

## **MXC Capital Limited**

**("MXC" or the "Company")**

### **Disposal of two Calyx Managed Services Limited ("Calyx") businesses for cash**

On 23 February 2015 MXC announced that it had acquired Calyx for a total consideration of £9 million. At the time of the acquisition, MXC stated that MXC management would "seek ways to maximise the value of this investment".

Following a strategic review of the businesses that make up Calyx, MXC announces today that it has entered into conditional agreements to dispose of two of Calyx's divisions, Break Fix and Carrier Services, for a total consideration of £5.55 million in cash.

The Break Fix business provides hardware replacement and support services and has been sold to Daisy Partner Services Trading Limited (part of Daisy Group Limited) for £3.75 million (subject to an adjustment in relation to deferred income and deferred costs). For the year ended 31 December 2014, the Break Fix business generated a turnover of £5.7 million and a gross profit of £3.7 million. Break Fix had gross assets of £722,000.

The Carrier Services business provides fixed line rental, carrier pre-selection and data circuits to channel partners and end-user clients and has been sold to Chess Limited for £1.8 million. For the year ended 31 December 2014, the Carrier Services business generated a turnover of £7.4 million and a gross profit of £2.0 million. Carrier Services had gross assets of £679,000.

Calyx has made a substantial investment in its hybrid cloud portfolio over the last 12 months and this enables the company to focus fully on that portfolio providing IT managed services as well as professional and infrastructure services. For the year ended 31 December 2014, the remaining business generated a turnover of £9.1 million and a gross profit of £5.1 million.

These transactions were managed by MXC Capital Advisory LLP, a subsidiary of MXC Capital Limited (AIM : MXCP).

Marc Young, CEO of MXC said: "These disposals bring back cash to MXC, whilst giving Calyx a clear focus on providing IT managed services to a diverse customer base, generating high levels of recurring revenue."

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### **About MXC Capital**

MXC is a specialist merchant bank with a track record of investing in and advising companies in the TMT sector. We bring together a deep knowledge of technology, first-hand experience of managing companies in the sector, an ability to make meaningful investments and a highly experienced corporate advisory team in support, all of which we combine to grow shareholder value.