



# Business Review

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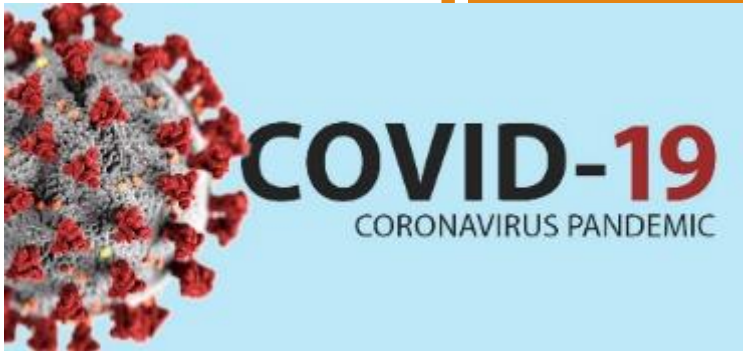
ANNUAL SHAREHOLDER MEETING

JULY 2, 2021

# Presentation Overview

1. Developments in Non-Traditional Venues
2. Developments in Craft Pizza & Pub Venue
3. Synopsis of COVID Events
4. Current Issues & Challenges
5. Ingredient & Commodity Price Trends

Refer to the Company's 10K & 10Q SEC Filings  
and Press Releases for Previously Released  
Financial Data & Corporate Events



# The Elephant in the Room

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COVID dominated much of managerial and operational time over the last 15 months.

We will discuss COVID primarily as it relates to current operations.



**Noble Roman's<sup>®</sup> Inc.**

Non-  
Traditional  
Segment

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SEGMENT REVIEW

# Two Revenue Segments

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Non-Traditional  
Noble Roman's  
Franchising &  
Licensing

Craft Pizza & Pub  
Unit Development

01

Non-Restaurant  
Host Facility

02

Revenue Center,  
Facility Draw,  
Employee  
Benefit

03

Host Facility  
Owner Usually  
the Franchisee

04

Flexible Menu  
to Fit the  
Context

## Non-Traditional Units Defined

# Non-Traditional Venue

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## Targeted Growth Sources

- Convenience Stores
- (Entertainment Facilities)
- (Retail Outlets)
- (Bowling Centers)
- (Hospitals)
- (Military Bases)



US C-Store Count was  
150,274 as of 12/21/20



Single Store Operators  
Own 61.4% of All Units



In-Store Shopping Time  
Averages 71 Seconds



Pre-COVID Foodservice  
was 22.6% of In-Store Sales

## C-Store Venue Facts



# Foodservice Seen as Key

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## Pre-COVID C-Store Comparison: Top Quartile vs Bottom Quartile



Top Quartile Operators Had 10x the Average Store Operating Profit vs the Bottom Quartile



Top Quartile Operators Increased Foodservice Sales by 12.3% vs Bottom Quartile Decrease of .8%



Top Quartile Operators Average \$75,245 in Foodservice Sales vs Bottom Quartile Average of \$12,850

# Noble Roman's Primary Selling Attributes

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Product Quality – Taste

Simplicity – Fully Prepared Crust

Low Investment Cost

Low Food & Labor Costs

Branded Offering

Unique advantage as a restaurant pizzeria inside a convenience store rather than a convenience store merely offering pizza

# Convenience Store Look

LED Digital Monitor Menu  
Board System

Warmer Mounted Promo TV  
Display

Custom Counter Graphics

Up-Front Ordering for  
Custom Pizzas

Up-Front Production Area



# C-Store Program Investment

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Complete Program: \$29,630

## Investment Includes:

- All Equipment
- All Restaurant Smallwares
- Complete LED Signage Package
- Point of Sale Advertising Materials
- Start-Up Marketing Program
- Franchise Fee

# New Chicken Program

Add-on program available for new and existing franchisees of Noble Roman's Pizza

Features baked chicken with a honey glaze

Program menu elements include

- White & dark meat pieces

- Chicken tenders

- Breakfast and lunch sandwiches

- Donut varieties

Uses existing ovens – minor additions to smallwares







# Honey Crisp Chicken

INDIVIDUAL PIECES



# Honey Crisp Chicken

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CHICKEN TENDERS





# Honey Crisp Chicken

FRESH GLAZED DONUTS





# Honey Crisp Chicken

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CHICKEN TENDER SANDWICH



# Honey Crisp Rationale

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Chicken is a Very Common Offering in C-Stores

One Stop Franchising

Easier Production

Safer Production

Excellent Margins

Honey Crisp is Much More Cost Effective





# Honey Crisp Chicken

## Program Cost

Honey Crisp Chicken Program cost as of 6/21/21.  
Does not include construction, cabinetry and other remodeling costs, if any. Adding on to an existing Noble Roman's could incur a small, additional retro-fit cost of about \$125.  
Competing program cost estimates from anecdotal interviews with c-store operators.



Entire Program Investment  
Only \$2,600

Shares Equipment with Noble Roman's Pizza

Other competing stand-alone programs could  
cost as much as \$40,000.

## Case Study:

### Existing Multi-Unit Franchisee



Added Honey Crisp to an Existing Noble Roman's Pizza Operation

Weekly Volume Moved from Approximately \$4-5k Before Addition to \$6-7k After Addition

On June 17, 2021, They Added Honey Crisp Chicken to a 2<sup>nd</sup> Unit and Reported Excellent Results

They Will be Retrofitting Honey Crisp Chicken to Their Additional 5 Noble Roman's Operations over the Next 5-6 Weeks

They have also Decided to Sign 2 New Franchise Agreements and Open Them with Both Noble Roman's Pizza and Honey Crisp Chicken



Saginaw, MI





Tallahassee, FL



Derby, OH





Rockport, IN



Madison, MS

Madison, MS

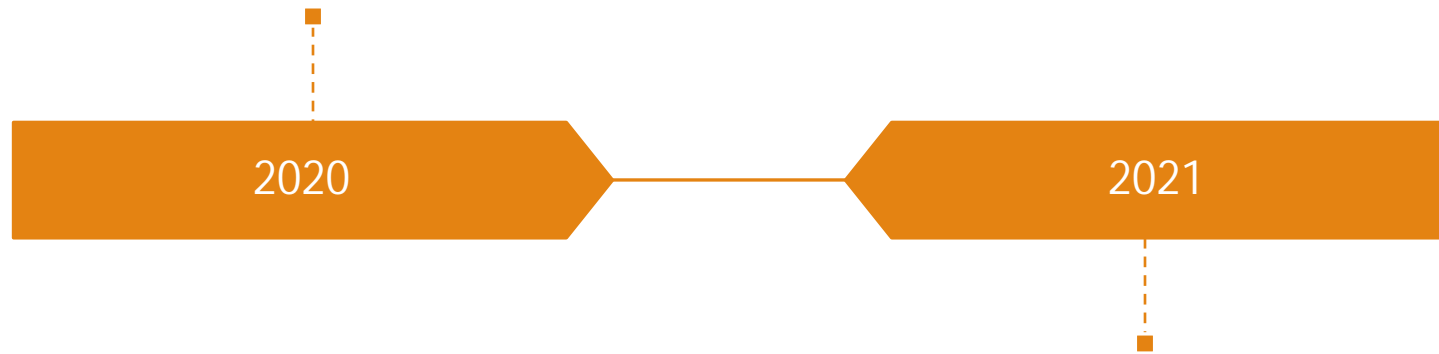




Pioneer, OH



Baton Rouge, LA  
Next to the LSU Stadium



# Non-Traditional Development Status

# Noble Roman's Inc.

Craft Pizza  
& Pub

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SEGMENT REVIEW

# Our Mission, Vision & Attitude

Creating  
WOW!

Exceeding  
Expectations in  
Product, Features  
and Service

**NOBLE ROMAN'S**  
CRAFT PIZZA & PUB



# CPP -vs- Fast Casual

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Broader Menu	Limited Menu
Personal, Medium & Large Pizzas	Often Only Individual Pizzas
Extensive Beer & Wine with Bar	None or Limited
Refined & Relaxing Dining Room	Fast Food Ambiance
Modern Interior with Entertainment	No Special Appeal
Family Friendly	Not Appealing to Kids
Increased Dining Service	Self-Serve Only
More Flavorful Yeast Doughs	Low Yeast, Low Flavor
True Deep-Dish Crust	None or Par Baked



# New Company CPP Units - 2020

Brownsburg, IN  
3/25/20

Greenwood, IN  
10/12/20

McCordsville, IN  
11/30/20



Brownsburg



McCordsville



Greenwood

# New Corporate CPP Units

Plan for 3 New Units in 2021

First Unit to Open at 86<sup>th</sup> & Ditch in Indianapolis

First CPP Unit Actually Inside the I-465 Beltway

Planned Opening for 3<sup>rd</sup> Quarter 2021

Additional New Unit Announcements Likely  
Soon

**NOBLE ROMAN'S**  
**CRAFT PIZZA & PUB**



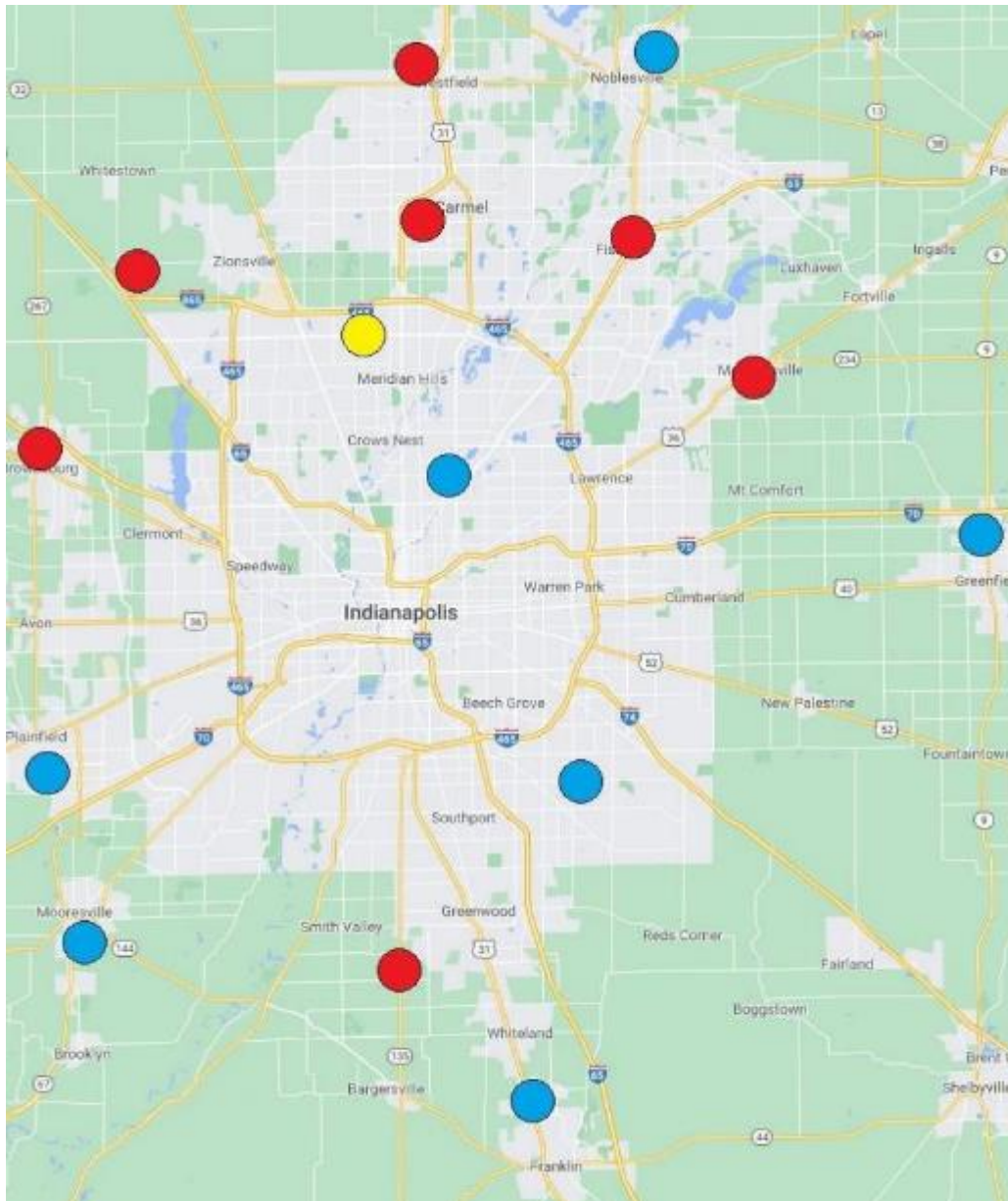
# New Noble Roman's CPP Development

86<sup>th</sup> & Ditch  
(Greenbriar)

BUILDING MOCK-UP

LANDSCAPE AREAS  
WILL BE RE-WORKED  
TO ADD OUTDOOR  
SEATING





## NOBLE ROMAN'S<sup>®</sup>

CRAFT PIZZA & PUB

- Existing Locations
- Upcoming 86th & Ditch Location
- Potential Future Search Areas

## Company CPP Site Location Map

## 3<sup>rd</sup> Party Delivery Philosophy

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Not a Mass Delivery Strategy

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3<sup>rd</sup> Party Ecosphere Presence Only

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No Promotion of Services in CPP

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Working with New Service Provider  
with Much Lower Rates

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3<sup>rd</sup> Party at Roughly 15% of Sales;  
New Provider at 19% of 3<sup>rd</sup> Party

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# Noble Roman's<sup>®</sup> Inc.

Craft Pizza  
& Pub

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COVID RESPONSE

# 25 Sample Responses to COVID

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Following and responding  
instantaneously to  
Federal, State and Local  
mandates

Monitoring all employees  
for illness, hygiene,  
masking and distancing  
rules

Scaling up Pizza Valet  
service

Changing the types of  
positions staffed at each  
location

Increased sterilization  
measures for facilities

Rapid design, construction  
and installation of both  
and dining dividers

Constant update and  
refresh of communication  
vehicles such as window  
clings, banners and other  
COVID related signage

Change from line service  
to full service and back to  
line service

Elimination and  
substitutes for tabletop  
and public access items  
such as condiments,  
drinks, plates, etc.

Managing beer & wine  
inventory spoilage during  
no/limited dining room  
availability

Controlling other dining  
room costs such as HVAC,  
music, satellite TV etc.  
during no/limited dining  
room access

Special recruiting efforts  
for employee staffing

Following quarantine and  
sequestering protocols

Using corporate staff to  
cover issues left by  
quarantine and general  
staffing issues

Keeping abreast of  
foodservice limitations in  
other states as it impacts  
franchisees

Monitoring and  
encouraging operational  
restarts by franchisees  
whose business had been  
stopped or curtailed

Managing new store  
construction and grand  
openings during COVID  
limitations and restrictions

Designing new interiors  
and booths to be multi-  
functional across different  
service systems

Adjusting hours of  
operation to match  
current consumer  
conditions

Dealing with supply  
shortages

Dealing with distribution  
disruptions

Willingness of restaurant  
and corporate staff to  
work during the crisis prior  
to vaccines

Scaling up online ordering  
capabilities

Acquiring new  
communications tools for  
kitchens and valets

Creating new operational  
systems to deal with  
simultaneous order load

# COVID Metrics Comparison

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	13.3%	98.4%	43.8%	34.1%
	2.0%	24.2%	14.4%	8.5%
	19.9%	14.3%	16.6%	17.0%
	\$22.40	\$26.05	\$27.22	\$25.61



# Residual Impacts of COVID

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Continued Abnormal Patterns of Consumption

Continued Reluctance to Visit Populated Spaces

Supply Chain Disruptions in Mfg & Distribution

Severe Staffing Crisis Across All Industries

Current  
Challenge:

## Market-Wide Labor Shortage

EXAMPLE OF LABOR  
SHORTAGE IMPACT

Panera Bread®  
WINDOW SIGN



# US Employee Shortage Nationwide

Record Job Vacancies  
in April 2021:  
9.3 Million

Workers Quitting a  
Job in April 2021:  
4 Million


Food Prep & Service  
Job Board Postings:  
Up 507%

Source: CNN Business, "Millions of Jobs and a Shortage of Applicants," 6/29/21.


# Labor Shortage: Impact on Craft Pizza & Pub

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In a short period of time in March/April, the Company-operated CPP's lost a significant percentage of their hourly labor force at once.



This was an industry-wide, market-wide and universal experience not tied only to the restaurant industry.



CPP labor loss was as high as approximately 50% in some units – all units were impacted.



Nonetheless, CPP never shuttered a unit, never closed a unit early and never missed a single shift of operations.

# Short Term Labor Solution

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Commitment by CPP  
Unit Managers

Extra Hours Made  
Available to Remaining  
Hourly Employees

Labor Sharing Between  
Restaurants

Fill in on Most  
Impacted Units with  
Corporate Staff

Initiated Reversal of  
COVID-era  
Waiter/Waitress  
Service Back to Line  
Service



# The Only Solution:

## Aggressive Recruiting

Online ads with job boards

Referral bonuses for existing employees

Recruiting tents outside targeted units

Hiring banners in front of units

Hiring 'real estate signs' at neighborhood entrances

Social media ad campaign

Social media/email club 'family referral'

Carry-out box ad slips

Direct recruiting at other area restaurants

New employment tab on website

Immediate start – on the job interviews

Free pizza for job interview

## Current Status

Every Company CPP is Currently  
Approximately 90-100% Staffed

Staff Recruiting is a Constant Task

Additional Turnover and Recruiting Likely  
Necessary

Considerable Training Time has Been  
Required

Loss of Efficiency with New Employees

Management Ranks are Fully Staffed; Need  
Bench Candidates Training for New Unit

**Noble Roman's<sup>®</sup> Inc.**

CPP  
New Product  
Development

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STATUS

1

Working with Alternative  
Ingredients on an Ad Hoc  
Basis to Approve for  
Substitution

2

Working with Alternative  
Manufacturers on an Ad Hoc  
Basis to Gain Production  
Flexibility or to Control Pricing  
Pressures

# R&D Response to COVID

# Mediterranean Flatbread Pizza

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Potential Limited Time Only Product (Possible Full-Time Addition)

Dough Made from Scratch:

Flour

Sugar

Olive Oil

Greek Yogurt

Eggs

Water

Rosemary

Pizza Serves 1-2 People – 10" x 7" in Size

Priced with Choice of Up to 3 Toppings and Greek Sauce on Top





Craft Pizza & Pub's  
Mediterranean Flatbread Pizza

# Chef Tyler Appearance

The Hottest Taco  
Pizza in the World!

Featuring Pizza Sauce  
Made with Real Ghost  
Peppers

Habanero Pepper Rings

Chorizo Sausage

Diced Tomatoes

Crushed Frito Chips

Shredded Fresh Lettuce





**Noble Roman's<sup>®</sup> Inc.**

Restaurant  
Employment

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IN THE NEWS

# Restaurant Jobs are Bad?

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Typical Noble Roman's General Manager Salary  
(not including bonus and benefits): \$60,000



Median Indiana Household Income: \$57,603

Indiana Cost of Living Index: 82.1

## Add'l Management Benefits

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Annual Performance Bonus Potential of  
\$10,000 & More

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100% Company Paid Comprehensive  
Health Insurance

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100% Company Paid Life Insurance

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Company Group Dental Rates

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Paid Vacations

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Paid Sick Leave

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Special Annual Management Benefit

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# NOBLE ROMAN'S

## CRAFT PIZZA & PUB

A Special Salaried Management Benefit for 2021

### A Smoky Mountain Vacation



**Benefit:** 3-Night Vacation in the Smoky Mountains, Gatlinburg, Tennessee. Includes a \$500 Gift Card to the centrally located Old Creek Lodge (good for approximately 3 nights); a \$100 Gift Card to the impressive Park Grill Steakhouse; and \$150 vacation travel and spending money.

**Eligibility:** Must have at least 12 months

tenure in a salaried management position (General or Assistant Manager) with a company-operated Craft Pizza & Pub.



#### The Old Creek Lodge

The best experience in a relaxing downtown Gatlinburg hotel. All hotel rooms have private balconies overlooking a mountain stream, gas fireplaces, coffee makers and all the necessities for a relaxing stay in Gatlinburg. Centrally located and adjacent to the park.



#### The Park Grille

This rustic mountain lodge is truly a one-of-a-kind building. They serve the finest, freshest cuts of beef, pork, fish, and chicken. All entrées include the salad bar overflowing with fresh vegetables, cheeses, fruits, dressings made from scratch, and much more. Full bar!

**Conditions:** Benefit offered 1/1/2021 through 12/31/2021. Eligible upon 1-year tenure with CPP. First come, first served on a seniority-preferred basis. Must have sufficient accrued vacation time at the time of request. Must be scheduled by approval of the Area Director of Operations at least 21 days in advance and for a Sunday departure, Wednesday return. Must sign agreement to repay the benefit value if employment with Noble Roman's ceases for any reason within 12 months of receiving the benefit. Employee will receive gift cards and handle all reservations and travel arrangements.

# 2021 Special Management Benefit

# Common Categories of Restaurant Industry Employees

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Career Employees

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Full/Part-Time Employees Needing Flexible Hours

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Second Job for Additional Household Income

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Part-Time Service High Tip Positions

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Part-Time Work for Full-Time Mothers/Fathers

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Part-Time Work for Students

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First Time Younger Workers

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Hard to Employ Workers

# False Reasons Offered by Armchair Experts

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Does Not Pay Well

CPP Payscale is Highly  
Competitive

Irregular Hours

CPP Hires on Personal  
Availability, Full or Part  
Time

Schools Not in Session

Indiana Open Since  
October (or Before)

Childcare Not Available

Daycare was  
Considered an Essential  
Service

Vaccines Not Available

Open to Ages 16+ Since  
March 30<sup>th</sup>

Walk-Ins Welcome

# Actual Problems

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Residual Pandemic-  
Related Stress

Government  
Payments of Stimulus  
and Unemployment  
Bonuses

Government/Media  
Mantra that Jobs are  
Not Worth It

Coincidence?

CPP Staffing was Never an Issue During the First 12 Months of the Pandemic

The Mass Staffing Issue Began in mid-March 2021 and Resulted in People Leaving Their Jobs in a Very Short Time-Frame

Started Immediately After Release of Stimulus Checks & Bonus Payments from Unemployment





## Commodity & Pricing Review

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COST OF GOODS  
TRENDS

# External Commodity Factors

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Estimated Annual Usage by 13 CPP Units

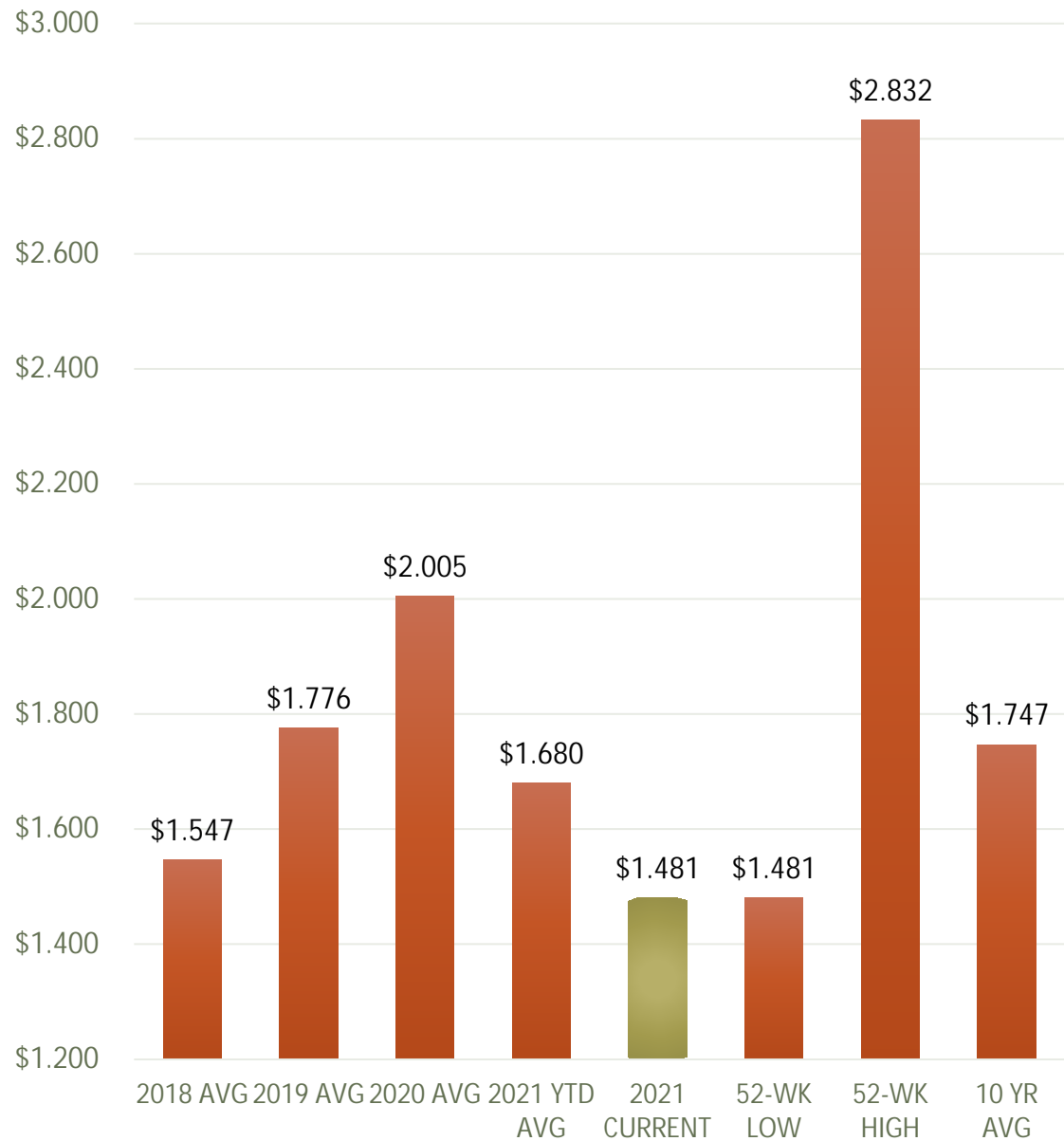
Pepperoni (beef & pork)	65,337 Lbs
Sausage	76,448 Lbs
Poultry	57,949 Lbs
Pizza Flour	721,578 Lbs
Pizza Cheese	353,453 Lbs
Breadstick Cheese Sauce	213,128 Cups

# Agricultural Commodity Prices

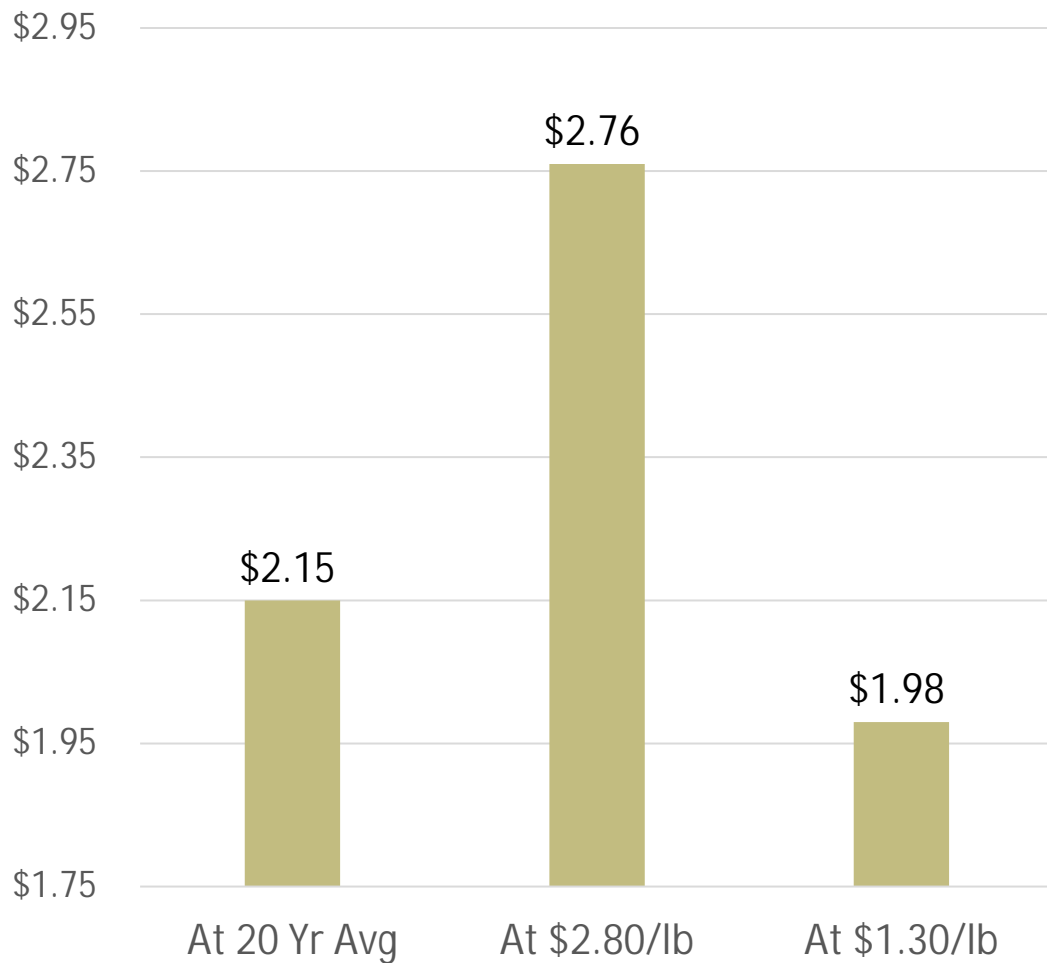
Sources [www.indexmundi.com](http://www.indexmundi.com) and  
[www.investing.com/commodities](http://www.investing.com/commodities)

	Last 12 Months	Year- to- Date	Last 30 Days
Beef	+12.0%	+29.3%	+3.8%
Pork	+132.2%	+54.7%	-4.8%
Chicken	-19.3%	-32.2%	-48.2%
Wheat	+59.2%	+28.1%	+16.0%

# Cheese Market Pricing



Source: [www.cheesereporter.com](http://www.cheesereporter.com)  
on June 22, 2021



## Impact of Cheese Prices

# Oil prices

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Source: [www.indexmundi.com](http://www.indexmundi.com) on June 22, 2021;  
US Energy Information Administration.

West Texas	+148.4%	+50.8%	+15.0%
Brent Sea	+133.0%	+44.9%	+11.6%



## CPI & PPI Trends

CPI through May 2021:  
5.0% Annualized

PPI through May 2021:  
6.6% Annualized

Price of Goods PPI: Up 1.5%  
in May (18% Annualized)

Price of Beef (in Total  
Goods): Up 10% in May



# CPP Menu Pricing

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Complete Pricing Analysis Completed in June

Weighted Average Price Increase of 7%  
Prepared

Menu & Collateral Material Designed &  
Ready for Production

Any Price Increase Would be Implemented  
on the Heals of Others

## COVID Has Been & Continues to be Management Focus

- Direct Impact on Many Non-Traditional Franchisee's Ability to Operate
- Requires Constant Management Attention at CPP

## Growth Continues Successfully Nonetheless

- New non-Traditional Franchisees Being Sold
- Product Development/Innovation Continues
- New CPP Units Developing Despite Obstacles

## Company can Implement CPP Cost Control Measures

- Potential Foodcost Pressures
- Potential Labor Cost Pressures
- Menu Price Increase Ready for Implementation

# Summary



# End of Presentation

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**Noble Roman's Inc.**