



NEWS RELEASE

## Five Below Announces Initial Store Re-openings

4/29/2020

Also announces \$225 Million Line of Credit and Other Actions in Response to COVID-19

PHILADELPHIA, PA, April 29, 2020 (GLOBE NEWSWIRE) -- Five Below, Inc. (NASDAQ:FIVE), the trend-right, high-quality extreme-value retailer for tweens, teens and beyond, today provided an update on operations and announced additional measures it is taking in response to the current business environment created by COVID-19.

"As certain states and localities update their restrictions, we are beginning the process of reopening our stores and reconnecting with our customers," said CEO Joel Anderson. "We opened 17 stores in Arkansas, Iowa and Nebraska last week, with another 100 plus stores opened in five additional states this week, and expect many more to open in the first half of May. Given the uncertainty around consumer behavior and traffic, we will continue to be disciplined in our approach, maintaining our focus on expense reduction and diligent management of cash and liquidity."

"To help maintain the health of our crew and customers, which remains our primary focus, we have implemented safety measures, in line with the recommendations of public health agencies, including requiring all of our Wow Crew to wear face coverings, increasing cleaning procedures in stores and providing signage to remind our customers and Wow Crew of the importance of social distancing and good hygiene. Our stores are set for summer, and our associates are ready to safely welcome customers back to 'Kick Start the Fun Again!'

The Company plans to open additional stores over the coming weeks, as local conditions permit, with a goal of having the majority of Five Below stores open to the public by early June. Additionally, the Company launched a new service, offering curbside pick-up, starting with approximately 40 stores in Florida, Tennessee, California and Texas, and plans to expand to hundreds of stores this week. Specific information about store hours can be found on <https://locations.fivebelow.com>.

New \$225 Million Line of Credit

The Company also announced that it has entered into a new three-year \$225 million asset-based revolving credit facility with Wells Fargo, as administrative agent, and other lenders. This new credit facility replaces the Company's

prior \$50 million credit facility with Wells Fargo.

Ken Bull, CFO of Five Below, stated, "We are pleased to have entered into this new revolving credit facility. This additional liquidity further reinforces our solid financial position, increases our flexibility as we navigate the current environment and will ensure we emerge in a very strong financial position."

#### Additional Actions in Response to COVID-19

The Company also announced additional actions taken to mitigate the financial impact of this current situation:

- A temporary pay reduction for all salaried corporate associates and certain field and supply chain leadership, effective May 3, 2020. As was previously announced, Mr. Anderson agreed to a temporary base salary reduction of 50% and the remainder of the executive leadership team agreed to a temporary 25% base salary reduction effective April 12, 2020.
- A new store opening target for fiscal 2020 that is in a range of 100 to 120 stores (as compared to the original target of 180 stores).
- Prioritization of capital projects including continuing our progress on our new web platform and expansion of related digital capabilities, maintaining the target for a West distribution center opening in 2021, while currently deferring the opening of a Midwest distribution center until 2022.
- These measures are in addition to those previously announced which included: cancelling orders and delaying receipts to manage inventory levels; reducing non-payroll expenses; furloughing the majority of store and distribution center workers; extending payment terms for all vendors; and suspending quarterly cash retainers for the Board of Directors for the first quarter of 2020.

#### Forward-Looking Statements:

This news release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as contained in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which reflect management's current views and estimates regarding the Company's industry, business strategy, goals and expectations concerning its market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information. Investors can identify these statements by the fact that they use words such as "anticipate," "assume," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "future" and similar terms and phrases. The Company cannot assure investors that future developments affecting the Company will be those that it has anticipated. Actual results may differ materially from these expectations due to risks and uncertainties associated with the COVID-19 pandemic (including governmental restrictions and requirements, store closures and effects on customer demand or on our supply chain, our ability to keep our distribution centers and ecommerce

fulfillment operational, our ability to reopen and effectively operate some or all of our stores, and to open new stores and remodels, when conditions allow), risks related to the Company's strategy and expansion plans, risks related to the inability to successfully implement our expansion into online retail, risks related to our ability to select, obtain, distribute and market merchandise profitably, risks related to our reliance on merchandise manufactured outside of the United States, risks related to any legal proceedings that we may become subject to, the availability of suitable new store locations and the dependence on the volume of traffic to our stores, risks related to the Company's continued retention of its executive officers, senior management and other key personnel, risks related to changes in consumer preferences and economic conditions, risks related to increased operating costs, including wage rates, risks related to extreme weather, risks related to leasing, owning or building distribution centers, risks related to our ability to successfully manage inventory balance and inventory shrinkage, quality or safety concerns about the Company's merchandise, increased competition from other retailers including online retailers, risks related to the seasonality of our business, risks related to cyber security, risks related to our ability to protect our brand name and other intellectual property, risks related to customers' payment methods, risks related to domestic and foreign trade restrictions including duties and tariffs affecting our domestic and foreign suppliers and increasing our costs, including, among others, the direct and indirect impact of recent and potential tariffs imposed and proposed by the United States on foreign imports, risks associated with the restrictions imposed by our indebtedness on our current and future operations, the impact of changes in tax legislation and accounting standards and risks associated with leasing substantial amounts of space. For further details and a discussion of these risks and uncertainties, see the Company's periodic reports, including the annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, filed with or furnished to the Securities and Exchange Commission and available at [www.sec.gov](http://www.sec.gov). If one or more of these risks or uncertainties materialize, or if any of the Company's assumptions prove incorrect, the Company's actual results may vary in material respects from those projected in these forward-looking statements. Any forward-looking statement made by the Company in this news release speaks only as of the date on which the Company makes it. Factors or events that could cause the Company's actual results to differ may emerge from time to time, and it is not possible for the Company to predict all of them. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by any applicable securities laws.

#### About Five Below:

Five Below is a leading high-growth value retailer offering trend-right, high-quality products loved by tweens, teens and beyond. We know life is way better when you're free to "let go & have fun" in an amazing experience filled with unlimited possibilities. With most items priced \$1-\$5, and some extreme value items priced up to just \$10, we make it easy to say YES! to the newest, coolest stuff across 8 awesome Five Below worlds: Style, Room, Sports, Tech, Create, Party, Candy and Now. Founded in 2002 and headquartered in Philadelphia, Pennsylvania, Five Below today has over 900 stores in 36 states. For more information, please visit [www.fivebelow.com](http://www.fivebelow.com)!

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Source: Five Below, Inc.