NEWS BULLETIN

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Noble Roman's Announces Third Quarter 2019 Results

(Indianapolis, Indiana) – November 14, 2019 - Noble Roman's, Inc. (OTCQB: NROM), the Indianapolis based franchisor and licensor of Noble Roman's Pizza and Craft Pizza & Pub, today announced results for the three-month and nine-month periods ended September 30, 2019 along with other strategic highlights for the company.

Net income before taxes increased to $615,000, or $.03 per share from a loss of $755,000, or $(.04) per share, and $1.82 million, or $.08 per share, from $334,000, or $.02 per share, for the three-month and nine-month periods ended September 30, 2019 compared to the comparable periods in 2018. Net income before tax is significant because the company will not pay any income taxes for approximately the next $18.5 million in taxable income.

Net income increased to $468,000, or $.02 per share, from a loss of $562,000, or $(.03) per share, and increased to $1.39 million, or $.06 per share, from $252,000, or $.01 per share, for the three-month and nine-month periods ended September 30, 2019 compared to the comparable periods in 2018. The nine-month results were achieved despite the highly unusual, extreme winter weather conditions this year in Indiana during January and February, which significantly curtailed revenue and margins during those months. In addition, the results are after an $86,000 non-cash expense in the nine months ended September 30, 2019 from the adoption of the new accounting rules regarding accounting for leases which became effective January 1, 2019 for publicly reporting entities.

The company affirms that it is continuing its focus on growing its well-established, non-traditional venue as well as its newer Craft Pizza & Pub venue. From January 1, 2019 through November 14, 2019, the company has opened 32 new non-traditional franchise locations. In addition, the sales volumes of all non-traditional franchise units opened in 2019 have so far averaged 45.5% higher than the average unit volumes this year from units opened in previous years. This reflects improvements the company has made in kiosk design, operating systems and marketing. During 2019, the company also opened its first franchised Craft Pizza & Pub location with record opening sales, and it currently has two more franchised Craft Pizza & Pub locations under development, with one in Evansville, Indiana scheduled to open in late November, 2019. The company is in the planning stages for additional company-owned Craft Pizza & Pub locations as well.

With a focus on development in the company's non-traditional venue combined with the new catalyst for growth represented by Craft Pizza & Pub, the company believes it is potentially entering the most exciting expansion phase it has experienced in its 47-year history. In support of this growth opportunity, the company currently has plans to refinance its bank loans with an expanded credit facility in the amount of $10 million. If completed as intended, the borrowings under the new facility will be used to repay existing bank debt, to repay un-extended convertible subordinated notes and to fund the development of five additional company-owned Craft Pizza & Pub locations. The repayment of convertible debt would also reduce future potential dilution by 4,175,000 shares that underly the debt.

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, 2018		2019		Nine Months ended September 30, 2018		2019	
Royalties and fees franchising	$1,344,813	81.2%	$1,437,685	84.5%	$3,730,449	77.2%	$4,060,160	82.9%
Royalties and fees grocery	311,261	18.8	263,281	15.5	1,100,856	22.8	835,013	17.1
Total royalties and fees	1,656,074	100.0	1,700,966	100.0	4,831,305	100.0	4,895,173	100.0
Salaries and wages	245,581	14.8	180,707	10.6	774,397	16.0	552,122	11.3
Trade show expense	121,200	7.3	105,000	6.2	361,200	7.5	315,000	6.4
Travel and auto	23,945	1.4	27,951	1.6	128,370	2.7	82,630	1.7
All other operating expenses	282,742	17.1	195,370	11.5	594,897	12.4	598,803	12.2
Total expenses	673,468	40.6	509,028	29.9	2,007,706	41.6	1,548,555	31.6
Margin contribution	$ 982,606	59.4%	$1,192,037	70.1%	$2,823,599	58.4%	$3,346,618	68.4%

For the three-month period ended September 30, 2019 compared to the three-month period ended September 30, 2018:

- Total revenue from this venue grew to $1.70 million compared to $1.66 million for the comparable period in 2018. Royalties and fees from franchising grew to $1.44 million compared to $1.34 million for the comparable period in 2018. This increase was partially offset by a decrease in royalties and fees from grocery store take-n-bake, which decreased to $263,000 from $311,000 compared to the comparable period in 2018. The increase in franchise fees and decrease in license fees from grocery stores reflects the change in emphasis on franchising versus licensing to grocery stores to sell take-n-bake pizza because of the stronger economic conditions that exist today.
- Salaries and wages, trade show expense and other operating costs decreased to $509,000 from $673,000. In January the company undertook an in-depth review of this venue to find ways to further reduce its costs while still accomplishing its objectives. These efforts resulted in the reduction of various operating expenses. It is anticipated that this reduction in operating cost will continue to benefit future quarters as well.
- Gross margin increased to 70.1% from 59.4% for a margin increasing to $1.2 million from $983,000.

For the nine-month period ended September 30, 2019 compared to the nine-month period ended September 30, 2018:

- Total revenue from this venue was $4.90 million compared to $4.83 million for the comparable period in 2018. Royalties and fees from franchising grew to $4.06 million compared to $3.73 million for the comparable period in 2018. This increase was partially offset by a decrease in royalties and fees from grocery store take-n-bake, which decreased to $835,000 from $1.1 million compared to the comparable period in 2018. The increase in franchise fees and decrease in license fees from grocery stores reflects the change in emphasis on franchising versus licensing to grocery stores to sell take-n-bake pizza because of the stronger economic conditions that exist today.
- Salaries and wages, trade show expense and other operating costs decreased to $1.55 million from $2.01 million. In January the company undertook an in-depth review of this venue to find ways to further reduce its costs while still accomplishing its objectives. These efforts resulted in the reduction of various operating expenses. This reduction in operating cost is expected to continue to benefit future quarters as well.
- Gross margin increased to 68.4% from 58.4% or to $3.35 million from $2.82 million.

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:

Description	Three Months ended September 30, 2018		2019		Nine Months ended September 30, 2018		2019	
Revenue	$ 1,308,890	100%	$1,221,843	100%	$3,663,255	100%	$3,693,922	100%
Cost of sales	284,075	21.7	261,922	21.4	806,653	22.0	777,646	21.1
Salaries and wages	400,926	30.6	361,138	29.6	1,127,124	30.8	1,106,815	29.9
Facility cost including rent, common area and utilities	191,553	14.6	216,268	17.7	473,895	12.9	625,968	16.9
Packaging	33,665	2.6	32,448	2.6	94,407	2.6	99,239	2.7
All other operating expenses	138,185	10.6	206,080	16.9	382,360	10.4	600,040	16.2
Total expenses	1,048,404	80.1	1,077,856	88.2	2,884,388	78.7	3,209,708	86.8
Margin contribution	$ 260,486	19.9%	$ 143,987	11.8%	$ 778,867	21.3%	$ 484,214	13.2%

Margin contribution from this venue for the nine-month period ended September 30, 2019 was decreased $35,636 for non-cash expense related to the adoption of ASU 2016-02 accounting for leases which became effective after January 1, 2019 for publicly reporting companies.

For the three-month period ended September 30, 2019 compared to the three-month period ended September 30, 2018:

- Revenue from this venue decreased to $1.22 million from $1.31 million. The primary reason for the decrease is the comparison period in 2018 has grand opening sales for the latest two openings.
- Cost of sales improved to 21.4% of revenue compared to 21.7% as a result of careful but intensive supervisory focus and as the restaurants gained experience over time.
- Salaries and wages improved significantly to 29.6% from 30.6% as a result of careful but intensive supervisory focus and as the restaurants gained experience over time.
- Facility costs, including rent, common area maintenance and utilities, increased to 17.7% from 14.6% primarily because of non-discretionary increases in common area charges by the shopping centers. In 2018, all four locations were operating in new strip centers where common area maintenance fees were based on the landlord's estimate of what those fees were going to be. When the actual costs were known for 2018, the company had to pay common area expenses in 2019 based on the actual for 2018. In two of the locations the common area maintenance costs were more than double the landlord's estimate. In addition, per the note following the chart above, there was additional non-cash rent expense related to the adoption of ASU 2016-02.
- All other costs and expenses increased to 16.9% from 10.6%. These increases came primarily from insurance costs, advertising costs and delivery costs from starting third-party delivery.
- Gross margin contribution from this venue decreased to 11.8% from 19.9% as a result of the above mentioned primarily fixed cost increases which more than offset the improvement in controllable variable costs (mainly cost of sales and labor).

For the nine-month period ended September 30, 2019 compared to the nine-month period ended September 30, 2018:

- Revenue from this venue increased to $3.69 million from $3.66 million despite the highly unusual extreme weather conditions in Indiana during the months of January and February.
- Cost of sales improved to 21.1% of revenue compared to 22.0% as a result of supervisory focus and as the restaurants gained experience and efficiency over time.

- Salaries and wages improved to 29.9% from 30.8% as a result of supervisory focus and as the restaurants gained experience over time. However, that efficiency gained was partially offset by the fixed cost of salaries against lower sales in January and February due to the highly unusual extreme weather conditions in Indiana during those months.
- Facility costs, including rent, common area maintenance and utilities, increased to 16.9% from 12.9% primarily because of non-discretionary increases in common area charges by the shopping centers. In 2018, all four locations were operating in new strip centers where common area maintenance fees were based on the landlord's estimate of what those fees were going to be. When the actual costs were known for 2018, the company had to pay common area expenses in 2019 based on the actual for 2018. In two of the locations the common area maintenance costs were more than double the landlord's estimate. In addition, per the note following the chart above, there was additional non-cash rent expense related to the adoption of ASU 2016-02.
- All other costs and expenses increased to 16.2% from 10.4%. These increases came largely from increases in insurance costs, advertising costs and delivery costs from starting third-party delivery. The insurance increase was a combination of price increases magnified by lower sales in January and February. The increase in advertising was to a more normal level from the reduced level in 2018 during the honeymoon period of new openings. The delivery fees were the result of adding delivery service by use of outside vendors, which was started to help compensate for the impact on sales from inclement weather conditions and to stay current with consumer purchasing trends.
- Gross margin contribution from this venue decreased to 13.2% from 21.3%, which was significantly impacted by the highly unusual extreme weather conditions in January and February. The margin decrease was also the result of the above mentioned primarily fixed cost increases, which more than offset the improvement in controllable variable costs (mainly cost of sales and labor).

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:

	Three Months ended September 30,				Nine Months ended September 30,			
Description	2018		2019		2018		2019	
Revenue	$ 283,135	100%	$ 169,422	100%	$ 862,777	100%	$ 499,944	100%
Total expenses	279,079	98.6	157,652	93.1	851,766	98.7	464,470	92.9
Margin contribution	$ 4,056	1.4%	11,770	6.9%	$ 11,011	1.3%	$ 35,474	7.1%

Gross revenue from this venue decreased to $169,000 and $500,000 from $283,000 and $863,000 for the respective three-month and nine-month periods ended September 30, 2019 compared to the comparable periods in 2018. The primary reason for this decrease was the company operating three non-traditional locations in the three-month and nine-month periods ended September 30, 2018 compared to one location in the three-month and nine-month periods ended September 30, 2019. The two locations vacated in December 2018 were locations that the company was only operating to the end of their contract terms. The company does not intend to operate any more company-owned non-traditional locations except the one location that it is currently operating.

The following bullet points discuss other financial highlights from the quarter:

- Operating income increased to $835,000 from $714,000 and $2.39 million from $2.12 million for the three-month and nine-month periods ended September 30, 2019. This increase was primarily a result of increased margin contribution on the franchising venue to $1.17 million from $983,000 and to $3.35 million from $2.82 million for the three-month and nine-month periods ended September 30, 2019. This increase was partially offset by the decrease in margin contribution from the company-owned Craft Pizza & Pub locations as a result of the highly unusual severe winter weather conditions for Indiana during the months of January and February 2019, plus fixed cost increases as discussed above.

- General and administrative expenses remained approximately the same for the three-month and nine-month periods ended September 30, 2019.

- Interest expense increased to $220,000 from $173,000 and to $567,000 from $486,000 for the three-month and nine-month periods ended September 30, 2019. The increase was the result of increased rate of interest on the company's bank debt, partially offset by the decreased balance of the loans from continued monthly amortization of principal.

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 ability of the company to refinance its debt as currently planned, competitive factors, pricing pressures, non-renewal of franchise agreements, shifts in market demand, the success of new franchise programs, including Noble Roman's Craft Pizza & Pub format, the company's ability to successfully operate and manage costs of an increased number of company-owned restaurants, general economic conditions, changes in demand for the company's products 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.

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

Assets	December 31, 2018	September 30, 2019
Current assets:		
Cash	$ 76,194	$ 274,404
Accounts receivable - net	1,573,600	841,034
Inventories	962,783	990,059
Prepaid expenses	688,259	726,459
Total current assets	3,300,836	2,831,956
Property and equipment:		
Equipment	2,872,494	2,886,246
Leasehold improvements	1,180,050	1,180,637
Construction and equipment in progress	119,340	292,203
	4,171,884	4,359,086
Less accumulated depreciation and amortization	1,399,435	1,607,689
Net property and equipment	2,772,449	2,751,397
Deferred tax asset	4,817,309	4,481,550
Deferred contract cost	698,935	843,000
Goodwill	278,466	278,466
Operating lease right of use assets	-	4,291,625
Other assets including long-term portion of receivables - net	3,808,957	5,383,019
Total assets	$15,676,952	$20,861,013
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of term loan payable to bank	$ 871,429	$ 871,429
Accounts payable and accrued expenses	523,315	368,351
Current portion of operating lease liability	-	333,763
Total current liabilities	1,394,744	1,573,543
Long-term obligations:		
Term loans payable to bank (net of current portion)	3,898,733	3,285,100
Convertible notes payable	1,539,204	1,468,918
Operating lease liabilities	-	4,098,912
Deferred contract income	698,935	843,000
Total long-term liabilities	6,136,872	9,695,930
Stockholders' equity:		
Common stock – no par value (40,000,000 shares authorized, 21,583,032 issued and outstanding as of December 31, 2018 and 21,915,413 as of September 30, 2019)	24,739,482	24,852,998
Accumulated deficit	(16,594,146)	(15,261,458)
Total stockholders' equity	8,145,336	9,591,540
Total liabilities and stockholders’ equity	$15,676,952	$ 20,861,013

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

	Three months ended September 30,		Nine months ended September 30,	
	2018	2019	2018	2019
Revenue:				
Restaurant revenue - company-owned restaurants	$1,308,890	$1,221,843	$3,663,255	$3,693,922
Restaurant revenue - company-owned non-traditional	283,135	169,422	862,777	499,944
Franchising revenue	1,656,074	1,681,951	4,831,305	4,895,173
Administrative fees and other	26,548	6,059	47,177	33,789
Total revenue	3,274,647	3,079,275	9,404,514	9,122,828
Operating expenses:				
Restaurant expenses - company-owned restaurants	1,048,566	1,077,856	2,877,957	3,209,709
Restaurant expenses - company-owned non-traditional	279,079	157,652	851,766	464,470
Franchising expenses	673,468	509,029	2,007,706	1,548,555
Total operating expenses	2,001,113	1,744,537	5,737,429	5,222,734
Depreciation and amortization	125,399	66,872	298,155	236,918
General and administrative expenses	434,457	432,920	1,252,781	1,273,960
Total expenses	2,560,970	2,244,329	7,288,365	6,733,612
Operating income	713,676	834,946	2,116,149	2,389,217
Interest expense	172,639	219,674	486,292	566,845
Adjust valuation of receivables	1,295,805	-	1,295,805	-
Income (loss) before income taxes	(754,768)	615,272	334,052	1,822,369
Income tax expense	(192,491)	147,665	81,632	437,369
Net income (loss)	$ (562,277)	$ 467,607	$ 252,420	$ 1,385,003
Earnings (loss) per share – basic:				
Net income (loss) before income tax	$(.04)	$ .03	$ .02	$ .08
Net income (loss)	$(.03)	$ .02	$ .01	$ .06
Weighted average number of common shares outstanding	21,428,684	21,976,283	21,153,728	21,797,946
Diluted earnings (loss) per share:				
Net income (loss) before income tax	$(.03)	$ .03	$ .01	$ .08
Net income (loss)	$(.02)	$ .02	$ .01	$ .06
Weighted average number of common shares outstanding	26,294,754	23,547,037	26,294,274	23,368,701