



Tuesday Morning Announces Confirmation of Plan of Reorganization

December 23, 2020

*Emergence Expected by End of December
Court Approves Plan for a Stronger and More Streamlined Structure*

DALLAS, Dec. 23, 2020 (GLOBE NEWSWIRE) -- Tuesday Morning and certain of its subsidiaries (collectively "Tuesday Morning" or the "Company") today announced that the U.S. Bankruptcy Court for the Northern District of Texas has confirmed the Company's Plan of Reorganization (the "Plan"). As a result, Tuesday Morning expects to successfully emerge from Chapter 11 protection by the end of December after it has satisfied the conditions to the effectiveness of the Plan.

"We are pleased to have reached this critical milestone that sets the stage for our emergence as a stronger, more streamlined business," stated Steve Becker, Chief Executive Officer. "Throughout our reorganization, we have continued to work to deliver on our obligations to our stakeholders and partners. I want to thank our associates, customers, vendors, creditors, and equity investors for their steadfast support during this period which will allow us to operate our business going forward. We look forward to Tuesday Morning's future long-term success."

Upon emergence, Tuesday Morning expects to have sufficient liquidity to support ongoing operations and strategic initiatives. Under the terms of the Plan, the capital structure of the reorganized company is expected to consist of a \$110 million asset-backed lending credit facility which will provide working capital and \$25 million in principal amount of a new senior subordinated note. Additionally, approximately \$40 million in cash proceeds from an upcoming backstopped rights offering will be applied to pay creditors under the Plan.

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 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 (OTC:TUESQ) 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 490 stores in 40 states. More information and a list of store locations may be found on the Company's website at www.tuesdaymorning.com.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws, 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 emergence from its Chapter 11 proceedings, the Company's expected liquidity and capital structure following emergence, and other statements regarding the Company's 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 complete its proposed financing transactions, including the new ABL facility, the senior subordinated notes, the sale of the Properties and the rights offering; the Company's ability to satisfy all of the conditions to effectiveness of the Plan; the effects and length of the novel coronavirus pandemic; changes in economic and political conditions which may adversely affect consumer spending; our ability to identify and respond to changes in consumer trends and preferences; our ability to mitigate reductions of customer traffic in shopping centers where our stores are located; our ability to continuously attract buying opportunities for off-price merchandise and anticipate consumer demand; our ability to obtain merchandise on varying payment terms; our ability to successfully manage our inventory balances profitably; our ability to effectively manage our supply chain operations; loss of, disruption in operations of, or increased costs in the operation of our distribution center facility; unplanned loss or departure of one or more members of our senior management or other key management; increased or new competition; our ability to maintain and protect our information technology systems and technologies and related improvements to support our growth; increases in fuel prices and changes in transportation industry regulations or conditions; increases in the cost of a disruption in the flow of our imported products; changes in federal tax policy including tariffs; the success of our marketing, advertising and promotional efforts; our ability to attract, train and retain quality employees in appropriate numbers, including key employees and management; increased variability due to seasonal and quarterly fluctuations; our ability to protect the security of information about our business and our customers, suppliers, business partners and employees; our ability to comply with existing, changing and new government regulations; our ability to manage risk to our corporate reputation from our customers, employees and other third parties; our ability to manage litigation risks from our customers, employees and other third parties; our ability to manage the risk associated with product liability claims and product recalls; the impact of adverse local conditions, natural disasters or other events; our ability to manage the negative effects of inventory shrinkage; our ability to manage unexpected costs related to our insurance programs; increased costs or exposure to fraud or theft resulting from payment card industry related risks and regulations; our ability to maintain an effective system of internal controls over financial reporting; impacts from the delisting of our common stock from the The Nasdaq Stock Market; 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.