

Supplier FAQ

1. What did JOANN announce?

- On January 15, JOANN announced that the Company has commenced voluntary Chapter 11 proceedings to facilitate a sale process to maximize the value of its business.
- The Company is seeking Court approval to commence a process for the sale of substantially all of its assets under section 363 of the 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.
- If the sale to Gordon Brothers is ultimately completed, Gordon Brothers has indicated that it intends to pursue a liquidation of the company and conduct going-out-of-business sales at all store locations.
- On February 14, JOANN received court approval to begin closing approximately 500 stores across the nation.
- Going-out-of-business sales will begin at impacted stores on Saturday, February 15, and could continue for several months.
- We continue to explore options for the balance of our chain, as well as our corporate office, e-commerce business and supply chain.
- In the meantime, 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.

2. What is Chapter 11?

- Chapter 11 is a section of the U.S. Bankruptcy Code that allows companies to reorganize while benefiting from certain protections designed to give a company flexibility to allow the company to restructure, including by implementing a sale of the business or assets and reorganizing its finances, among other things, while continuing to operate its business throughout this process.

3. What is a “stalking horse”?

- The “stalking horse” bid sets the floor for the auction process. The Company, in connection with seeking court approval of the sale process, is also seeking court authority for Gordon Brothers to serve as the stalking horse bidder in our case.

4. What is Section 363 of the Bankruptcy Code?

- Section 363 of the U.S. Bankruptcy Code is a legal process that helps companies operating in Chapter 11 to sell assets in an efficient and legally binding manner.

5. What is a going concern sale?

- A “going concern sale” is a technical restructuring term that means that the whole business would be sold and continue to operate after the sale.

6. What will happen to JOANN if the sale to Gordon Brothers is completed?

- Gordon Brothers has indicated that it intends to pursue a liquidation of the Company and conduct going-out-of-business sales at all store locations.
- Other potential buyers will have an opportunity to submit higher or better offers.
- We continue to actively solicit alternate bids and have received inquiries from parties potentially interested in continuing to operate JOANN stores and online businesses on an ongoing basis.
- If other qualified bids are submitted during the court-supervised sale processes, the Company may conduct an auction or auctions, with the stalking horse bid setting the floor for the auction processes.

7. What does it mean that the sale to Gordon Brothers is subject to higher and better offers?

- Seeking approval of the sale process and the stalking horse bid is the first step in this court-supervised sales process.
- As part of the process, the Company continues to actively solicit alternate bids and has received interest from parties considering operating JOANN as a going concern.
- The winning bid will be the one that is determined to be the higher and better, among other conditions.

8. Why is JOANN pursuing a sale of the Company through a Chapter 11 process? Why now?

- 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.

9. JOANN previously filed for Chapter 11 in 2024. What will be different about this process?

- JOANN filed for Chapter 11 in 2024 to address the Company's capital structure.
- However, following the Company's restructuring last year, we continue to experience significant and lasting challenges in the retail environment, which, coupled with our current financial position and constrained inventory levels, have 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.

10. Is JOANN going out of business?

- Chapter 11 is a well-established and flexible legal framework for restructuring business with operations in multiple jurisdictions. This is a legal process conducted under the supervision of the U.S. federal court system.
- We intend to use the sale process to maximize the value of our business while continuing to serve customers in-store and online.
- We continue to actively solicit alternate bids and have received inquiries from parties potentially interested in continuing to operate JOANN stores and online businesses on an ongoing basis.
- If other qualified bids are submitted during the court-supervised sale processes, the Company may conduct an auction or auctions, with the stalking horse bid setting the floor for the auction processes.
- That said, if the sale to Gordon Brothers is ultimately completed, Gordon Brothers has indicated that it intends to pursue a liquidation of the company and conduct going-out-of-business sales at all store locations.

11. Does JOANN have sufficient liquidity to continue operating?

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

12. Will JOANN close any of its stores?

- As part of the ongoing Chapter 11 process and our efforts to maximize the value of the business, on February 14, JOANN received court approval to begin closing approximately 500 stores across the nation.
- Going-out-of-business sales will begin at these stores on Saturday, February 15, and could continue for several months.
- A full list of stores included in the motion is available on JOANNRestructuring.com.

13. Which locations are part of the 500 store closures?

- A list of closing stores can be found on JOANNRestructuring.com.

14. Will there be any changes to JOANN's leadership team?

- Our existing Senior Leadership team is highly committed to JOANN and is continuing to lead the business through this process.



15. What does this mean for me?

- As part of the ongoing Chapter 11 process and our efforts to maximize the value of the business, on February 14, JOANN received court approval to begin closing approximately 500 stores.
- Going-out-of-business sales will begin at these stores on Saturday, February 15 and could continue for several months. Our remaining 300+ stores will continue to operate in the ordinary course.
- A full list of stores included in the motion is available on JOANNRestructuring.com.
- We are committed to working with you during this process, and we are relying on your cooperation to help us operate smoothly and serve our millions of customers nationwide.
- We are hopeful that this process leads us down a path that allows JOANN to continue operating as a going concern, your continued support and willingness to work under normal terms is critical to our mutual success.

16. Will vendors / suppliers be paid for goods and services delivered prior to the filing date?

- We will pay vendors for goods and services provided after the filing date.
- We are committed to working with you during this process, and we are relying on your cooperation to help us operate smoothly.
- We are hopeful that this process leads us down a path that allows JOANN to continue operating as a going concern, your continued support and willingness to work under normal terms is critical to our mutual success.
- If you provided goods or services before the filing date and have not been paid, you can file a Proof of Claim. We will provide notice to vendors of any deadline and requirements for filing a claim.
- 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.

17. Will vendors / suppliers be paid for goods and services provided on or after the filing date?

- We will pay vendors for goods and services provided on or after the filing date.
- Invoices for goods and services provided on or after the filing date should be submitted through the typical accounts payable channels. Payments will be processed in accordance with contract terms, if applicable.

18. Can I terminate or change the terms of my contract / go COD / get pre-paid?

- It is very important that we continue working with you under normal terms.
- To that end, we are relying on your cooperation – and the cooperation of all of our partners and vendors.
- Please know, U.S. Bankruptcy law may preclude you from changing terms of executory contracts with JOANN.
- We appreciate your continued support.

19. Will I be treated as a critical vendor? Can I be treated as a critical vendor?

- Decisions will be made in due course as part of the court-supervised process.
- We appreciate your continued cooperation and support during this process.

20. Why should I sell you goods and services now?

- The remainder of our stores are not impacted by this motion, and will remain open as usual, as will joann.com.
- We are committed to working with you during this process, and we are relying on your cooperation to help us operate smoothly and serve our millions of customers nationwide.
- Your continued support is critical to our mutual success.



21. Will the Company continue to order goods or services from its vendors / suppliers?

- We will continue to evaluate the needs of the business as we move through this process and will stay closely coordinated with inventory and sourcing teams.
- We are committed to working with you during this process, and we are relying on your cooperation to help us operate smoothly and serve our millions of customers nationwide.

22. Will my contact remain the same?

- Yes, you can continue to reach out to your usual JOANN contact.

23. How do I file a proof of claim?

- 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.

24. Where can I find additional information?

- As always, please reach out to your usual JOANN contact.
- Additional information is also available at JOANNRestructuring.com.
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