

ANNOUNCEMENT TO BE MADE BY THE AIM APPLICANT PRIOR TO ADMISSION IN ACCORDANCE WITH RULE 2 OF THE AIM RULES FOR COMPANIES (“AIM RULES”)

COMPANY NAME:

MXC Capital Limited

COMPANY REGISTERED OFFICE ADDRESS AND IF DIFFERENT, COMPANY TRADING ADDRESS (INCLUDING POSTCODES) :

1st & 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey GY1 1EW

COUNTRY OF INCORPORATION:

Guernsey

COMPANY WEBSITE ADDRESS CONTAINING ALL INFORMATION REQUIRED BY AIM RULE 26:

<http://www.mxccapital.com/>

COMPANY BUSINESS (INCLUDING MAIN COUNTRY OF OPERATION) OR, IN THE CASE OF AN INVESTING COMPANY, DETAILS OF ITS INVESTING POLICY). IF THE ADMISSION IS SOUGHT AS A RESULT OF A REVERSE TAKE-OVER UNDER RULE 14, THIS SHOULD BE STATED:

MXC Capital Limited (“New MXC”) is a new company incorporated for the sole purpose of acquiring the entire issued share capital of MXC Capital plc (“Old MXC”) by way of a scheme of arrangement in order to effect the re-domicile of the MXC group from England and Wales to Guernsey.

MXC is a specialist merchant bank investing and advising growth companies in the technology, media and telecommunications sector.

MXC looks at a wide variety of investment opportunities within the TMT sector but expects to focus on special situations, particularly:

- corporate turnarounds, delivering strategic enhancements and/or operational improvements; and
- buy-and-build strategies, – creating value through the consolidation of fragmented markets and the effective integration of acquired companies or businesses.

MXC looks to take significant ownership positions, typically between 10 and 29.9 per cent. and hold these long term. It will also take an active approach towards managing its portfolio investments:

- its employees or representatives will have board representation or oversight on investee companies; and
- MXC Capital Advisory will provide corporate finance, equity and debt capital markets advice.

MXC 's head office will move to St Peter Port, Guernsey following implementation of the scheme of arrangement.

DETAILS OF SECURITIES TO BE ADMITTED INCLUDING ANY RESTRICTIONS AS TO TRANSFER OF THE SECURITIES (i.e. where known, number and type of shares, nominal value and issue price to which it seeks admission and the number and type to be held as treasury shares):

1,959,983,992 ordinary shares of 1 pence each.

CAPITAL TO BE RAISED ON ADMISSION (IF APPLICABLE) AND ANTICIPATED MARKET CAPITALISATION ON ADMISSION:

N/a

PERCENTAGE OF AIM SECURITIES NOT IN PUBLIC HANDS AT ADMISSION:

71.86%

DETAILS OF ANY OTHER EXCHANGE OR TRADING PLATFORM TO WHICH THE AIM COMPANY HAS APPLIED OR AGREED TO HAVE ANY OF ITS SECURITIES (INCLUDING ITS AIM SECURITIES) ADMITTED OR TRADED:

None

FULL NAMES AND FUNCTIONS OF DIRECTORS AND PROPOSED DIRECTORS (underlining the first name by which each is known or including any other name by which each is known):

Peter Martin Rigg, (Non-Executive Chairman)
Paul Graham Guilbert, (Independent Non-Executive Director)
Marc Young, (Chief Executive Officer)

FULL NAMES AND HOLDINGS OF SIGNIFICANT SHAREHOLDERS EXPRESSED AS A PERCENTAGE OF THE ISSUED SHARE CAPITAL, BEFORE AND AFTER ADMISSION (underlining the first name by which each is known or including any other name by which each is known):

Shareholder	Before Scheme of Arrangement (pre Admission)		After Scheme of Arrangement (post Admission)	
	Shares Held	%	Shares Held	%
MXC Holdings	1,049,089,816	53.53%	1,049,089,816	53.53%
Nigel Wray	355,490,917	18.14%	355,490,917	18.14%
Hargreave Hale	157,855,000	8.05%	157,855,000	8.05%

NAMES OF ALL PERSONS TO BE DISCLOSED IN ACCORDANCE WITH SCHEDULE 2, PARAGRAPH (H) OF THE AIM RULES:

None

- (i) ANTICIPATED ACCOUNTING REFERENCE DATE
(ii) DATE TO WHICH THE MAIN FINANCIAL INFORMATION IN THE ADMISSION DOCUMENT HAS BEEN PREPARED (this may be represented by unaudited interim financial information)
(iii) DATES BY WHICH IT MUST PUBLISH ITS FIRST THREE REPORTS PURSUANT TO AIM RULES 18 AND 19:

- (i) 31 August
(ii) 31 August 2014
(iii) 31 May 2015, 30 September 2015, 28 February 2016

EXPECTED ADMISSION DATE:

6 February 2015

NAME AND ADDRESS OF NOMINATED ADVISER:
Zeus Capital Limited 23 Berkeley Square London W1J 6HE 82 King Street Manchester M2 4WQ
NAME AND ADDRESS OF BROKER:
Zeus Capital Limited 23 Berkeley Square London W1J 6HE 82 King Street Manchester M2 4WQ
OTHER THAN IN THE CASE OF A <u>QUOTED APPLICANT</u>, DETAILS OF WHERE (POSTAL OR INTERNET ADDRESS) THE ADMISSION DOCUMENT WILL BE AVAILABLE FROM, WITH A STATEMENT THAT THIS WILL CONTAIN FULL DETAILS ABOUT THE APPLICANT AND THE ADMISSION OF ITS SECURITIES:
N/A
DATE OF NOTIFICATION:
5 January 2015
NEW/ UPDATE:
New
QUOTED APPLICANTS MUST ALSO COMPLETE THE FOLLOWING:
THE NAME OF THE <u>AIM DESIGNATED MARKET</u> UPON WHICH THE APPLICANT'S SECURITIES HAVE BEEN TRADED:
AIM
THE DATE FROM WHICH THE APPLICANT'S SECURITIES HAVE BEEN SO TRADED:
11 Mar 2004
CONFIRMATION THAT, FOLLOWING DUE AND CAREFUL ENQUIRY, THE APPLICANT HAS ADHERED TO ANY LEGAL AND REGULATORY REQUIREMENTS INVOLVED IN HAVING ITS SECURITIES TRADED UPON SUCH A MARKET OR <u>DETAILS OF WHERE THERE HAS BEEN ANY BREACH:</u>
Confirmed
AN ADDRESS OR WEB-SITE ADDRESS WHERE ANY DOCUMENTS OR ANNOUNCEMENTS WHICH THE APPLICANT HAS MADE PUBLIC OVER THE LAST

TWO YEARS (IN CONSEQUENCE OF HAVING ITS SECURITIES SO TRADED) ARE AVAILABLE:

<http://www.mxccapital.com>

DETAILS OF THE APPLICANT'S STRATEGY FOLLOWING ADMISSION INCLUDING, IN THE CASE OF AN INVESTING COMPANY, DETAILS OF ITS INVESTING STRATEGY:

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- MXC Capital Advisory will provide corporate finance, equity and debt capital markets advice.

MXC 's head office will move to St Peter Port, Guernsey following implementation of the scheme of arrangement.

A DESCRIPTION OF ANY SIGNIFICANT CHANGE IN FINANCIAL OR TRADING POSITION OF THE APPLICANT, WHICH HAS OCCURRED SINCE THE END OF THE LAST FINANCIAL PERIOD FOR WHICH AUDITED STATEMENTS HAVE BEEN PUBLISHED:

Old MXC

The last audited accounts for Old MXC for the year ended 31 August 2014 were published on 31 December 2014. The following significant post balance sheet events were disclosed:

Acquisition of MXC Capital Advisory LLP

On 29 October 2014, Old MXC completed the acquisition of MXC Capital Advisory LLP ("MXCCA") and the associated reverse takeover which was announced on 28 July 2014. In consideration for its acquisition of MXCCA, a corporate finance advisory business, Old MXC issued 600,000,000 ordinary shares of 1p each. The acquisition was completed to provide the group with sufficient in-house experience to take full advantage of a strengthened balance sheet, and to allow the group to generate capital gains by increasing the value of future investments whilst generating income and profits from the advisory business.

In MXCCA's audited financial statements for the 14 month period from formation to 31 March 2014 it generated revenues and gross profits of £1,110,000 and profit before members' remuneration and profit share of £925,000. For the six months to 30 September 2014 the comparable figures in the unaudited accounts were £345,000 and £294,000 respectively.

The initial accounting for the business combination has not yet been finalised and as such disclosures in relation the fair value of assets and liabilities acquired have not been presented within these financial statements.

Investments

On 5 November 2014 Old MXC issued 104,089,816 ordinary shares of 1p to acquire MXC Holdings Limited's interest in Castleton Technologies plc ('Castleton'), an AIM listed public sector focused IT managed services business. On 18 November 2014, Old MXC invested £1.2 million in Castleton. Following the investment and share issue, Old MXC holds 23.2% of the issued share capital of Castleton.

On 18 November 2014, Old MXC completed its investment in 365 Agile Limited, a software enabled mobile working solutions business. Old MXC has acquired 25% of 356 Agile Limited, providing up to £1 million of funding through a combination of debt and equity.

New MXC

There has been no significant change in the financial or trading position of New MXC since 19 August 2014, being the date of its incorporation.

Other than as disclosed above, there have been no significant change in financial or trading position of the Applicant which has occurred since the end of the last financial period for which audited statements have been published.

A STATEMENT THAT THE DIRECTORS OF THE APPLICANT HAVE NO REASON TO BELIEVE THAT THE WORKING CAPITAL AVAILABLE TO IT OR ITS GROUP WILL BE INSUFFICIENT FOR AT LEAST TWELVE MONTHS FROM THE DATE OF ITS ADMISSION:

The Directors have no reason to believe that the working capital available to the Company will be insufficient for at least twelve months from admission.

DETAILS OF ANY LOCK-IN ARRANGEMENTS PURSUANT TO RULE 7 OF THE AIM RULES:

Lock-in agreements dated 25 July 2014 entered into between the Company (1), Zeus Capital (2) and each of Peter Rigg, Jill Collighan, Simon Duckworth, Paul Guilbert, Marc Young, Ian Smith, MXC Holdings and Nigel Wray (3) pursuant to which each of Peter Rigg, Jill Collighan, Simon Duckworth, Paul Guilbert, Marc Young, Ian Smith, MXC Holdings and Nigel Wray have agreed with Zeus Capital, conditional upon admission of the placing shares in August 2014, not to dispose of any Old MXC Ordinary Shares held by them for a period of 12 months from the date of admission of the placing shares except in certain limited circumstances permitted by the AIM Rules. The deeds also contain certain orderly market provisions which apply for a further 12 month period after the expiry

of the lock-in period. These agreements will be terminated on Admission.

It has been agreed that by Admission (currently expected to be 6 February 2015) New MXC (1), Zeus Capital (2) and each of Peter Rigg, Jill Collighan, Simon Duckworth, Paul Guilbert, Marc Young, Ian Smith, MXC Holdings and Nigel Wray (3) will enter into a lock-in agreement pursuant to which each of Peter Rigg, Jill Collighan, Simon Duckworth, Paul Guilbert, Marc Young, Ian Smith, MXC Holdings and Nigel Wray will agree with Zeus Capital, conditional upon Admission, not to dispose of any New MXC Shares held by them for the remainder of the original 12 months lock-in period to 13 August 2015 except in certain limited circumstances permitted by the AIM Rules. The deeds will also contain certain orderly market provisions which apply for a further 12 month period after the expiry of the lock-in period.

A BRIEF DESCRIPTION OF THE ARRANGEMENTS FOR SETTLING THE APPLICANT'S SECURITIES:

Transfers of Ordinary Shares in the Company may be made through CREST.

A WEBSITE ADDRESS DETAILING THE RIGHTS ATTACHING TO THE APPLICANT'S SECURITIES:

<http://www.mxccapital.com>

INFORMATION EQUIVALENT TO THAT REQUIRED FOR AN ADMISSION DOCUMENT WHICH IS NOT CURRENTLY PUBLIC:

An Appendix to this Announcement has been published on the MXC Capital website detailed above

A WEBSITE ADDRESS OF A PAGE CONTAINING THE APPLICANT'S LATEST ANNUAL REPORT AND ACCOUNTS WHICH MUST HAVE A FINANCIAL YEAR END NOT MORE THEN NINE MONTHS PRIOR TO ADMISSION AND INTERIM RESULTS WHERE APPLICABLE. THE ACCOUNTS MUST BE PREPARED IN ACCORDANCE WITH ACCOUNTING STANDARDS PERMISSIBLE UNDER AIM RULE 19:

<http://www.mxccapital.com>

THE NUMBER OF EACH CLASS OF SECURITIES HELD IN TREASURY:

None