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REG-Mobile Tornado Group Fundraising, Notice of GM and

Released : 03/04/2009

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RNS Number : 0573Q

Mobile Tornado Group PLC

03 April 2009

Mobile Tornado Group plc

("Mobile Tornado" or "the Company")

Fundraising, Notice of General Meeting and Trading Update

The Company is pleased to announce that it has conditionally raised £1.5 million, before expenses, through the subscription of 18,750,000 redeemable convertible cumulative non-voting preference shares of 8p each by InTechnology plc, the Company's principal shareholder.

Since its Admission to AIM in March 2006, the Company has made significant progress in its development. During this time, the Company has significantly enhanced the Group's technology platform and has worked closely with InTechnology, the Company's exclusive UK partner, in order to develop further and commercialise its product offering.

On 28 September 2007, the Company raised net proceeds of £2.2m following the sale of 12,251,333 ordinary shares of 2p each at 7p per share, and the creation of 18,750,000 redeemable convertible cumulative non-voting preference shares of 8p each ("Existing Non-Voting Preference Shares") which were issued to InTechnology.

To continue the development of the Group's technology platform and the commercial roll out of its managed services the Directors believe that it would be appropriate to raise further funds for the Company by amending the rights attaching to the Existing Non-Voting Preference Shares and by creating 25,000,000 additional redeemable convertible cumulative non-voting preference shares of 8p each (the "New Non-Voting Preference Shares") on the same terms. This would provide the Company with both an extension to its existing financing and additional financing. InTechnology has agreed to support the Company by purchasing 18,750,000 of the New Non-Voting Preference Shares (the "Subscription Shares") at a price of 8p per Subscription Share (the "Subscription Price") so that, following the Subscription, the Company will have raised net proceeds of approximately £1.46 million.

In addition to the Subscription Shares, it is proposed that an additional 6,250,000 New Non-Voting Preference Shares be created, but not issued, in order to create flexibility for the Company should it require further equity funding in the future. It is also proposed that the Directors be given authority to allot these additional shares for cash.

Use of Funds

The net proceeds of the Subscription by InTechnology are expected to be approximately £1.46 million. The Directors intend to use these proceeds to continue the roll out of the Company's managed service platform in the UK and other key international markets. At the same time, investment will continue into research and development to ensure that the Company's suite of mobile applications continue to meet the needs of the market.

The Directors have considered the size of the funding required to sustain and to further expand the Group's sales and development activities, the need for sufficient working capital, and the current share price. After careful consideration, the Directors believe that the Proposal is in the best interests of Shareholders as a whole.

Amendments to Non-Voting Preference Shares

InTechnology currently holds 18,750,000 Existing Non-Voting Preference Shares. These shares carry a fixed cumulative annual coupon of 10 per cent. and are redeemable by 31 December 2009. The Company proposes to vary these terms, which will apply to all existing and new redeemable convertible cumulative non-voting preference shares (together, "Non-Voting Preference Shares") as follows:

(a) By extending the redemption date by 12 months from 31 December 2009 to 31 December 2010;

(b) By providing that, if the Non-Voting Preference Shares are not redeemed by 31 December 2010 (as proposed to be amended above), a holder of Non-Voting Preference Shares may, following written notice, require the Company to convert all or some of the Non-Voting Preference Shares held by that shareholder into ordinary shares of 2p each in the capital of the Company ("Ordinary Shares"). Each Non-Voting Preference Share being converted would convert into one fully paid Ordinary Share. Non-Voting Preference Shares not redeemed or converted would continue to be afforded the existing rights under the articles of association of the Company (the "Articles") until such time as they were redeemed or converted.

The Articles currently provide that each Non-Voting Preference Share in issue at 31 December 2010 (as proposed to be amended above) would automatically convert into one fully paid Ordinary Share on that date; and

(c) By providing that the Company shall give notice of a Sale to the holders of Non-Voting Preference Shares, following which such shareholders may elect to convert all or some of the Non-Voting Preference Shares held into Ordinary Shares, or may elect not to convert any Non-Voting Preference Shares. The conversion of Non-Voting Preference Shares pursuant to this proposed Article would take place immediately prior to, and conditional upon, a Sale. Each Non-Voting Preference Share being converted would convert into one fully paid Ordinary Share. A "Sale" is defined as a third party obtaining a controlling interest in the Company (in this case 75 per cent. of the Company's voting shares) or the sale of a material part of the business of a Group Company.

Holders of Non-Voting Preference Shares not converted pursuant to the proposed Article would at any time from the date of the Sale, following written notice, be able to require the Company to convert all or some of the Non-Voting Preference Shares held by that shareholder into Ordinary Shares. Non-Voting Preference Shares not redeemed or converted would continue to be afforded the existing rights under the Articles until such time as they were redeemed or converted.

The Articles currently provide that each Non-Voting Preference Share in issue shall automatically and immediately prior to, and conditional upon, a Sale convert into one fully paid Ordinary Share.

The Subscription

InTechnology has agreed to subscribe for the Subscription Shares at the Subscription Price. The Subscription Shares will be issued on the same terms as the Existing Non-Voting Preference Shares and may be redeemed at the Subscription Price (together with any accrued but unpaid coupon) at the option of the Company. Subject to shareholder approval at the General Meeting, InTechnology will from 31 December 2010 have the right at any time to require the Company to convert all or some of its Non-Voting Preference Shares into Ordinary Shares on the basis of one Ordinary Share for each Non-Voting Preference Share held. In addition, and also subject to shareholder approval at the General Meeting, InTechnology will have the right to convert all or some of its Non-Voting Preference Shares into Ordinary Shares in the event of a Sale. The Subscription Shares will not be admitted to trading on AIM.

The Subscription Agreement has been entered into in respect of the Subscription and is conditional on the Resolutions being passed at the General Meeting on 28 April 2009 or such later date as the parties may agree (being no later than 10 a.m. on 31 May 2009). The Subscription Agreement can be terminated by InTechnology prior to the General Meeting on the occurrence of certain events, including a material adverse change in the financial condition or prospects of the Company.

Additional Shares

It is also proposed that the Directors be authorised to allot 6,250,000 New Non-Voting Preference Shares (the "Additional Shares") in addition to the Subscription Shares. The Company does not have any current intention of allotting the Additional Shares, but their existence will give the Company greater flexibility in terms of fundraising should it require further funds in the future. If passed, the Resolutions will give the Directors authority to allot all or some of the Additional Shares without seeking further Shareholder approval.

The detailed rights attaching to the Additional Shares are identical to those attaching to the Subscription Shares (and the Existing Non-Voting Preference Shares), as set out in the Articles..

Trading Update

Towards the end of 2008 the Company launched the managed service proposition for Push to Talk (PTT) in the UK. This service, which has been developed with InTechnology allows the Company's mobile applications to be sold to enterprises directly at a fixed monthly charge. For every user deployed on the managed service platform, the Company will receive a monthly royalty. The Company is pleased to report that several key vertical markets have been identified as follows - hotels, logistics, health, local authority, emergency services, construction, industrial services and security. The service is being trialled with a significant number of UK enterprises operating in these sectors and the Company expects to be in a position to give a full and positive update on sales progress very shortly.

The Company announced in September 2008 the launch of its own branded phone, the BB3G. This phone is a ruggedised 3G phone, with GPS and the Company's PTT application pre loaded. The phone which is produced by ZTE, one of the leading mobile phone producers in China, has been modified to meet the Company's requirements and has the Company's PTT software embedded in it. The Company received its first order from InTechnology for 10,000 phones and it had been hoped that these would be delivered by the end of 2008. However, InTechnology decided that, following feedback from customers, further software development work should be carried out to incorporate in the phone a 'Push to Alert' function, which would allow the phone to be targeted at the burgeoning lone worker market. The ability for employees to alert a central control unit in the event that they find themselves in difficulty is a key requirement for devices that are targeted at the lone worker market. With this feature on the BB3G, the Directors are confident that the Company is well placed to access another significant market for its mobile applications.

The Company expects to announce its results for the Year ended 31 December 2008 in May 2009.

The General Meeting

A General Meeting of the Company, is to be held at the offices of Hammonds LLP, 2 Park Lane, Leeds LS3 1ES at 10.00 a.m. on 28 April 2009 at which the following Resolutions will be proposed:

Resolution 1

The first resolution is an ordinary resolution and relates to the increase in authorised share capital of the Company necessary to create the New Non-Voting Preference Shares.

Resolution 2

The second resolution is an ordinary resolution which gives the Board of Directors of the Company (the "Board") authority to allot:

- (1) up to 25,000,000 New Non-Voting Preference Shares;
- (2) Ordinary Shares to the holders of Existing Non-Voting Preference Shares and New Non-Voting Preference Shares following the conversion of such shares in accordance with the Articles (as amended by resolution 4); and
- (3) Ordinary Shares to the holders of Existing Non-Voting Preference Shares and New Non-Voting Preference Shares following the conversion of outstanding dividend payments in accordance with the Articles.

This authority will expire on 27 April 2014, and is in addition to the section 80 Companies Act 1985 authority granted to the Company at its Annual General Meeting on 1 May 2008, which shall expire at the next Annual General Meeting of the Company.

Resolution 3

The third resolution is a special resolution and provides the Board with

authority to allot equity securities for cash without first being required to offer such securities to existing shareholders in accordance with statutory pre-emption rights, provided that such authority will be limited to:

- (1) the allotment of up to a maximum of 25,000,000 New Non-Voting Preference Shares;
- (2) the conversion of the Existing Non-Voting Preference Shares and New Non-Voting Preference Shares into a maximum of 43,750,000 Ordinary Shares, in accordance with the Articles; and
- (3) the conversion of outstanding dividend payments to the holders of Existing Non-Voting Preference Shares and New Non-Voting Preference Shares into a maximum of 42,124,300 Ordinary Shares, in accordance with the Articles.

This dis-application of pre-emption rights expires on 27 April 2014 and is in addition to the section 89 Companies Act 1985 authority granted to the Company at its Annual General Meeting on 1 May 2008, which shall expire at the next Annual General Meeting of the Company.

Resolution 4

The fourth resolution is a special resolution and relates to the amendments to the Articles required in order to extend the date of redemption to 31 December 2010 and to amend the conversion rights attaching to the Non-Voting Preference Shares, as further detailed above. All other rights attaching to the Existing Non-Voting Preference Shares and the New Non-Voting Preference Shares will be as set out in Article 5A of the Articles at present.

Recommendation

The Proposal constitutes a related party transaction for the purposes of the AIM Rules. Jeremy Fenn (being the independent director for these purposes (the "Independent Director") having been so advised by Blue Oar Securities, the Company's nominated adviser, considers that the terms of the Subscription Agreement are fair and reasonable insofar as shareholders are concerned.

In providing advice to the Independent Director, Blue Oar Securities has taken into account the Directors' commercial assessments.

The Independent Director recommends, for the reasons set out above, that shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as he intends to do in respect of his own shareholding of 7,670,396 Ordinary Shares representing approximately 4.1 per cent. of the issued voting share capital of the Company as at the date of this document.

For further details please contact:

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