

MXC Capital Limited

("MXC" or the "Company")

Further Investment and Conversion of Loan Notes in IDE Group Holdings plc

MXC (AIM: MXCP), the technology focused adviser and investor, announces that it has agreed to invest a further £2.47 million in IDE Group Holdings plc ("IDE") by way of a subscription for 98,851,125 new ordinary shares of 2.5 pence each in the capital of IDE ("IDE Shares") at a price of 2.5 pence per IDE Share (the "MXC Subscription").

The MXC Subscription will be made in two tranches; an initial tranche of £0.5 million which will complete upon admission of the 20,000,000 new IDE Shares to trading on AIM ("Admission") which is expected to occur on 1 August 2018 (the "Firm MXC Subscription"), and a further tranche of £1.97 million (the "Conditional MXC Subscription"), conditional upon, *inter alia*, the passing of the resolutions by IDE shareholders at a general meeting of IDE expected to be held on or around 20 August 2018 ("IDE Shareholder Approval").

Furthermore, MXC has agreed to redeem the £750,000 of loan notes it holds in IDE as announced on 30 May 2018 by way of the allotment and issue of 30,000,000 new IDE Shares, also conditional upon IDE Shareholder Approval (the "MXC Redemption").

The MXC Subscription forms part of a wider fundraising by IDE to raise £5 million by way of a total subscription for new IDE Shares of £3.2 million (to include the Firm MXC Subscription and the Conditional MXC Subscription) and the issue of £1.8 million convertible loan notes, convertible at 2.5 pence per IDE Share. Furthermore, IDE is undertaking an open offer for up to £0.5 million (the "IDE Open Offer") (all together, the "IDE Fundraising"). MXC has undertaken not to take up its entitlement under the IDE Open Offer.

On 16 July 2018 IDE announced that it had been reviewing its options to address the ongoing working capital requirements of the group and the board of IDE believes that the IDE Fundraising is the best option available to IDE to re-capitalise its balance sheet and build a strong base from which to exploit the opportunities available to it. The net proceeds of the IDE Fundraising will be used to alleviate the short term cash pressures on IDE and work towards normalising its creditors.

Following the Firm MXC Subscription, MXC will hold 63,960,000 IDE Shares, representing 29.0% of the issued share capital of IDE. Following the Conditional Subscription and the MXC Redemption, MXC will hold 172,811,125 IDE Shares, representing a maximum holding of 45.6% assuming no take up of the IDE Open Offer. IDE has successfully applied for a dispensation on behalf of MXC from making a mandatory offer for IDE under Rule 9 of the City Code on Takeovers and Mergers in relation to the IDE Fundraising.

IDE is a mid-market network, cloud and IT managed services provider. Ian Smith, CEO of MXC, is an Executive Director of IDE and MXC Capital Markets LLP acts as financial adviser to IDE. Further details about IDE (including latest announcements and financial reports) are available at www.idegroup.com.

MXC Capital Limited

Ian Smith

+44(0)20 7965 8149

Zeus Capital Limited (Nominated adviser and broker)

Giles Balleny

+44 (0)20 3829 5000

About MXC Capital Limited www.mxccapital.com

MXC is a specialist technology adviser and investor with a track record of investing in and advising companies in the TMT sector. MXC brings 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 combine to grow shareholder value.