

BEALLS
GOODY'S
PALAIS ROYAL
Peebles
STAGE
Gordmans



STAGE

May 10, 2020

Dear Valued Partner,

I hope this letter finds you safe and healthy. I'm reaching out to provide you with an update on an important announcement we made today.

I want to first thank you for your support over the last few months. We recognize that the actions we have taken in response to the market environment and COVID-19 have affected you and your organization, and we appreciate your patience and understanding.

I am writing today to let you know that Stage Stores has filed voluntary petitions under Chapter 11, as we simultaneously run a sale process for our business or any of our assets and initiate an orderly wind-down of our operations. We hope our efforts over the last several months to reposition the business will attract the right partner who is interested in our off-price concept. If we receive a viable bid for the business, we will terminate our wind-down at certain locations.

This is incredibly difficult news to deliver and it is a decision that we came to after exhausting all other options. As you know, the increasingly challenging market environment was made worse by the COVID-19 pandemic, which required us to temporarily close all of our stores. We have been unable to obtain necessary financing and in short, we have no choice but to take these actions. Through it all, we greatly appreciate your willingness over the last several weeks to work constructively with us during this time as we tried to avoid this outcome.

With the health and safety of our associates and guests as our top priority, we will take a phased approach to reopening our stores in the coming weeks to commence the liquidation of our inventory. We only intend to order goods and services that are essential to supporting an orderly wind-down of our operations. Therefore, we currently do not anticipate ordering any merchandise for sale in our stores at this time.

In the meantime, please reach out to the GMM's, DMM's or Thorsten if you have any questions. Court documents and other information about the court-supervised process are available at a website administered by the Company's claims agent, KCC, at www.kccllc.net/StageStores. For additional information, please call the Company's Restructuring Hotline at (888) 647-1732 (US/Canada) or (310) 751-2622 (International) or submit questions online at www.kccllc.net/stagestores/inquiry.

We value our relationship with you and recognize the important role you play in helping us maintain our assortment of brand-name apparel and stylish home décor. We will reach back out to you with any updates on our sale process if we have news to share.

Thank you for your partnership.

Sincerely,

Michael Glazer
President and Chief Executive Officer, Stage Stores