



Tuesday Morning Corp. Announces New Debtor-in-Possession Financing

March 10, 2023

Company Secures \$12.5 Million Debtor-in-Possession Financing from Gordon Brothers, Bringing Total Commitments to \$27 Million

Provides Company with Continued Runway to Explore a Sale and Value-Maximizing Options

DALLAS--([BUSINESS WIRE](#))--Tuesday Morning Corp. (OTC: TUEMQ) (“Tuesday Morning” or the “Company”), a leading off-price retailer of home goods and décor, today announced that it has entered into a new \$12.5 million senior secured debtor-in-possession (“DIP”) financing, which carries a superpriority, with 1903 Partners, LLC (together with its affiliates, “Gordon Brothers”). The DIP will enable the Company to reduce its outstanding liabilities and continue transforming its operations through the bankruptcy process. The latest financing from Gordon Brothers brings the Company’s total DIP commitments to \$27 million.

As previously disclosed, Tuesday Morning has filed voluntary petitions for protection under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Northern District of Texas, Fort Worth Division (the “Bankruptcy Court”).

Andrew Berger, Chief Executive Officer and Director, commented:

“After careful deliberation, we have determined that partnering with Gordon Brothers offers Tuesday Morning the best opportunity to save jobs, serve customers and maximize value for the estate. Notably, this DIP clears the path for the Company to continue transforming our operations through the bankruptcy process. In addition to providing liquidity, partnering with Gordon Brothers will allow us to leverage the team’s deep knowledge and experience in the retail sector.”

Kyle Shonak, Transaction Team and Head of North America Lending at Gordon Brothers, added:

“We are proud to partner with Tuesday Morning through these Chapter 11 proceedings and are confident in Andrew and the leadership team’s ability to minimize disruptions to operations as they work to emerge from bankruptcy as a viable business. The entire Tuesday Morning team has our financial and operational support.”

The DIP includes customary provisions, including requiring the Company to operate based upon an agreed budget and satisfy certain bankruptcy milestones by agreed upon dates.

Additional Information

Court filings and other documents related to the court-supervised process are available at <https://cases.stretto.com/TuesdayMorning> or by calling the Company’s claims agent, Stretto, at (855) 202-8673 or by sending an email to TuesdayMorningInquiries@stretto.com.

Advisors

Munsch Hardt Kopf & Harr, P.C. is serving as the Company’s legal advisor. Piper Sandler is serving as investment banker to the Company.

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 487 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 NOTICE REGARDING TRADING IN TUESDAY MORNING SECURITIES

Tuesday Morning cautions that trading in the Company’s common stock and other securities during the pendency of the Chapter 11 bankruptcy proceedings is highly speculative and poses substantial risks. Trading prices for the Company’s securities may bear little or no relationship to the actual recovery, if any, by holders of the Company’s securities in the Chapter 11 proceedings. The Company expects that its existing common stock will be cancelled and that holders of the common stock will not receive any amounts through the Chapter 11 proceedings.

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 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 a sale or 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; objections to the DIP financing or other pleadings filed that could protract the Chapter 11 proceedings; the Bankruptcy Court’s rulings in the Chapter 11 proceedings, including the approvals of the terms and conditions of the DIP financing, and the outcome of the Chapter 11 proceedings generally; the Company’s ability to comply with the restrictions imposed by the proposed terms and conditions of the DIP financing, including the Company’s ability to obtain a timely sale of all of its assets or approval of a plan of reorganization; 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 their 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 and regulatory authorities as a result of the Chapter 11 proceedings; litigation and other risks inherent in a bankruptcy process; 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.

Contacts

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