NEWS BULLETIN

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Noble Roman's Announces 4th Quarter & Twelve Month 2020 Financial Data

(Indianapolis, Indiana) – March 22, 2021 - 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 twelve-month periods ended December 31, 2020 along with other strategic highlights for the company.

For the three-month period ended December 31, 2020, the company reported total revenues of $3.3 million and an operating profit before interest, valuation adjustment and taxes of $295 thousand. This compared to the three-month period ended December 31, 2019 when the company reported revenues of $2.6 million and an operating profit before interest, valuation adjustment and taxes of $234 thousand.

For the full year ended December 31, 2020, the company reported total revenues of $11.5 million and an operating profit before interest, valuation adjustment and taxes of $2.3 million. This compared to the year ended December 31, 2019 when the company reported revenues of $11.7 million and an operating profit before interest, valuation adjustment and taxes of $2.6 million.

Due to the additional uncertainty created as a result of the COVID-19 pandemic, the company made the conservative decision to create an additional reserve for possible non-collection on all long-term franchisee receivables. The company will continue to pursue collections when circumstances are appropriate, and all collections of these receivables in the future will result in additional income at the time received.

As a result of the decision to increase the reserve for uncollectability to include all long-term franchise receivables, the company recorded a net loss for the three-month period ending December 31, 2020 of $5.9 million and for the twelve-month period ending December 31, 2020 of $5.4 million. This compares to a net loss for the respective periods in 2019 of $1.8 million and $378 thousand, respectively.

On April 25, 2020, the company received a loan of $715,000 under the Paycheck Protection Program. 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. On February 19, 2021, the company received formal notice from the Small Business Administration 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 Paycheck Protection Program. Since the company also intends to use the proceeds of this loan for qualifying expenses under the CARES ACT, the company anticipates this loan will also be forgiven and will account for it as a grant.

In the midst of the COVID-19 pandemic, closed dining rooms and stay-at-home orders, the company opened a new company-owned Craft Pizza & Pub location in Brownsburg, Indiana in March 2020 with record sales volume, opened another new company-owned Craft Pizza & Pub location in Greenwood, Indiana in October 2020 and another new company-owned Craft Pizza & Pub location in McCordsville, Indiana in November 2020. These last three company-owned locations are trending as the top three sales volume locations for the company-operated Craft Pizza & Pubs. In addition, the company opened its third franchised Craft Pizza & Pub in Kokomo, Indiana in November 2020 which so far is the highest sales volume franchise location.

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 disallow inside dining. The pandemic has resulted in significant economic volatility, uncertainty, disruption, reduced commercial activity and weakened economic conditions in the regions in which the company and its franchisees operate. However, the growth of curbside, 'Pizza Valet' service, first rolled out in early 2019, has decreased the negative impact on the company-owned Craft Pizza & Pub locations.

The pandemic and the governmental response are having a significant adverse impact on the company due to, among other things, governmental restrictions, reduced customer traffic, staffing challenges and supply difficulties. All company-owned Craft Pizza & Pub restaurants are located in the state of Indiana. On March 16, 2020, by order of the Governor of the state of Indiana, all restaurants within Indiana were ordered to close for inside dining. Due to the order, all Craft Pizza & Pub restaurants were open for carry-out only, primarily through the company's Pizza Valet system and third-party delivery providers. On May 1, 2020, the Governor of Indiana issued another order allowing restaurants to be open for inside dining for up to 50% of table capacity as of May 11, 2020, and on June 14, 2020 up to 75% of capacity, plus bars may open up to 50% of capacity, and on July 4, 2020 restaurants and bars may resume at 100% capacity. As the duration and scope of the pandemic is uncertain, these orders were made 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, or on what time frame based on the future uncertainties of consumer behavior. Though the Governor's latest orders have increased the percentage capacity to 100%, seating remains limited below that level due to 6' social distancing requirements that are still in effect.

Many other states and municipalities in the United States have also temporarily restricted travel, imposed stay at home orders and suspended the operation of dine-in restaurants in light of COVID-19, which has negatively affected the company's franchised operations. Most host facilities for the company's non-traditional franchises have been adversely impacted by these developments as well. The uncertainty and disruption in the U.S. economy caused by the pandemic are likely to adversely impact the volume and resources of potential franchisees for both the company's Craft Pizza & Pub and non-traditional venues. With the particular consideration of the COVID-19 pandemic's potential impact on the economic stability of the company's former franchisees, it was conservatively decided to take an additional reserve for possible non-collection of all of its long-term franchisee receivables. The company will continue collection efforts where appropriate, and all such collections will be additional income at the time collected.

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, 2019		2020		Year Ended December 31, 2019		2020	
Royalties and fees franchising	$ 966,145	76.2%	$ 1,033,003	84.6%	$5,026,305	81.6%	$ 4,102,304	84.7%

Royalties and fees grocery	301,258	23.8	187,494	15.4	1,136,271	18.4	738,925	15.3
Total royalties and fees	1,267,403	100.0	1,220,497	100%	6,162,576	100.0	4,841,229	100%
Salaries and wages	199,839	15.8	205,631	16.8	751,961	12.2	625,954	12.9
Trade show expense	105,000	8.3	105,000	8.6	420,000	6.8	420,000	8.7
Travel and auto	25,745	2.0	16,348	1.3	108,375	1.8	86,323	1.8
All other op. expenses	212,862	16.8	169,512	13.9	811,665	13.2	604,592	12.5
Total expenses	543,446	42.9	496,491	40.7	2,092,001	33.9	1,736,869	35.9
Margin contribution	$ 723,957	57.1%	$ 724,006	59.3%	$4,070,575	66.1%	$3,104,359	64.1%

Total revenue from this venue declined from $1.27 million to $1.22 million and declined from $6.16 million to $4.84 million for the three-month and 12-month periods ended December 31, 2020 compared to the corresponding periods in 2019. Royalties and fees from franchising increased slightly in the fourth quarter in 2020 compared to the corresponding period in 2019, however royalties and fees from grocery store take-n-bake for the same period decreased from $301,000 to $187,000. Many of the grocery stores that previously offered take-n-bake were not offering take-n-bake at this time because of the increased volume demands on the grocery stores and a shortage of available labor. Royalties and fees from franchising during the 12-month period ended December 31, 2020 compared to the comparable period in 2019 decreased from $5.0 million to $4.1 million due to the temporary closings as a result of the COVID-19 pandemic and various restrictions and stay-at-home orders throughout the country.

Gross margin in this venue increased from 57.1% to 59.3% and decreased from 66.1% to 64.1% for the three-month and 12-month periods ended December 31, 2020 compared to the corresponding periods in 2019. This increased margin was the direct result of the company’s in-depth review of its operations to find ways to minimize costs but at the same time to support revenue, however the temporary closings of various locations throughout the country as a result of the COVID-19 pandemic resulted in lower revenue, as discussed above, more than was achieved through the reduction of expenses.

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 December 31,				Year-Ended December 31,			
Description	2019		2020		2019		2020	
Revenue	$1,136,276	100%	$2,126,214	100%	$4,830,199	100%	$6,209,279	100%
Cost of sales	253,858	22.3	476,772	22.4	1,031,504	21.4	1,348,084	21.7
Salaries and wages	341,431	30.0	583,000	27.4	1,448,246	30.0	1,354,795	21.8
Facility cost including rent, common area and utilities	184,623	16.2	289,845	13.6	832,123	17.2	947,571	15.3
Packaging	31,469	2.8	58,792	2.8	130,708	2.7	176,267	2.8
All other operating expenses	207,819	18.3	376,600	17.7	807,825	16.7	1,111,416	17.9
Total expenses	1,019,200	89.7	1,785,009	84.0	4,250,406	88.0	4,938,133	79.5
Margin contribution	$ 117,076	10.3%	$ 341,205	16.0%	$ 579,793	12.0%	$1,271,146	20.5%

Margin contribution from this venue for the year ended December 31, 2019 was decreased $134,545 for non-cash expense related to the adoption of Accounting Standards Update (“ ASU”) 2016-02 accounting for leases which became effective after January 1, 2019 for publicly reporting companies.

The revenue from this venue increased from $1.1 million to $2.1 million for the fourth quarter and grew from $4.8 million to $6.2 million for the 12 months ended December 31, 2020 compared to the corresponding periods in 2019. The primary reason for the increase in both the three-month period and the 12-month period was new locations which opened in March, October and November of 2020.

Cost of sales increased slightly from 22.3% to 22.4% in the fourth quarter and from 21.4% to 21.7% for the comparable periods in 2020 compared to 2019. This increase was the result of commodity price increases which were mostly offset by efficiency gained as the restaurants matured and as the staff gained experience.

Salaries and wages improved from 30.0% to 27.4% and from 30.0% to 21.8% for the three-month and 12-month periods ended December 31, 2020 compared to the corresponding periods in 2019. This improvement was the result of improved efficiency as the restaurants matured. However, the 12-month period, compared to the corresponding period in 2019, improved also because the proceeds of the initial PPP loan were used to reimburse the company for payroll costs for retaining employees. The improvement in both periods was partially the result of all dining rooms being closed or restricted by order of the Governor of Indiana on March 16, 2020. During the period of closure, the restaurants increased the use of Pizza Valet service for carry-out which decreased the labor requirements to a greater extent in percentage terms than sales were reduced by lack of dining room service.

Facility costs, including rent, common area maintenance and utilities, decreased from 16.2% to 13.6% and from 17.2% to 15.3% of revenue for the respective three-month and 12-month periods ended December 31, 2020 compared to the corresponding periods in 2019. The primary reason for the decrease was the newer restaurants achieving higher volumes with less rent expense including due to less square footage.

All other costs and expenses decreased from 18.3% to 17.7% for the three-month period ended December 31, 2020 and increased from 16.7% to 17.9% for the 12-month period ended December 31, 2020, both compared to the corresponding periods in 2019.

Gross margin contribution increased from 10.3% to 16.0% and from 12.0% to 20.5% for the respective three-month and 12-month periods ended December 31, 2020 compared to the corresponding periods in 2019. These increases were partially the result of the initial PPP loan offsetting salaries and wages and, to some extent, a reduction in other costs during the recent year. Also, part of the improvement was from the improvement in facility costs as a result of the newer restaurants achieving higher volumes with less rent expense including due to less square footage.

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 December 31,				Year Ended December 31,			
Description	2019		2020		2019		2020	
Revenue	$173,703	100%	$ 105,474	100%	$ 673,647	100%	$ 470,846	100%
Total expenses	161,982	93.3	108,880	103.2	626,453	93.0	447,040	94.9
Margin contribution	$ 11,721	6.7%	$ (3,406)	(3.2)%	$ 47,194	7.0%	$ 23,806	5.1%

Gross revenue from this venue decreased from $174,000 to $105,000 and from $674,000 to $471,000 for the respective three-month and 12-month periods ended December 31, 2020 compared to the corresponding periods in 2019. This venue consists of one location in a hospital. Access to the hospital has been extremely limited and travel within the hospital between sections of the hospital are prohibited because of the potential spread of COVID-19. 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 decreased from $162,000 to $109,000 and from $626,000 to $447,000 for the three-month and 12-month periods ended December 31, 2020 compared to the corresponding periods in 2019. The primary reason for these decreases was restrictions on access to the hospital and on travel within the hospital, as discussed in the previous paragraph, resulting from the COVID-19 pandemic.

Corporate Expenses

Depreciation and amortization decreased from $146,000 to $120,000 and decreased from $383,000 to $382,000 for three-month and 12-month periods ended December 31, 2020 compared to the corresponding periods in 2019.

General and administrative expenses decreased from $465,000 to $463,000 and from $1.74 million to $1.72 million for the three-month and 12-month periods ended December 31, 2020 compared to the corresponding periods in 2019.

Interest expense increased from $208,000 to $337,000 and from $775,000 to $1.9 million for the respective three-month and 12-month periods ended December 31, 2020 compared to the corresponding periods in 2019. The primary reason for the increases was a result of the financing that occurred in February 2020 resulting in non-cash write-offs of the unamortized original loan cost for both First Financial Bank and the private placement subordinated debt, which in the aggregate was $658,000 and the non-cash PIK interest expense of $221,000 in the period ended December 31, 2020. This non-cash expense to obtain the new financing was necessary in order to reduce cash outlays for principal repayments, provide liquidity and to provide growth capital for more Craft Pizza & Pub locations.

Subsequent events since December 31, 2020

On February 5, 2021, the company received an additional loan of $940,734 under the PPP. The company intends to use the proceeds of this loan for qualifying expenses under the CARES ACT. The company anticipates this loan will be forgiven and will therefore account for it as a grant.

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

Assets	December 31, 2019	2020
Current assets:		
Cash	$ 218,132	$ 1,194,363
Accounts receivable - net	978,408	879,502
Inventories	880,660	890,556
Prepaid expenses	784,650	395,918
Total current assets	2,861,850	3,360,339
Property and equipment:		
Equipment	2,899,611	3,708,689
Leasehold improvements	1,187,100	2,319,445
Construction and equipment in progress	374,525	510,225
	4,461,236	6,538,359
Less accumulated depreciation and amortization	1,689,520	1,989,209
Net property and equipment	2,771,716	4,549,150
Deferred tax asset	3,900,221	3,104,904
Deferred contract costs	817,763	834,018
Goodwill	278,466	278,466
Operating lease right of use assets	4,242,416	6,088,101
Other assets including long-term portion of accounts receivable - net	4,232,655	201,962
Total assets	$ 19,105,087	$ 18,416,940
Liabilities and Stockholders' Equity		
Current liabilities:		
Current portion of term loan payable to bank	$ 871,429	$ -
Accounts payable and accrued expenses	731,059	878,099
Current portion of operating lease liability	333,763	412,005
Total current liabilities	1,936,251	1,290,104
Long-term obligations:		
Term loans payable to bank (net of current portion)	2,999,275	-
Loan payable to Corbel	-	7,468,709
Corbel warrant value	-	29,037
Convertible notes payable	1,501,282	574,479
Operating lease liabilities – net of current portion	4,016,728	5,863,615
Deferred contract income	817,763	834,018
Total long-term liabilities	9,335,048	14,769,858
Stockholders' equity:		
Common stock – no par value (40,000,000 shares authorized, 22,215,512 issued and outstanding as of December 31, 2019 and December 31, 2020)	24,858,311	24,763,447
Accumulated deficit	(17,024,523)	(22,406,469)
Total stockholders' equity	7,833,788	2,356,978
Total liabilities and stockholders' equity	$ 19,105,087	$ 18,416,940

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

	Year Ended December 31,		
	2018	2019	2020
Restaurant revenue - company-owned restaurants	$ 4,815,842	$ 4,830,199	$ 6,209,279
Restaurant revenue - company-owned non-traditional	1,156,347	673,647	470,846
Franchising revenue	6,422,315	6,162,576	4,841,229
Administrative fees and other	53,443	38,202	14,310
Total revenue	12,447,947	11,704,624	11,535,664
Operating expenses:			
Restaurant expenses - company-owned restaurants	3,909,142	4,250,406	4,938,133
Restaurant expenses - company-owned non-traditional	1,145,106	626,453	447,040
Franchising expenses	2,627,745	2,092,001	1,736,870
Total operating expenses	7,681,993	6,968,860	7,122,043
Depreciation and amortization	440,240	382,793	382,368
General and administrative	1,668,718	1,739,383	1,717,209
Total expenses	9,790,951	9,091,036	9,221,620
Operating income	2,656,996	2,613,588	2,314,044
Interest expense	655,203	774,565	1,914,344
Adjust valuation of receivables	4,095,805	1,300,000	4,941,718
Net (loss) income before income taxes	(2,094,012)	539,023	(4,542,018)
Income tax expense	930,397	917,088	839,928
Net loss from continuing operations	$(3,024,409)	(378,065)	(5,381,946)
Loss from discontinued operations net of tax benefit of $12,200 for 2018	(37,800)	-	-
Net loss	$(3,062,209)	$ (378,065)	$ (5,381,946)
Loss per share - basic:			
Net loss from continuing operations	$ (.14)	$ (.02)	$ (.24)
Net loss	$ (.14)	$ (.02)	$ (.24)
Weighted average number of common shares outstanding	21,249,607	22,052,859	22,215,512
Diluted loss per share:			
Net loss from continuing operations (1)	$ (.14)	$ (.02)	$ (.24)
Net loss (1)	$ (.14)	$ (.02)	$ (.24)
Weighted average number of common shares outstanding	26,094,292	23,315,695	23,465,512

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