



Tuesday Morning Announces Successful Completion of Rights Offering

February 10, 2021

DALLAS, Feb. 10, 2021 /PRNewswire/ -- Tuesday Morning ("Tuesday Morning" or the "Company") (OTCQX:TUEM) today announced that it has received gross proceeds of \$40 million from the sale of shares of common stock from its previously announced rights offering, which closed on February 9, 2021. In accordance with the terms of the Company's Plan of Reorganization, all proceeds from the Rights Offering will be used to make payments of the claims of general unsecured creditors in the Chapter 11 Cases.



"Thank you to our shareholders for their support and the confidence they have shown in Tuesday Morning's future, as well as to Osmium Partners and Tensile Capital Management for backstopping this successful rights offering. This capital gives us the ability to fulfill our obligations to the general unsecured creditors," commented Steven Becker, CEO of Tuesday Morning.

The Rights Offering was the final component of the Company's exit financing under the Company's Plan of Reorganization. Through the Rights Offering, eligible holders of the Company's common stock could purchase up to \$24 million of shares of the Company's common stock at a purchase price of \$1.10 per share, and Osmium Partners, LLC or its affiliates, including a special purpose entity affiliate of Osmium Partners, LLC jointly owned with Tensile Capital Management (the "Backstop Party"), agreed to purchase \$16 million of shares of the Company's common stock at a purchase price of \$1.10 per share. In addition, the Backstop Party agreed to purchase all unsubscribed shares in the Rights Offering. The subscription period for the Rights Offering expired on February 1, 2021 and closed on February 9, 2021, with eligible holders purchasing 18,023,226 shares for approximately \$19.8 million and the Backstop Party purchasing the 18,340,411 shares for approximately \$20.2 million. Pursuant to the terms of the backstop commitment agreement, the Backstop Party also received a backstop fee of 1,818,182 shares and a 5-year warrant to purchase 10 million shares at a price of \$1.65 per share.

About Tuesday Morning

Tuesday Morning Corporation 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 39 states. More information and a list of store locations may be found on the Company's website at www.tuesdaymorning.com.

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