

MXC Capital Limited

("MXC" or the "Company")

Subscription for Loan Notes in IDE Group Holdings plc

MXC (AIM: MXCP), the technology focused adviser and investor, announces that it has subscribed for £750,000 out of a total issue of £2 million loan notes in IDE Group Holdings plc ("IDE"), the mid-market network, cloud and IT managed services provider in which MXC is a 21.9% shareholder (the "Loan Notes").

On 2 February 2018 IDE announced that it is undertaking an on-going major cost reduction programme due to trading issues which have resulted in poor cash generation and subsequent working capital constraints. Furthermore, in the announcement of IDE's results for the year ended 31 December 2017 on 8 May 2018, the Chairman noted that the profitability of IDE for the current year to 31 December 2018 is expected to be significantly lower than 2017 based on current trading.

The proceeds from the issue of the Loan Notes will be used to support IDE's working capital needs whilst it continues to undertake a strategic and operational review.

The Loan Notes are unsecured with an annual coupon of 10 per cent. paid annually alongside an arrangement fee of 1.5 per cent. payable on the first anniversary and will mature in 2021.

Ian Smith, CEO of MXC, has been appointed to the board of IDE as a part time Executive Director to lead the strategic and operational review of the business and MXC Capital Markets LLP has been appointed as financial adviser to IDE to provide corporate finance and advisory services.

Ian Smith, CEO of MXC, commented:

"Whilst as the largest shareholder we are disappointed at the situation that IDE finds itself in, we are pleased to be able to support the company both financially and strategically during this review period. Despite the recent poor trading and cash generation of the business, we believe that there is marketable value in the underlying contracted revenues and our focus will be on restoring value for all shareholders."

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About MXC Capital Limited

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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.