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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

15 September 2020

**TEX HOLDINGS PLC**  
**("Company")**

### **Delisting**

Tex Holdings plc (LSE:TXH) announces today that it has applied to the FCA to effect a cancellation of the listing of its ordinary shares on the standard segment of the Official List and to trading on the London Stock Exchange's Main Market ("**Delisting**" or "**Cancellation**"). It is anticipated that the effective date of the Cancellation will be on or around 13<sup>th</sup> October 2020.

#### **Background to and reasons for the Delisting**

The Company has for some time been evaluating the benefit of maintaining the listing of its ordinary shares of £0.10 each ("**Shares**") on the standard listing segment of the Official List ("**Standard Segment**").

On 29 April 2019 the Company's listing was suspended as it was unable to supply audited accounts for the year ended 31 December 2018 within the four months required by the Listing Rules. Since that time the board of directors of the Company ("**Board**") has been working with the FCA towards restoring the listing of the Shares on the Standard Segment.

As set out in the Chairman's statement of 27 July 2020 the Board has concluded it requires additional working capital and has approached its major shareholder for further funding. The Board is currently working with the Company's major shareholder on possible refinancing proposals, which will require the issuance of shares by the Company, to enable the Company to move to a position of financial stability.

The Board has given careful consideration to the best way to raise capital and provide financial stability to the business and finds that the continued listing of the Shares incurs significant cost while presenting an obstacle to potential sources of funding.

Based on extensive and careful consideration, including consulting with the Company's legal and financial advisers, the Board has concluded that it is in the best interest of all stakeholders (including but not limited to the shareholders) to proceed with the Delisting for the following reasons:

### *Reducing costs to protect cash*

The cost of maintaining the systems, procedures, staff and advisers to comply with listed company requirements is not the optimal use of the Company's financial resources. The Board believe that cash can be more usefully utilised in business facing activities aimed at generating income and providing more cash headroom.

### *Maximising the potential to raise funding in the immediate term*

The Company is restricted from issuing equity that would result in it issuing more than 20% of its current Shares in issue in any 12-month period - without a prospectus being prepared. This restricts the amount that can be raised at the current share price to less than £0.93 million without a prospectus or would require the Company to incur significant legal cost associated with the preparation of such a document, without the certainty of raising funds from such effort. The Board does not believe that preparing a prospectus would be a sensible use of Company resources at this time, given other competing demands on the funds and capabilities of the business.

### **Effect of the Delisting**

Following the Delisting, the Shares will no longer be traded on a regulated market. As a result, a holder of Shares will not be able to trade its Shares on the LSE and, consequently, the opportunity for holders of Shares to sell their interest in the Company will be limited and there will be no public valuation of Shares. Following Cancellation, holders of Shares will continue to be entitled to transfer such Shares in accordance with the requirements of the Articles and English law.

The Shares will continue to be settled through CREST, or shareholders can request they be converted into certificated form. The Board is making arrangements to allow for Shareholders who wish to buy and sell Shares following the Cancellation to be able to trade through a matched bargain facility provided by a third party provider. The Board intends to write to Shareholders setting out details of the matching facility once the Delisting becomes effective.

Following the Delisting, the Company will no longer be subject to the regulatory and statutory regime which applies to English companies admitted to the standard segment of the Official List and traded on the Main Market. As a result, holders of Shares will no longer be afforded the protection given by the Listing Rules and the Disclosure Guidance and Transparency Rules and the Company will no longer be subject to the Market Abuse Regulation.

The City Code on Takeovers and Mergers will continue to apply to the Company and its shareholders following the Delisting.

Further announcements will be made in due course as appropriate.