

## RegTech OPEN PROJECT

### FINANCIAL AND BUSINESS UPDATES

#### [REGTECH OPEN PROJECT PLC](#)

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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION 2014/596/EU WHICH IS PART OF DOMESTIC LAW IN THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND ("UK") PURSUANT TO THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS (SI 2019/310) ("UK MAR").**

6 December 2023

# RegTech OPEN PROJECT

## RegTech Open Project plc

("RTOP" or the "Company" and, together with its subsidiaries and subsidiary undertakings from time to time, as the context requires, the "Group")

### Change of Company Secretary and Compliance Officer

#### Financial and Business Updates

RegTech Open Project plc (LSE: RTOP), the technology business specialised in the automation, management, and optimisation of regulatory compliance operations provides the following operational and business updates.

#### Change of Company Secretary and Compliance Officer

Following the commencement of Paul McFadden's employment as Chief Financial Officer of the Company (as previously notified to the market on 7 September 2023), the board of directors of RTOP (the "Board"; the "Directors") has approved his appointment as Company Secretary with effect from 12 December 2023, succeeding OHS Secretaries Limited.

Mr. McFadden has separately been appointed by the Board as RTOP's Compliance Officer with effect from 12 December 2023, succeeding Ian Halliday-Pegg.

#### Financial update

Since completion of Company's direct listing on 25 August 2023, the Company has served drawdown notices for a total of £3,500,000 (comprising £2,000,000 drawdown by 1 September 2023, £500,000 by 30 September 2023 and, since 1 October 2023, two tranches of £500,000 each) under the English law governed fixed term unsecured working capital loan agreement, and made between the Company and RegTech Open Project S.p.A. (a corporate entity ultimately beneficially wholly-owned by Alessandro Zamboni) ("RegTech Italy"), dated 21 August 2023 (the "Shareholder Loan Agreement"), of which:

- £1,046,000 in funds have been received (£437,000 in funds being received prior to 29 September 2023) by the Company, accruing non-compounding interest rate of 10% per annum (calculated on a 360-day basis) due to RegTech Italy; and
- £2,454,000 remains to be advanced by RegTech and is accruing compounding interest rate of 15% per annum, pursuant to an English law governed side letter agreement entered into between the Company and RegTech Italy, on 28 September 2023 (the "Side Letter Agreement").

The Company has to date agreed with RegTech Italy to set-off approximately £612,500 in payables of the Company on a £-for-£ basis to be settled by RegTech Italy, and the Company has today entered into an amendment to the Shareholder Loan Agreement with RegTech Italy (the "SLA Deed of Amendment"), whereby the Company and RegTech Italy have agreed to:

- increase the maximum amount of such payables that may be set-off on a £-for-£ basis from "up to £2,000,000" to "up to £3,600,000", thereby increasing the maximum amount of the loan made available by

RegTech Italy to the Company by way of the Shareholder Loan Agreement from "up to £8,000,000" to "up to £9,600,000"; and

- to extend the period during which such set-off may be made from a long-stop date "ending on 31 March 2024" to "ending on 31 December 2024".

As at the date of this announcement, the Company has identified up to £2,952,000 in potential payables which it may elect to set-off to be settled by RegTech Italy by 31 December 2024 (which, together with the approximately £612,500 in payables already set-off, would equate to up to £3,564,500 in aggregate, which will provide the Company with up to £35,500 in remaining headroom to set-off payables under the Shareholder Loan Agreement). Amounts set-off attract a non-compounding interest rate of 5% per annum (calculated on a 360-day basis) due to RegTech Italy.

In connection with the discussions held between Alessandro Zamboni and the other Directors ("**Independent Directors**"), Mr. Zamboni has acknowledged the amounts currently outstanding under the Shareholder Loan Agreement, and has made representations to the Company that RegTech Italy will be in a position to fulfil its payment obligations in full, and specifically that £1,400,000 will be paid to the Company by 31 December 2023. The Independent Directors did not deem it necessary to further amend the Shareholder Loan Agreement to re-align RegTech Italy's payment obligations in accordance with the representations made by Mr. Zamboni, given the amounts outstanding are already accruing compounding interest rate of 15% per annum under the Side Letter Agreement. No other amendments have been made to the terms of the Shareholder Loan Agreement pursuant to the terms of the SLA Deed of Amendment.

The entry by the Company and RegTech into the SLA Deed of Amendment constitutes a material change to the terms of the Shareholder Loan Agreement and therefore, the Independent Directors (which excludes Alessandro Zamboni, who constitutes a "related party" (as such term is defined in International Financial Reporting Standards as adopted in the UK)) have complied separately with the material related party transaction requirements under DTR 7.3. Accordingly, the Independent Directors approved the SLA Deed of Amendment, and such Independent Directors consider such material related party transaction in respect of the SLA Deed of Amendment to be fair and reasonable from the perspective of the Company and holders of ordinary shares of nominal value £0.20 each in the capital of the Company ("**Ordinary Shares**") who are not a related party.

Pursuant to the Side Letter Agreement, the Board retains the option, on three business days' notice, to transfer the 2,250,000 existing warrants (each exercisable into one new Ordinary Share at an exercise price of £0.20, or a cashless exercise basis) held by RegTech Italy to the Company or a third party designated by the Board (independent of Alessandro Zamboni), and any net proceeds realised shall reduce the outstanding principal under the Shareholder Loan Agreement.

As explained in the Company's announcement of 29 September 2023 (RNS Number: 08800), the Board continues to review and monitor the cashflow and working capital requirements of the Group on a prudent basis and acknowledge that amount of funding drawn and outstanding under the Shareholder Loan Agreement is required in relation thereto. The Board is continuing to work on mitigation of any risks relating to delays in receipt of the amount of funding drawn and outstanding under the Shareholder Loan Agreement. The Board is actively exploring alternative financing options for RTOP to mitigate the potential impact on the Group's working capital position that may arise from further delays in receipt of the amount of funding drawn and outstanding under the Shareholder Loan Agreement.

## **Business update**

### ***UK prospects:***

Prior to launching UK marketing in 2024, RTOP has engaged with a number of prospective UK clients and reached an advanced stage with one in the Information Communications and Technology ("**ICT**") industry - targeting a contract win of our first UK customer. The traction the Company has received in initial meetings with prospective UK clients demonstrates the market fit of the Orbit Open Platform to help organisations with the challenge of going beyond risk management and business continuity, to develop resilient operations.

### ***Market developments:***

RTOP has been working closely with ABI Lab (European Commission-funded banking consortium) and the Big-Four consultants to develop a comprehensive Business Resilience Framework ("**BRF**"). RTOP's team has been responsible for providing expert input into the BRF and creating a quick-start reference tool. The full BRF is supported inside the Orbit Open Platform, thereby, in RTOP's view, positioning the Orbit Open Platform as the leading solution for operational resilience in banking Europe-wide.

RTOP continues to see significant momentum and enquiries driven by Digital Operational Resilience Act (EU 2022/2554) ("**DORA**") across Europe, the UK and also for US financial services entities with operations in Europe, or ICT companies supplying services to European financial services entities. RTOP has been working closely with customers and major consultancies to ensure its clients can meet their obligations under DORA using the Orbit Open Platform - both refining methods and supporting functionality, and at the same time, reinforcing RTOP's position as the leading solution for operational resilience under DORA.

### ***Partnerships:***

RTOP has been showcasing its uniquely powerful, tight integration with Everbridge Europe Limited ("**Everbridge**") for both Emergency Mass Notification, and for Risk Intelligence, through their Virtual Command Centre. Together, RTOP and Everbridge have been providing unparalleled capabilities for dynamic management of crisis and recovery situations, and have jointly hosted events in Italy, with presentations from BPER, Unicredit and NEXI, and are expanding our collaboration across Europe and into the UK, to further showcase this solution to the large Everbridge customer base and new prospective clients.

Whilst RTOP continues to work with Big-Four consultancies to provide client solutions, in the UK the Company is expanding its services through collaboration with Cyber Risk Management Group (CRMG), a leading provider of cyber risk assessment, cyber resilience and third-party risk management services. This ability to support UK clients with methodology, onboarding and managed services provides a complete service for operational resilience, backed-up by a highly reputable, local services firm.

### ***Competitive developments:***

Further proving the importance of our proposition: the need for a specialised and comprehensive operational resilience solution, RTOP has in the last three months added a number of prospects to our pipeline that have been attempting to use operational resilience offerings (in particular, one of the most prevalent information technology service management tools, and well-known governance, risk and compliance platform) but have failed to achieve a successful implementation. These prospective clients have subsequently approached RTOP to evaluate Orbit Open Platform as a leading dedicated solution. One of these is in advanced stages of discussions.

For the purposes of UK MAR, the person responsible for arranging release of this announcement on behalf of RTOP is Ian Halliday-Pegg, Chief Executive Officer.

**Enquiries:**

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