

BAB, Inc. Reports Results for 1st Quarter FY 2019

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DEERFIELD, Ill., April 08, 2019 (GLOBE NEWSWIRE) -- BAB, Inc. (**OTCQB: BABB**), announced its financial results for the first quarter ended February 28, 2019.

For the quarter ended February 28, 2019, BAB had revenues of \$712,000 and net income of \$97,000, or earnings of \$0.01 per share, versus revenues of \$500,000 and net income of \$101,000, or earnings of \$0.01 per share for the quarter ended February 28, 2018. On December 1, 2018, BAB, Inc. adopted Accounting Standards Codification (ASC) 606. The adoption of this standard includes changes in revenue and expenses and the adoption for 2019 uses the modified retrospective transition method. The adoption of ASC 606 changes how revenue is recognized for franchise fees, license fees and gift card revenue. Had ASC 606 not been adopted, first quarter 2019 net income would have been \$137,000. A material addition to revenue is the inclusion of marketing fund payments in revenues for the first quarter of 2019 in the amount of \$229,000. This marketing fund adoption did not affect net income because an offsetting amount of \$229,000 is included in expenses.

Total operating expenses were \$611,000 for the quarter ended February 28, 2019, which includes \$229,000 of marketing fund expenses not included in 2018, versus \$385,000 for February 28, 2018. For February 28, 2019 there was a \$5,000 current tax expense recorded compared to \$15,000 for the same period in 2018.

BAB, Inc. franchises and licenses Big Apple Bagels®, My Favorite Muffin®, SweetDuet® frozen yogurt and Brewster's® Coffee. The Company's stock is traded on the OTCQB under the symbol BABB and its website can be visited at www.babcorp.com.

Certain statements in this press release constitute forward-looking statements or statements which may be deemed or construed to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words "forecast," "estimate," "project," "intend," "expect," "should," "would," "believe" and similar expressions and all statements which are not historical facts are intended to identify forward-looking statements. These forward-looking statements involve and are subject to known and unknown risks, uncertainties and other factors which could cause the company's actual results, performance (financial or operating), or achievements to differ

from the future results, performance (financial or operating), or achievements expressed or implied by such forward-looking statements. The above factors are more fully discussed in the company's SEC filings.

(TABLE FOLLOWS)

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BAB, INC.

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

	Fiscal Quarter Ended		
	02/28/19	02/28/18	% Change
REVENUES			
Royalty fees from franchised stores	\$ 373,118	\$ 385,051	-3.1%
Franchise fees	13,413	-	100.0%
Licensing fees and other income	96,981	115,416	-16.0%
Marketing fund revenue	228,788	-	100.0%
Total Revenue	712,300	500,467	42.3%
OPERATING COSTS AND EXPENSES			
Selling, general and administrative	610,301	384,509	58.7%
Depreciation and amortization	399	152	162.5%
Total Operating Expense	610,700	384,661	58.8%
Income before interest, other and taxes	101,600	115,806	-12.3%
Interest and other income	260	24	N/M
Current tax expense	(5,000)	(15,000)	N/M
Net Income	\$ 96,860	\$ 100,830	-3.9%

Earnings per share - basic and diluted

	\$	0.01	\$	0.01
Average number of shares outstanding		7,263,508		7,263,508

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