver orders to the dining room for dine-in guests. The company believes that Noble Roman's Craft Pizza & Pub features many enhancements over the current competitive landscape. The restaurant features two styles of hand-crafted, made-from-scratch pizzas with a selection of 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 high quality, 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 pizza offerings feature Noble Roman's traditional hand-crafted thinner crust as well as its signature deep-dish Sicilian crust. After extensive research and development, the system has been designed to enable fast cook times, with oven speeds running approximately 2.5 minutes for traditional pies and 5.75 minutes for Sicilian pies. Traditional pizza favorites such as pepperoni are options on the menu, but also offered is a selection of Craft Pizza & Pub original pizza creations like "Swims with the Fishes" and "Pizza Margherita". The menu also features a selection of contemporary and fresh, made-to-order salads and fresh-cooked pasta. The menu also includes baked subs, hand-sauced wings and a selection of desserts, as well as Noble Roman's famous Breadsticks with Spicy Cheese Sauce.

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. Also in the dining room is a "Dusting & Drizzle Station" where guests can customize their pizzas after they are baked with a variety of toppings and drizzles, such as rosemary-infused olive oil, honey and Italian spices. 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 earlier days.

As Scott Mobley, president and CEO, previously stated, "Noble Roman's Craft Pizza & Pub is the most exciting development for the company since it pioneered the non-traditional pizza venue. This stand-alone pizzeria concept is the culmination of some of the best of our history combined with all-new, leading edge technology and recipes to produce what we think will be a terrific growth vehicle for the future."

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 projected in the forward-looking statements due to risks and uncertainties that exist in the company's operations and business environment, including, but not limited to, competitive factors and pricing pressures, non-renewal of franchise agreements, shifts in market demand, the success of new franchise programs, including the new 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 purchases of or demand for the company's products, licenses or franchises, the success or failure of individual franchisees and licensees, changes in prices or supplies of food ingredients and labor, and dependence on continued involvement of current management. Should one or more of these risks or uncertainties materialize, or should underlying assumptions or estimates prove incorrect, actual results may differ materially from those described herein as anticipated, believed, estimated, expected or intended. The company undertakes no obligations to update the information in this press release for subsequent events.

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

Assets	December 31, <u>2017</u>	March 31, <u>2018</u>
Current assets:		
Cash	\$ 461,068	\$ 200,194
Accounts receivable - net	1,796,757	1,802,824
Inventories	779,989	793,164
Prepaid expenses	680,326	687,575
Total current assets	<u>3,718,140</u>	<u>3,483,757</u>
Property and equipment:		
Equipment	2,533,848	2,804,169
Leasehold improvements	541,197	873,323
Construction and equipment in progress	<u>558,602</u>	<u>359,002</u>
	3,673,647	4,036,494
Less accumulated depreciation and amortization	<u>1,372,821</u>	<u>1,407,281</u>
Net property and equipment	2,300,826	2,629,213
Deferred tax asset	5,735,504	5,598,912
Deferred contract cost	-	592,160
Goodwill	278,466	278,466
Other assets including long-term portion of receivables - net	<u>6,851,697</u>	<u>6,816,942</u>
Total assets	<u>\$ 18,884,633</u>	<u>\$ 19,399,450</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of term loan payable to bank	754,173	793,452
Accounts payable and accrued expenses	<u>674,600</u>	<u>539,675</u>
Total current liabilities	<u>1,428,773</u>	<u>1,333,127</u>
Long-term obligations:		
Term loans payable to bank (net of current portion)	4,246,375	4,048,915
Convertible notes payable	1,131,982	2,131,750
Deferred contract income	-	592,160
Derivative warrant liability	503,851	-
Derivative conversion liability	<u>925,561</u>	-
Total long-term liabilities	<u>6,807,769</u>	<u>6,772,825</u>
Stockholders' equity:		
Common stock – no par value (40,000,000 shares authorized, 20,783,032 issued and outstanding as of December 31, 2017 and 20,983,032 as of March 31, 2018)	24,322,885	24,726,636
Accumulated deficit	<u>(13,674,794)</u>	<u>(13,433,138)</u>
Total stockholders' equity	<u>10,648,091</u>	<u>11,293,498</u>
Total liabilities and stockholders' equity	<u>\$ 18,884,633</u>	<u>\$ 19,399,450</u>

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

	Three months ended	
	March 31,	
	<u>2017</u>	<u>2018</u>
Revenue:		
Royalties and fees	\$ 1,612,920	\$ 1,541,879
Administrative fees and other	12,069	14,245
Restaurant revenue – Craft Pizza & Pub	306,311	1,108,423
Restaurant revenue – non-traditional	<u>281,318</u>	<u>288,116</u>
Total revenue	2,212,618	2,952,663
Operating expenses:		
Salaries and wages	239,707	267,968
Trade show expense	121,656	120,772
Travel expense	60,295	21,939
Other operating expenses	198,690	238,417
Restaurant expenses - Craft Pizza & Pub	213,146	865,499
Restaurant expenses – non-traditional	273,373	283,856
Depreciation and amortization	51,893	72,503
General and administrative	<u>404,472</u>	<u>382,280</u>
Total expenses	<u>1,563,232</u>	<u>2,253,234</u>
Operating income	649,386	699,429
Interest	320,994	160,288
Change in fair value of derivatives	<u>17,627</u>	<u>-</u>
Income before income taxes	310,765	539,141
Income tax expense	<u>118,222</u>	<u>136,592</u>
Net income	<u>\$ 192,543</u>	<u>\$ 402,549</u>
Earnings per share – basic:		
Net income	\$.01	\$.02
Weighted average number of common shares outstanding	20,783,032	20,869,689
Diluted earnings per share:		
Net income	\$.01	\$.02
Weighted average number of common shares outstanding	25,419,967	26,389,740