

Ad hoc announcement

Hoftex Group AG / keyword(s): Strategic corporate decision / Forecast adjustment

Publication of an insider information in accordance with Article 17 of EU Regulation No. 596/2014

Hoftex Group AG: Hoftex Group AG decides to partially close the Neutex division; adjustment of the forecast

Hof, Germany, 08/28/2023 – Today, the management board of the Hoftex Group AG (ISIN DE 0006760002) (the “**corporation**”) listed in the m:access segment on the Munich stock exchange has decided, with the approval of the corporate supervisory board, to close (the “**closing**”) the German production facility of the Neutex division located at the Münchberg site. The closing will impact approx. 90 workplaces in Münchberg. Production is expected to be discontinued by the end of the first quarter of 2024.

Owing to a since several years generally declining market for home textiles in connection with a continuous price pressure from foreign producers and significant cost increases, among others in energy costs, a profitable production at the German site is no longer possible.

In the future, the Neutex division will focus on confection, sales and distribution of made-to-measure home textiles and sun protection solutions. Neutex Home Deco GmbH in Münchberg will continue to handle sales and distribution as well as product development. Likewise, the Romanian subsidiary SC Textor S.A. remains in operation to confection the products.

The EBITDA forecasted in the 2022 Hoftex Group annual report for the 2023 fiscal year of €12.0 to €14.0 million will not be reached according to the current estimate. This is especially due to the financial effects relating to the partial closing and business performance of Neutex, which was below expectations. For the 2023 fiscal year, the management board now expects an EBITDA of €8.0 to €10.0 million and group revenues of around €160.0 million (the original forecast of the group revenues for the 2023 fiscal year was €160 million to €180 million).