

IDE Group Holdings Plc
("IDE", the "Group" or the "Company")

Loan Note Issue and Contract Wins

IDE, the mid-market network, cloud and IT Managed Services provider, announces that it has raised £1.5 million through the issue of secured loan notes ("LNs") to the three largest shareholders of the Company; MXC Capital Limited ("MXC") (£1.23 million), Blake Holdings Limited (£0.15 million) and funds managed by Kestrel Partners LLP ("Kestrel") (£0.12 million). The proceeds of the issue of the loan notes will be used to fully repay all outstanding finance leases to which the Group is party and to provide additional working capital for the Company.

IDE is also pleased to announce that the success it reported at the time of the interim results in September in renewing significant customer contracts and in progressing new relationships has continued. Several additional multi-year customer contract renewals, including one two-year deal worth over £1 million per annum and a further two two-year minimum deals worth at least £1 million in total have been secured. The Company has also started working on a tech bar project (on-site technical support) which is worth over £1 million per annum and recently added a new name customer with whom it has a good pipeline of new business.

Further re the LNs

The LNs have the same terms as those loan notes issued in January and March this year, being a term of six years (the "Term") and an annual coupon of 12%, which is rolled up, compounded annually and payable at the end of the Term. The LNs carry an arrangement fee of 2.5 per cent., payable at the end of Term, and an exit fee of 2.5 per cent., also payable at the end of the Term. The LNs are secured on the Company's assets and can be redeemed at any time at the Company's option, however, should the Company opt to redeem the LNs prior to the end of the Term, all interest due until the end of the Term will become payable, together with the arrangement and exit fees, upon such early redemption. IDE now has £11.5 million of LNs in issue in addition to £2.55 million of unsecured, zero coupon loan notes.

Both MXC and Kestrel are deemed to be related parties of the Company pursuant to the AIM Rules for Companies (the "**AIM Rules**"); MXC by virtue of being a substantial shareholder and because Ian Smith, CEO of MXC is Executive Director of IDE, and Kestrel because Seb White is Non-Executive Director of IDE and a representative of Kestrel. The issue of the loan notes to MXC and funds managed by Kestrel is therefore considered to be a related party transaction. Andy Parker, being the sole independent director for these purposes considers, having consulted with the Company's nominated adviser, finnCap, that the terms of the related party transaction are fair and reasonable insofar as the shareholders of the Company are concerned.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

IDE Group Holdings Plc
Andy Parker, Executive Chairman

Tel: +44 (0)344 874 1000

finnCap Limited
Nominated Adviser and Broker
Corporate finance: Jonny Franklin-Adams/ Scott Mathieson/ Hannah Boros
ECM: Tim Redfern/ Richard Chambers

Tel: +44 (0)20 7220 0500