

2 October 2019

MXC Capital Limited

("MXC" or the "Company", together with its subsidiaries, the "Group")

Proposed Tender Offer and return of capital to shareholders

Proposed B Share Consolidation and Proposed Amendment to the Articles

Notice of General Meeting and posting of Circular

In our interim results published in May this year we stated our intention to re-establish a policy of returning cash to our shareholders based on historic growth in capital and a return to a profitable trading position, consistent with which we are pleased to announce the Tender Offer. In that regard we would also refer Shareholders to the recent trading update the Company announced on 9 September 2019 in relation to its financial performance and position in the year to 31 August 2019.

Alongside the Tender Offer, it is proposed that the B Shares of the Company be reorganised such that every 50 B Shares be consolidated into 1 new B share of no par value, consistent with the consolidation of the Ordinary Shares that became effective on 15 February 2019. All B Shares in issue are held by MXC Holdings, a wholly-owned subsidiary of the Company. The B Share Consolidation will necessitate a change in the Articles to update the strike price of the options related to the B Shares. The new B Shares arising upon implementation of the B Share Consolidation will have the same rights as the existing B Shares, including as to voting, dividends, return of capital and other rights.

The Tender Offer

The Company today announces the proposed purchase of 1 in every 46 Ordinary Shares in the Company at a fixed price 116 pence (a 13% premium to the closing middle market price at 1 October 2019) per share by way of a Tender Offer from Qualifying Shareholders in accordance with terms and conditions set out in Part III of the Circular.

The Tender Offer price of 116 pence per share is equal to the NAV per share as at 31 August 2019.

The Tender Offer will present Qualifying Shareholders with an opportunity to sell more than their Tender Offer Entitlement (up to their entire holding of Ordinary Shares) to the extent that other shareholders tender less than their Tender Offer Entitlement. In such case, surplus tenders will be accepted in proportion to the number of additional Ordinary Shares tendered so that the total number of Ordinary Shares purchased does not exceed 1,460,942 (assuming no exercise of Options and no issue of new Ordinary Shares eligible for tender), representing approximately 2.17% of the Company's issued share capital.

If the maximum number of 1,460,942 Ordinary Shares (assuming no exercise of Options and no issue of new Ordinary Shares eligible for tender) is purchased, this will result in an amount of approximately £1.7 million being paid by the Company to its shareholders. It is intended that the Ordinary Shares purchased under the Tender Offer will be cancelled and not available for re-issue.

The Tender Offer is open to Qualifying Shareholders, being all holders of Ordinary Shares on the Company's share register at the Record Date, who may participate by tendering all or a proportion of their holding of Ordinary Shares.

The implementation of the Tender Offer, along with the B Share Consolidation and Amendment to the Articles, requires the approval of shareholders. A Notice of General Meeting together with the required resolutions accompanies the Circular (including the expected timetable for the Tender Offer) which is being posted to shareholders later today, all of which will also be available on the Company's website www.mxccapital.com.

Capitalised terms used in this announcement shall have the meanings given in the Circular referred to above.

The General Meeting will be held at the offices of Carey Group, 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW at 9.00 a.m. on 17 October 2019. The Resolution to approve the purchase of Ordinary Shares pursuant to the Tender Offer at a fixed price of 116 pence per Ordinary Share, the B Share Consolidation Resolution and the Amendment to the Articles Resolution will all be proposed at the General Meeting.

Expected Timetable of Events

Event	2019
Announcement of the Tender Offer	2 October
Tender Offer opens	2 October
Latest time and date for receipt of forms of proxy for the General Meeting	9.00 a.m. on 15 October
Latest time and date for receipt of Tender Forms and TTE instructions from CREST Shareholders	1.00 p.m. on 15 October
Record Date for the Tender Offer	6.00 p.m. on 15 October
General Meeting	9.00 a.m. on 17 October
Outcome of Tender Offer announced	by 8.00 a.m. 18 October
Cheques dispatched for certificated Ordinary Shares purchased pursuant to the by Tender Offer and payment through CREST for uncertificated Ordinary Shares purchased pursuant to the Tender Offer	by 25 October
CREST accounts credited for revised holdings of Ordinary Shares	by 25 October
Dispatch of balance share certificates for unsold Ordinary Shares	by 25 October

Enquiries:

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

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About MXC Capital (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.