



## Franchise Group, Inc. Amends Term Loan at the Vitamin Shoppe to Provide for Partial Early Prepayment

June 1, 2020

VIRGINIA BEACH, Va., June 01, 2020 (GLOBE NEWSWIRE) -- Franchise Group, Inc. (NASDAQ: FRG) ("Franchise Group" or the "Company") today announced that it has amended and acquired a portion of its term loan at The Vitamin Shoppe, a business line consisting of multiple wholly owned subsidiaries of the Company.

Since closing the acquisition of The Vitamin Shoppe on December 16, 2019, the Company has now repaid, or acquired for its own account (through a wholly owned subsidiary), more than \$22 million of the original \$70 million term loan. Brian Kahn, CEO of Franchise Group, stated, "On May 22, we had the opportunity to acquire and effectively retire an additional \$5.325 million of our highest interest rate tranche debt, bringing total repayments and acquisitions up to \$22.075 million since closing the acquisition of The Vitamin Shoppe in December. Our year to date performance and strong working relationship with our lenders have allowed us to accelerate the elimination of the term loan used in the acquisition financing. Additionally, we have agreed with our lenders to make another previously unscheduled prepayment of \$12.5 million, which we anticipate making in the third quarter of 2020. By the end of 2020, in Franchise Group's first full year of ownership of The Vitamin Shoppe, we estimate that we will have effectively eliminated over \$42 million of the \$70 million initial term loan."

The Company's decision to prepay and acquire debt of The Vitamin Shoppe does not impact Franchise Group's ability to pay cash dividends to its shareholders. The Company is committed to paying a regular dividend based on its operating performance and availability of cash. All dividend payments are approved by the Board of Directors and will be announced when and if declared by the Board.

### About Franchise Group, Inc.

Franchise Group, Inc. (NASDAQ: FRG) is an operator of franchised and franchisable businesses and uses its operating expertise to drive cost efficiencies and grow its brands. Franchise Group's business lines include Liberty Tax Service, Buddy's Home Furnishings, American Freight and The Vitamin Shoppe. On a combined basis, Franchise Group currently operates over 4,400 locations predominantly located in the U.S. and Canada that are either Company-run or operated pursuant to franchising agreements.

### Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, projections, predictions, expectations, or beliefs about future events or results and are not statements of historical fact, including the Company's expectations regarding its financial condition, its debt reduction plans, its ability to repay additional debt, its ability to pay cash dividends, and the effects of the coronavirus (COVID-19) pandemic on economic conditions and the industry in general and the financial position and operating results of the Company. These statements are based upon current expectations, beliefs and assumptions of Company management, and there can be no assurance that such expectations will prove to be correct. Such forward-looking statements are based on various assumptions as of the time they are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are often accompanied by words that convey projected future events or outcomes such as "expect," "believe," "estimate," "plan," "project," "anticipate," "intend," "will," "may," "view," "opportunity," "potential," or words of similar meaning or other statements concerning opinions or judgment of the Company or its management about future events. Although the Company believes that its expectations with respect to forward-looking statements are based upon reasonable assumptions within the bounds of its existing knowledge of its business and operations, there can be no assurance that actual results, performance, or achievements of the Company will not differ materially from any projected future results, performance or achievements expressed or implied by such forward-looking statements. Actual future results, performance or achievements may differ materially from historical results or those anticipated depending on a variety of factors, many of which are beyond the control of the Company. We refer you to the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's Transition Report on Form 10-K/T for the transition period ended December 28, 2019, and comparable sections of the Company's Quarterly Reports on Form 10-Q and other filings, which have been filed with the SEC and are available on the SEC's website at [www.sec.gov](http://www.sec.gov). All of the forward-looking statements made in this press release are expressly qualified by the cautionary statements contained or referred to herein. The actual results or developments anticipated may not be realized or, even if substantially realized, they may not have the expected consequences to or effects on the Company or its business or operations. Readers are cautioned not to rely on the forward-looking statements contained in this press release. Forward-looking statements speak only as of the date they are made and the Company does not undertake any obligation to update, revise or clarify these forward-looking statements, whether as a result of new information, future events or otherwise.

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