

4 January 2016

MXC Capital Limited
("MXC" or the "Company")

Lead Investor and Advisor to Castle Street Investments plc on £30m fundraising and Acquisition

MXC is pleased to announce that it has agreed to cornerstone a placing of new ordinary shares in Castle Street Investments plc ("CSI") (the "Placing"), an AIM quoted cash shell, in conjunction with CSI's proposed acquisition of Selection Services Investments Limited ("Selection"), a UK focused provider of IT solutions and Cloud Services (the "Acquisition") (together, the "Transaction").

Highlights:

- Platform acquisition to start buy and build in the IT solutions and Cloud services sector supported by organic growth
- MXC Capital originated the opportunity and is acting as cornerstone investor in £30 million equity placing, subscribing for £12.9 million of equity and will own 24.9% of issued share capital post Re-Admission
- Placing more than 2x oversubscribed, supported by high quality institutional shareholders
- Experienced management team recruited with track record of delivering growth and shareholder value, to be led by Andy Ross, partner in MXC Capital, as CEO

Selection is an established business with £35 million of revenues, 65% of which are recurring. The Acquisition represents a platform acquisition to start a buy and build in the IT solutions and Cloud services sector, with a focus on the highly fragmented smaller end of the market.

MXC is investing £12.9 million out of a total placing of £30.0 million, amounting to 24.9% of the enlarged share capital of CSI. The Placing was more than 2x oversubscribed and supported by high quality institutional investors. In addition, MXC has been granted, subject to certain vesting conditions, evergreen warrants over 5 % of the enlarged share capital of CSI at a price of 30 pence per CSI share, with subsequent adjustment to reflect any further equity issues. . CSI will acquire Selection on a debt free basis and will have £16.5 million of available cash resources and terms agreed on a debt facility of £7 million to support its strategy.

Peter Rigg, Chairman of MXC, said: "I am delighted to announce the second IPO led by MXC. The experience and skills of MXC in the sector will again be at the disposal of the Board of CSI in creating shareholder value. The transaction demonstrates the MXC model at work: identifying the opportunity, advising on the transaction, securing the funding – in this case twice over subscribed – and then adding the operational management experience to drive the buy and build opportunity. It's a good start to the year for us."

Following the Re-Admission of CSI to trading on AIM MXC will have a portfolio of 6 quoted investments and 5 private investments.

The Transaction is conditional upon, *inter alia*, the passing of resolutions by shareholders of CSI at a general meeting to be held on 20 January 2016, with admission of the enlarged share capital to trading on AIM expected on 21 January 2016. Selection reported EBITDA of £3.3 million in the year ended 30 June 2015 and, as result of its capital structure (including bank debt and loan notes as is typical of a

private equity owned business), a loss before tax of £1 million. As at 30 June 2015, it had net liabilities of £24.9 million which included net debt of £20.4 million.

The Admission Document containing further details of the Transaction can be found on CSI's website: www.castlestreetinvestments.com

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About MXC Capital (www.mxccapital.com)

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.