AEO Inc. Announces Notice of Optional Redemption for All Outstanding 3.75% Convertible Senior Notes due 2025

PITTSBURGH -- American Eagle Outfitters, Inc. (NYSE: AEO) (the "Company") today announced that is has issued a notice of optional redemption for all of its outstanding 3.75% Convertible Senior Notes due 2025 (CUSIP No. 02553EAB2 and ISIN US02553EAB20) (the "Notes"). On February 9, 2023, a copy of the notice of optional redemption with respect to the Notes (the "Notice of Optional Redemption") containing the below information was issued to record holders ("Holders") through the facilities of the Depository Trust Company in accordance with the applicable procedures of the Depository Trust Company.

The Notes were issued pursuant to the Indenture, dated as of April 27, 2020 (as amended, supplemented or otherwise modified from time to time, the "Indenture") by and among the Company, as issuer, and U.S. Bank Trust Company National Association, as trustee (the "Trustee"), relating to Notes.

The Company notified Holders that (i) it has elected to exercise its right under Section 4.03 of the Indenture to redeem any and all of the outstanding Notes as described in the Notice of Optional Redemption (the "Redemption"), (ii) the Redemption will occur on April 17, 2023 (the "Redemption Date"), (iii) the redemption price for the Notes shall be equal to $1,000 per $1,000 principal amount of Notes to be redeemed plus interest on the Notes to be redeemed from, and including, April 15, 2023 to but excluding the Redemption Date (the "Redemption Price"), (iv) April 15, 2023 is an Interest Payment Date (as defined in the Indenture) for the Notes and the Company shall pay accrued and unpaid interest on the Notes to be redeemed to, but excluding, such Interest Payment Date on April 17, 2023 to Holders of record of the Notes as of April 1, 2023, (v) the name and address of the paying agent, Trustee and conversion agent in respect of the Notes are as follows: U.S. Bank Trust Company National Association, 225 W Station Square Drive, Suite 380, Pittsburgh, Pennsylvania 15219, Attn: Robert Pavlovic, (vi) they may surrender their Notes for conversion at any time following delivery of the Notice of Optional Redemption and prior to the close of business on the Business Day immediately before the Redemption Date (or, if the Company fails to pay the Redemption Price due on such Redemption Date in full, at any time until such time as the Company pays such Redemption Price in full), (vii) to convert any Notes, a converting Holder must follow the applicable procedures set forth in Section 5.02 of the Indenture for such Notes, (viii) for any Notes surrendered for conversion following delivery of the Notice of Optional Redemption and before the Redemption Date, the Settlement Method shall be Physical Settlement, and (xi) the Conversion Rate applicable to any Notes surrendered for conversion as described above shall be 124.2490 shares of Common Stock per $1,000 principal amount of Notes (comprised of 120.9419 per shares of Common Stock per $1,000 principal amount of Notes based on the Conversion Rate in effect on the date hereof (without giving effect to Section 5.07 of the Indenture) plus 3.3071 Additional Shares in accordance with Section 5.07 of the Indenture).

A copy of the Notice of Optional Redemption was sent to all Holders of the Notes. Questions regarding the Notice of Optional Redemption should be directed to the Trustee at the following telephone number: 1-800-934-6802.

The Company also notified Holders that pursuant to U.S. federal tax laws, each Holder has a duty to provide the applicable type of tax certification form issued by the U.S. Internal Revenue

Service (“IRS”) to U.S. Bank Trust Company National Association to ensure payments are reported accurately to such Holder and to the IRS. In order to permit accurate withholding (or to prevent withholding), a complete and valid tax certification form must be received by U.S. Bank Trust Company National Association before payment of the redemption proceeds is made to such Holder. Failure to timely provide a valid tax certification form as required will result in the maximum amount of U.S. withholding tax being deducted from any redemption payment that is made to such Holder.

This announcement does not constitute an offer to sell or buy or the solicitation of an offer to buy or sell any security and shall not constitute an offer, solicitation, sale or purchase of any securities in any jurisdiction in which such offering, solicitation, sale or purchase would be unlawful. The Notes mentioned herein have not been and will not be registered under the United States Securities Act of 1933, as amended, any state securities laws or the laws of any other jurisdiction, and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements.

About American Eagle Outfitters, Inc.

American Eagle Outfitters, Inc. (NYSE: AEO) is a leading global specialty retailer offering high-quality, on-trend clothing, accessories and personal care products at affordable prices under its American Eagle® and Aerie® brands. Our purpose is to show the world that there’s REAL power in the optimism of youth. The company operates stores in the United States, Canada, Mexico, Hong Kong and Japan, and ships to 81 countries worldwide through its websites. American Eagle and Aerie merchandise also is available at more than 260 international locations operated by licensees in 26 countries. In 2022, AEO released its first annual Building a Better World report, which outlines two decades of ESG achievements through the company’s Planet, People and Practices initiatives. For more information, please visit www.aeo-inc.com.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This release and related statements by management contain forward-looking statements (as such term is defined in the Private Securities Litigation Reform Act of 1995), which represent our expectations or beliefs concerning future events, including fourth quarter and annual fiscal 2022 results. All forward-looking statements made by the company involve material risks and uncertainties and are subject to change based on many important factors, some of which may be beyond the company’s control. Words such as "estimate," "project," "plan," "believe," "expect," "anticipate," "intend," “potential,” and similar expressions may identify forward-looking statements. Except as may be required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise and even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized. The following factors, in addition to the risks disclosed in Item 1A., Risk Factors, of our Annual Report on Form 10-K for the fiscal year ended January 29, 2022 and in any other filings that we may make with the Securities and Exchange Commission in some cases have affected, and in the future could affect, the company's financial performance and could cause actual results for fiscal 2022 and beyond to differ

materially from those expressed or implied in any of the forward-looking statements included in this release or otherwise made by management: the negative impacts of the COVID-19 pandemic and related operational disruptions; the risk that the company's operating, financial and capital plans may not be achieved; our inability to anticipate customer demand and changing fashion trends and to manage our inventory commensurately; seasonality of our business; our inability to achieve planned store financial performance; our inability to react to raw material cost, labor and energy cost increases; our inability to gain market share in the face of declining shopping center traffic; our inability to respond to changes in e-commerce and leverage omni-channel demands; our inability to expand internationally; difficulty with our international merchandise sourcing strategies; challenges with information technology systems, including safeguarding against security breaches; and global economic, public health, social, political and financial conditions, and the resulting impact on consumer confidence and consumer spending, as well as other changes in consumer discretionary spending habits, which could have a material adverse effect on our business, results of operations and liquidity.

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Source: American Eagle Outfitters, Inc.