



JOANN Receives Court Approval for Prepackaged Financial Recapitalization Plan

Apr 25, 2024

Expects to Emerge from Court-Supervised Process in the Coming Days with the Lowest Level of Debt in More than a Decade

HUDSON, Ohio, April 25, 2024 (GLOBE NEWSWIRE) -- 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 the U.S. Bankruptcy Court for the District of Delaware has confirmed the Company's Prepackaged Joint Plan of Reorganization. JOANN expects to successfully complete its financial restructuring and emerge from the court-supervised process in the coming days.

As reiterated throughout this expedited process, the Company's more than 800 store locations remain open and JOANN.com continues to offer supplies for any creative need, and the Company was able to preserve the jobs of its more than 18,000 Team Members in connection with this process.

Chris DiTullio, Chief Customer Officer and co-lead of the Interim Office of the CEO, said, "We are pleased to have reached this significant milestone less than 40 days after initiating our court-supervised process. We could not have reached this point without the unwavering dedication of our Team Members, the continued support of our industry partners and landlords, and the tremendous loyalty and enthusiasm of our customers. JOANN will move forward with a strengthened financial foundation, allowing us to invest in customer experience enhancements, our best-in-class product assortments, and our more than 18,000 Team Members nationwide."

Scott Sekella, JOANN's Chief Financial Officer and co-lead of the Interim Office of the CEO, added, "We are grateful to our financial and industry stakeholders, whose support enabled us to continue operating smoothly and move through this process on an expedited basis. Their investment not only provides us with additional financial resources, but also reflects their confidence in our Team Members and in our business to seize on the opportunities ahead. With a strengthened balance sheet and improved liquidity, we are better positioned to work collaboratively with our vendors, business partners and landlords, and ultimately to inspire the creativity in our customers that helps them find their happy place."

In connection with emergence, JOANN will be a private company owned by certain of the Company's financial stakeholders and industry parties.

Additional information regarding JOANN's financial restructuring is available at [JOANNforward.com](https://www.joannforward.com). Court filings and information regarding the claims process are available at <https://cases.ra.kroll.com/Joann>, by calling the Company's claims agent, Kroll, at 844-488-7837 (toll-free in the U.S.) or 646-777-2384 (for international calls), or by sending an email to joanninfo@ra.kroll.com. Additional information can also be found in a Current Report on Form 8-K that the Company will file with the Securities and Exchange Commission at www.sec.gov.

Advisors

Latham & Watkins LLP is serving as legal counsel to JOANN, with Houlihan Lokey serving as financial advisor and Alvarez & Marsal North America, LLC serving as restructuring advisor.

Gibson Dunn & Crutcher LLP is serving as legal counsel to certain of the Company's term lenders, with Lazard serving as financial advisor.

About JOANN

For 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 category leader in sewing and fabrics and one of the fastest growing competitors in the arts and crafts industry has grown to include 829 store locations across 49 states and a robust e-commerce business. With the goal of helping every customer find their creative Happy Place, JOANN serves as a convenient single source for all of the supplies, guidance, and inspiration needed to achieve any project or passion.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Readers can generally identify forward-looking statements by the use of forward-looking terminology such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "potential," "predict," "seek," "vision," "should," or the negative thereof or other variations thereon or comparable terminology. Forward-looking statements include those we make regarding the Company's ability to continuing operating its business and implement the restructuring pursuant to the Chapter 11 cases, including the timetable of completing such transactions, if at all.

The preceding list is not intended to be an exhaustive list of all of the Company's forward-looking statements. The Company has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While the Company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the Company's control. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included elsewhere in this press release are not guarantees. Any forward-looking statement that the Company makes in this press release speaks only as of the date of such statement. Except as required by law, the Company does not undertake any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise after the date of this press release.

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