

The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

**MXC Capital Limited**

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

**Proposed Acquisition of Loan Notes in Adept4 plc**

MXC (AIM: MXCP), the technology focused adviser and investor, is pleased to announce that it has conditionally agreed to acquire £3.5 million of unsecured loan notes (the "Loan Notes") in Adept4 plc ("Adept4"), a company in which MXC is a 29.9% shareholder.

Adept4 has announced that it has conditionally agreed to acquire CloudCoCo Limited ("CloudCoCo") (the "Proposed Acquisition"), a recently established provider of cloud and related technology solutions. The consideration for the Proposed Acquisition is new ordinary shares in Adept4. MXC, via its wholly owned subsidiary MXC Guernsey Limited ("MXCG"), was a founder shareholder of CloudCoCo and made an initial investment of £0.1 million in return for a 10.6% shareholding. As part of the Proposed Acquisition, MXCG has agreed to sell its entire shareholding in CloudCoCo to the incoming CEO of Adept4 plc at the same value as its original investment to ensure he has a meaningful stake in the enlarged group going forwards. Following completion of the Proposed Acquisition, MXC will hold 15% of the enlarged share capital of Adept4.

Adept4 currently has £5.0 million of unsecured loan notes in issue which are held by Business Growth Fund Plc ("BGF"). Conditional upon, *inter alia*, completion of the Proposed Acquisition, BGF has agreed to waive £1.5 million of the loan notes and has agreed to sell the remaining £3.5 million loan notes at par value to MXCG. MXCG and Adept4 have agreed to vary the terms of the remaining loan notes such that, *inter alia*, their term is extended until 2024 (though Adept4 has the ability to repay the loan notes after 12 months) and the associated interest rate is amended to 12%, such interest to be rolled up, compounded annually and paid at the end of the term. Furthermore, conditional upon, *inter alia*, completion of the Proposed Acquisition, MXCG has agreed to provide Adept4 with an additional 2 year working capital facility of up to £0.5 million, with an interest rate of 12% and has agreed to cancel the outstanding warrants it holds in Adept4 (together, the "Financing Proposals").

Completion of the Proposed Acquisition and the Financing Proposals ("Completion") is conditional on, *inter alia*, the approval of Adept4's shareholders. There can be no guarantee that the Proposed Acquisition or Financing Proposals will proceed.

**MXC Capital Limited**

Ian Smith

+44 (0) 20 7965 8149

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

Nick Cowles, Dan Bate

+44 (0) 161 831 1512

**About MXC Capital Limited**

[www.mxccapital.com](http://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.