

1 February 2016

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

Acquisitions by Investee Companies Castleton Technology Plc and Redcentric Plc

Subscription for £1.5 million Convertible Loan Notes in Castleton Technology Plc

MXC is pleased to announce that two of its investee companies, Redcentric Plc ("Redcentric") and Castleton Technology Plc ("Castleton") have completed strategic acquisitions. MXC is also pleased to announce that in order to part fund the acquisition by Castleton, it has subscribed for £1.5 million of convertible loan notes in Castleton.

Redcentric has acquired City Lifeline Limited ("City Lifeline") for a total cash consideration of £4.8 million. City Lifeline owns and operates one of the best connected data-centres in London, situated in Tech City. The acquisition represents another step in Redcentric's growth strategy providing a well-established London data-centre to complement its existing infrastructure of owned data-centres in Harrogate, Reading and Cambridge, together with its national fibre network. The acquisition is expected to be immediately earnings enhancing.

Castleton has acquired Kypera Holdings Limited ("Kypera") for a net cash consideration of £3.5 million. Kypera provides fully integrated housing management and finance software to over 140 customers and has offices in the UK and Australia, as well as a presence in New Zealand and South Africa, providing further international opportunities for the Castleton group. A strategic acquisition, the addition of Kypera enables Castleton to offer the only integrated, single Enterprise Resource Planning platform solution in the social housing sector, positioning Castleton as a unique "one stop shop".

The acquisition of Kypera was financed by a combination of bank debt and the issue of convertible loan notes ("Loan Notes"). MXC has subscribed for £1.5 million of the Loan Notes, which have a term of 5 years and carry a 5% coupon, alongside the Business Growth Fund ("BGF"), which subscribed for the remaining £2.0 million of Loan Notes. The Loan Notes can be converted into new Castleton shares at a price of 85.6 pence per share at any time at MXC or BGF's option.

Peter Rigg, Chairman of MXC, said: "Both of these acquisitions are an excellent strategic fit that we are confident will create further shareholder value. Redcentric's acquisition is an important, high quality infill for their network and Castleton's acquisition adds a whole new dimension to the business, creating a unique "one stop shop" and adding more customers as well as geographies. We are delighted to be supporting our investee companies as they continue to grow in this way".

MXC currently holds 23.2% of the issued share capital of Castleton. In the year to 31 March 2015, Castleton generated revenue of £6.1 million and an adjusted EBITDA loss of £0.1 million from continuing operations, reflecting a transformational year with four acquisitions and two disposals during the year. As at 30 September 2015, Castleton had net assets of £13.3 million.

The full texts of the announcements by both Redcentric and Castleton can be found on their websites: www.redcentricplc.com and www.castletonplc.com

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About MXC Capital (www.mxccapital.com)

MXC is a specialist merchant bank with a track record of investing in and advising companies in the TMT sector. We bring 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 we combine to grow shareholder value.