

MXC Capital Limited

("MXC" or the "Company")

Lead Adviser / Investor on £51 million IPO of Tax Systems plc

MXC Capital Limited (AIM: MXCP), the technology focused merchant bank, has acted as lead advisor and investor to the AIM flotation of Tax Systems plc (TIDM: TAX). MXC will subscribe for £8.7 million of new shares as cornerstone investor in a £45 million placing, which, combined with £30 million of new debt facilities, will finance the acquisition of Tax Computer Systems Limited ("TCSL") by Eco City Vehicles plc, to be renamed Tax Systems plc (the "Transaction"). TCSL is a leading supplier of corporation tax software to the large corporate sector and the accounting profession in the UK and Ireland.

Highlights

- MXC originated and executed the opportunity and is acting as cornerstone investor in the £45 million equity placing, subscribing for £8.7 million of equity and will own 20% of the enlarged share capital of Tax Systems plc
- TCSL is a leading corporation tax software business with a blue chip customer base
- The Transaction gives TCSL a £73 million enterprise value, payable in cash, representing an EV/ EBITDA multiple of 11x
- Gavin Lyons, partner in MXC, to become Executive Chairman
- Opportunity to invest further in platform and team, accelerate organic growth and seek complementary acquisitions

Peter Rigg, Chairman of MXC said:

"TCSL provides market leading corporation tax software and represents a strong and stable platform from which to drive growth. The transaction is another example of the MXC model at work: identifying the opportunity, advising on and executing the transaction, securing the funding and then adding the operational management experience to drive the strategy."

Further on the Transaction

TCSL has a 25 year track record with revenues of £12.8 million, of which over 90% are recurring, and a 52% EBITDA margin. Its products are used by a large number of the UK and Ireland's leading companies and accountancy practices. Eco City Vehicles plc ("ECV") intends to invest further in TCSL's product portfolio and team in order to drive organic growth whilst seeking opportunities to acquire companies with complementary products and services.

MXC Capital Markets LLP acted as financial adviser to ECV on the Transaction alongside finnCap Limited which is acting as Broker and Nominated Adviser to ECV. MXC is investing £8.7 million out of a total placing of £45.0 million, amounting to 20% of the enlarged share capital of ECV. In addition, MXC has been granted, subject to certain vesting conditions, evergreen warrants over 6% of the enlarged share capital of ECV, some at a price of 61 pence per ECV share, with the majority at a price of 67 pence per ECV share (both prices post proposed capital reorganisation of ECV), with subsequent adjustment to reflect any further equity issues.

The Transaction is conditional upon, inter alia, the passing of resolutions by shareholders of ECV at a general meeting to be held on 25 July 2016, with admission of the enlarged share capital to trading on AIM expected on 26 July 2016.

TCSL reported EBITDA of £6.3 million in the year ended 31 December 2015 and a profit before tax of £7.0 million. As at 31 December 2015, it had net assets of £32.8 million, including cash of £31.0 million.

The Admission Document containing further details of the Transaction can be found on ECV's website: www.ecocityvehicles.co.uk

MXC Capital Limited

Marc Young

+44(0)20 7965 8149

Zeus Capital Limited (Nominated adviser and broker)

Nick How

+44 (0)20 3829 5000

Alma PR

Josh Royston / Hilary Buchanan

+44 (0)7780 901979/+44 (0) 7515 805218

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.