



## **JOANN to Remain Open as Company Initiates Voluntary Chapter 11 Process to Maximize Business Value**

*Gordon Brothers to Serve as “Stalking Horse” Bidder in Court-Supervised Sale Process*

*Company Continues to Serve Customers In-Store and Online During the Process*

**HUDSON, Ohio – January 15, 2025** – JOANN Inc. (“JOANN” or the “Company”), the nation’s category leader in sewing and fabrics with one of the largest arts and crafts offerings, today announced that it has commenced voluntary Chapter 11 proceedings in the U.S. Bankruptcy Court for the District of Delaware (the “Court”) to facilitate a sale process to maximize the value of its business. JOANN stores and JOANN.com are open in the ordinary course and continue to serve customers. Team Members are continuing to receive pay and benefits.

The Company is seeking Court approval to commence a process for the sale of substantially all of its assets under Section 363 of the U.S. Bankruptcy Code pursuant to which Gordon Brothers Retail Partners, LLC (“Gordon Brothers”) would serve as the “stalking horse” bidder. The proposed transaction is subject to higher and better offers, among other conditions. The Company continues to actively solicit alternate bids. If other qualified bids are submitted during the court-supervised sale processes, the Company plans to conduct an auction or auctions, with the stalking horse bid setting the floor for the auction processes.

“Since becoming a private company in April, the Board and management team have continued to execute on top- and bottom-line initiatives to manage costs and drive value,” said Michael Prendergast, Interim Chief Executive Officer of JOANN. “However, the last several years have presented significant and lasting challenges in the retail environment, which, coupled with our current financial position and constrained inventory levels, forced us to take this step. After carefully reviewing all available strategic paths, we have determined that initiating a court-supervised sale process is the best course of action to maximize the value of the business. We hope that this process enables us to find a path that would allow JOANN to continue operating as a going concern.”

Prendergast continued, “On behalf of the Board and leadership, I want to thank the thousands of JOANN Team Members across the nation for their dedication to our customers and mission, especially in light of everything our company has gone through in recent years. We remain committed to continuing to support them and serving our customers – the sewists, quilters, crocheters, crafters and other creative enthusiasts we have served for more than 80 years – during the process.”

Through the filing of customary motions with the Court, the Company intends to uphold its commitments to customers, Team Members, and partners, including continued payment of employee wages and benefits.

The Company intends to seek approval for a consensual use of cash collateral to ensure it has the liquidity necessary to support its operations.

Additional information regarding JOANN’s financial restructuring is available at [JOANNRestructuring.com](https://JOANNRestructuring.com). Court filings and information regarding the claims process are available at <https://cases.ra.kroll.com/Joann2025>, by calling the Company’s claims agent, Kroll, at (844) 712-2239 (toll-free in the U.S.) or (646) 863-7121 (for international calls), or by sending an email to [Joann2025Info@ra.kroll.com](mailto:Joann2025Info@ra.kroll.com).

Kirkland & Ellis is serving as legal counsel to JOANN, with Centerview Partners LLC serving as financial advisor and Alvarez & Marsal North America, LLC serving as restructuring advisor.

### **About JOANN**

For more than 80 years, JOANN has inspired creativity in the hearts, hands, and minds of its customers. From a single storefront in Cleveland, Ohio, the nation’s leader in sewing and fabrics with one of the largest arts and crafts offerings has grown to include more than 800 stores across 49 states and a robust ecommerce business. With the goal of helping every customer find their creative Happy Place, JOANN serves as a convenient single source for all the supplies, guidance, and inspiration needed to achieve any project or passion.

# JOANN

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