

27 September 2018

**Mobile Tornado Group plc**  
("Mobile Tornado", the "Company" or the "Group")

### **Revolving loan facility with InTechnology**

Mobile Tornado (AIM: MBT), the leading provider of instant communication mobile applications to the enterprise market, announces that the Company has on 26 September 2018 entered into a Revolving Loan Facility agreement (the "**Facility Agreement**") with InTechnology Plc ("**InTechnology**").

Pursuant to the Facility Agreement, which is for a period of two years from today's date, InTechnology has made available to the Company a revolving loan facility of up to a maximum principal amount of £300,000. Any new amounts drawn down by the Company pursuant to the Facility Agreement will be subject to a 2% facility fee and will bear interest at a rate of 10% per annum. The Facility Agreement allows for monies to be drawn down, repaid and redrawn again in any manner and any number of times by the Company until the agreement expires, however, any monies repaid and subsequently redrawn will not incur a further facility fee. At the expiration date of the Facility Agreement, all monies shall be repayable by the Company to InTechnology together with any facility fee and accrued interest thereon.

The additional capital will specifically support the financing of the Company's sales pipeline under the Capex Model where the Company is required to fund the hardware prior to placement with the end customer. The Directors anticipate that the Group's improving financial position should open up wider sources of working capital from the debt markets. The Board is now engaged with traditional commercial lenders to partner with the Group in funding its increasing pipeline under the Capex Model.

The Company has historically received short-term loan funding, primarily from InTechnology but also, on a limited number of occasions, from certain directors of the Company, to support the Company's working capital position. In total, the Company has received approximately £6.2 million of short-term loans since 2010. The Company has historically either repaid these loans, or they have been capitalised through the issue of ordinary shares or preference shares. The full details of the historic loans from InTechnology are contained in the relevant related party note in the Company's report and accounts.

The Company's current indebtedness to InTechnology is £9.0 million, consisting of: £5.7 million of redeemable preference shares; £0.6 million of accrued preference share coupon and interest; £2.1 million of short-term borrowings; and a current account, representing primarily rent and service fees due to InTechnology, of £0.6 million. The Preference Shares have a redemption date of 31 December 2020. The Company does not currently have any outstanding short-term loans from Directors of the Company. Any future loans from InTechnology will be provided pursuant to the Facility Agreement.

As InTechnology is a substantial shareholder in the Company (as defined in the AIM Rules for Companies ("AIM Rules")), the Facility Agreement constitutes a related party transaction under Rule 13 of the AIM Rules. The independent directors of the Company (excluding Mr Wilkinson), having

consulted with the Company's nominated adviser, Allenby Capital Limited, consider the terms of the Facility Agreement to be fair and reasonable insofar as the Company's shareholders are concerned.

**Enquiries:**

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