



Tuesday Morning Corporation Secures \$25 Million of Additional Financing to Support Financial and Operational Reorganization

June 4, 2020

DALLAS, June 04, 2020 (GLOBE NEWSWIRE) -- Tuesday Morning Corporation (NASDAQ: TUES) today announced that the Company has obtained a commitment from BRF Finance Co., LLC, an affiliate of B. Riley Financial, Inc. (NASDAQ:RILY) ("B. Riley"), for \$25 million of debtor-in-possession ("DIP") financing as required by the Company's current \$100-million DIP agreement with its existing lender group. With this commitment, the Company has secured commitments for a total of \$125 million to support the continuity of operations during Chapter 11 proceedings.

As previously announced, due to the immense strain the COVID-19 pandemic and related store closures put on the Company, Tuesday Morning is pursuing a financial and operational reorganization designed to allow the Company to reduce its outstanding liabilities and strengthen its overall financial position.

On May 27, 2020, Tuesday Morning filed voluntary petitions for protection under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas – Dallas Division to pursue this reorganization. The Company expects to emerge from Chapter 11 by early fall 2020.

Steve Becker, Chief Executive Officer, stated, "We look forward to partnering with B. Riley going forward as we work hard to reorganize the company so it is as strong as it can possibly be. This additional capital is an important milestone as it provides significant liquidity for us to continue operations throughout the reorganization process. It also further validates our plan to emerge as a healthier business and as one of the leading home goods off-price retailers."

The DIP financing with B. Riley Financial, Inc. remains subject to a number of conditions, including Bankruptcy Court approval.

Additional Information

Court filings and other documents related to the court-supervised process are available at <https://dm.epiq11.com/TuesdayMorning>, or by calling the Company's claims agent, Epiq Corporate Restructuring LLC, at (855) 917-3492 (or +1 (503) 520-4429 for international calls) or by sending an email to TuesdayMorningInfo@epiqglobal.com.

Haynes and Boone, LLP is serving as legal advisor, Miller Buckfire, a Stifel company, is serving as financial advisor, and AlixPartners, LLP is serving as restructuring advisor to Tuesday Morning.

About Tuesday Morning

Tuesday Morning Corporation (NASDAQ: TUES) is one of the original off-price retailers specializing in name-brand, high-quality products for the home, including upscale home textiles, home furnishings, housewares, gourmet food, toys and seasonal décor, at prices generally below those found in boutique, specialty and department stores, catalogs and on-line retailers. Based in Dallas, Texas, the Company opened its first store in 1974 and currently operates 687 stores in 39 states. More information and a list of store locations may be found on the Company's website at www.tuesdaysmorning.com.

About B. Riley Financial, Inc.

B. Riley Financial (NASDAQ:RILY) provides collaborative financial services tailored to fit the capital raising and business advisory needs of public and private companies and high-net-worth individuals. B. Riley operates through several wholly owned subsidiaries which offer complementary end-to-end capabilities spanning investment banking and institutional brokerage, private wealth and investment management, corporate advisory, restructuring, due diligence, forensic accounting and litigation support, appraisal and valuation, and auction and liquidation services. Certain registered affiliates of B. Riley originate and underwrite senior secured loans for asset-rich companies. B. Riley also makes proprietary investments in companies and assets with attractive return profiles. BRF Finance Co., LLC is a subsidiary of B. Riley Financial. For more information about B. Riley and its affiliated companies, visit www.brileyfin.com.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws and the Private Securities Litigation Reform Act of 1995, which are based on management's current expectations, estimates and projections. Forward looking statements also include statements regarding the Company's plans with respect to the Chapter 11 proceedings, the Company's plan to continue its operations while it works to complete the its proposed reorganization, the Company's debtor-in-possession financing and other statements regarding the Company's proposed reorganization, strategy, future operations, performance and prospects. These forward-looking statements are subject to risks and uncertainties that could cause the Company's actual results to differ materially from the expectations expressed in the Company's forward-looking statements. These risks, uncertainties and events also include, but are not limited to, the following: the Company's ability to obtain timely approval of the Bankruptcy Court with respect to motions filed in the Chapter 11 proceedings, including motions filed with respect to the proposed DIP facility with B. Riley; pleadings filed that could protract the Chapter 11 proceedings; the Bankruptcy Court's rulings in the Chapter 11 proceedings, and the outcome of the Chapter 11 proceedings generally; the Company's ability to comply with the restrictions imposed by the terms and conditions of the Company's DIP facility with its existing lenders, including the Company's ability to maintain certain minimum liquidity requirements, complete the proposed DIP facility with B. Riley and obtain approval of a plan of reorganization or sale of all of its assets by agreed upon deadlines; the length of time that the Company will operate under Chapter 11 protection and the continued availability of operating capital during the pendency of the Chapter 11 proceedings; the Company's ability to continue to operate its business during the pendency of the Chapter 11 proceedings; employee attrition and the Company's ability to retain senior management and other key personnel due to the distractions and uncertainties; the effectiveness of the overall restructuring activities pursuant to the Chapter 11 proceedings and any additional strategies the Company may employ to address its liquidity and capital resources; the actions and decisions of creditors and other third parties that have an interest in the Chapter 11 proceedings; risks associated with third parties seeking and obtaining authority to terminate or shorten the Company's exclusivity period to propose and confirm one or more plans of reorganization,

for the appointment of a Chapter 11 trustee or to convert the Chapter 11 proceeding to a Chapter 7 proceeding; increased legal and other professional costs necessary to execute the Company's restructuring; the Company's ability to maintain relationships with suppliers, customers, employees and other third parties as a result of the Chapter 11 proceedings; the trading price and volatility of the Company's common stock and the effects of the pending delisting from The Nasdaq Stock Market; litigation and other risks inherent in a bankruptcy process; the effects and length of the novel coronavirus pandemic; and the other factors listed in the Company's filings with the Securities and Exchange Commission.

Except as may be required by law, the Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements were made or to reflect the occurrence of unanticipated events. Investors are cautioned not to place undue reliance on any forward-looking statements.

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