

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

**£13m of funding to pursue near term opportunities**

MXC Capital Limited (AIM:MXCP), the AIM quoted technology focused merchant bank, announces that it has raised £7 million by way of a placing (the "Placing") of a total of 274,509,820 new ordinary shares at a price of 2.55 pence per share with both existing and new investors ("the Placing Shares"). In tandem, the company has also received credit approval to extend its existing bank facility to £6 million.

- Gross proceeds of the Placing £7 million
- Extension of existing banking facilities to £6 million
- Following this capital raising the Company will have £13 million of capital available to invest in identified near term opportunities
- In recently announced interims, the Board announced an extended policy of returns to shareholders as well as its confidence in the Company's prospects
- Placing supported by a mix of new and existing investors, further strengthening the Company's share register

Peter Rigg, Chairman of MXC, said: "In our interims announced 3 weeks ago, I expressed confidence in the Company's prospects following an encouraging first half of the year. I also referred to an exciting pipeline of opportunity. This financing allows us to execute some of the opportunities we have identified. I look forward to updating shareholders shortly."

Enquiries:

**MXC Capital Limited**

Marc Young +44(0)20 7965 8149

**Zeus Capital Limited (Nominated adviser and broker)**

Nick How +44 (0)20 3829 5000

**Alma PR**

Josh Royston / Hilary Buchanan +44 (0)7780 901979 / +44 (0) 7515

**Background to and reasons for the Placing**

MXC is an AIM quoted merchant bank, specialising in advising and investing in technology companies. The Company has now raised £7 million (before expenses) to augment existing investment funds of £4 million and £2 million of headroom in its extended banking facilities. The net proceeds of the placing are expected to be approximately £6.9 million. The proceeds of the Placing will be used to:

- Pursue the near-term, identified, opportunities in its pipeline; and
- Further develop MXC's pipeline of future opportunities.

**Admission of Placing Shares**

Application has been made for the new ordinary shares to be admitted to trading on AIM and admission is expected to become effective on 31 May 2016.

Following the issue of the new ordinary shares, the total number of exercisable voting rights in the Company will be 3,419,376,861. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company.

### **Current trading and prospects**

The Company released its Interim results for the six months ended 29 February 2016 on 10 May 2016 with the following highlights:

#### **Highlights:**

- Encouraging first half with step change in scale of the business
- Portfolio valued at £73m at 29 February with 23% (£14m) growth in value achieved since year end.
- Post tax profit for the period of £12.4m (H1 2015: £2.9m)\*
- Underlying EBITDA\*\* of £1.2m (H1 2015: £0.1m), £0.5m on a consolidated basis (H1 2015: £0.1m), reflecting profitability of capital markets and advisory businesses
- Board to increase distributions to shareholders (£0.8m already returned via tender offer)
- Company working on full pipeline of both new transactions and opportunities for existing investments
- Board confident of outlook for second half and outcome for year

\* Post tax profit includes consolidated trading income and unrealised gains & losses on the group's investment portfolio

\*\*Underlying EBITDA represents earnings before net finance costs, tax, depreciation and amortisation, restructuring costs, share-based payments and unrealised movements in the fair value of investments. It is stated before the elimination on consolidation of certain transactions of the MXC Capital Markets and MXC Advisory businesses.