

MXC Capital Limited

("MXC" or the "Company")

Possible Offer for Tax Systems plc

MXC (AIM: MXCP), the technology focused adviser and investor, notes the announcements made by Tax Systems plc ("Tax Systems") and Bowmark Capital LLP ("Bowmark") today with respect to a possible cash offer by Bowmark (the "Possible Offer") for the entire issued and to be issued ordinary shares of £0.01 each in the capital of Tax Systems ("Tax Shares") at a price of 110 pence per Tax Share (the "Possible Offer Price").

MXC has provided an irrevocable undertaking to Bowmark to accept the Possible Offer at the Possible Offer Price in respect of its total shareholding of 20,655,461 Tax Shares, representing approximately 25.59 per cent of the issued share capital of Tax Systems (the "MXC Irrevocable"). The MXC Irrevocable is conditional, *inter alia*, upon the release of an announcement by Bowmark of a firm intention to make an offer at the Possible Offer Price in accordance with Rule 2.7 of the City Code on Takeovers and Mergers (the "Code") (a "Rule 2.7 Announcement") on or before 14 February 2019. The MXC Irrevocable is also conditional on the Possible Offer being recommended by the independent directors of Tax Systems.

The MXC Irrevocable will cease to be enforceable if the above conditions are not met and will also cease to be enforceable: i) if Bowmark announces that it does not intend to make or proceed with the Possible Offer; or ii) the Takeover Panel announces that, or confirms to Tax Systems and Bowmark that, following a request from Bowmark, it has released such party from its obligation to proceed with the Possible Offer.

For the avoidance of doubt, the MXC Irrevocable remains binding even if a competing Rule 2.7 Announcement is made at a price higher than the Possible Offer Price, if Bowmark has made a Rule 2.7 Announcement with respect to an offer which has been recommended by the independent directors of Tax Systems on or before 14 February 2019.

A further announcement will be made in due course, as appropriate.

Market Abuse Regulation (MAR) Disclosure

The 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

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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.