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RegTech
OPEN PROJECT

FINANCIAL AND FUNDING UPDATE

[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").

4 January 2024

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")

Financial and Funding Update

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

Summary

- As at 31 December 2023 the Company had received £1,046,000 in funds from RegTech Open Project S.p.A. (a corporate entity ultimately beneficially wholly-owned by Alessandro Zamboni) ("**RegTech Italy**") under the English law governed fixed term unsecured working capital loan agreement made between the Company and RegTech Italy, dated 21 August 2023 (the "**Shareholder Loan Agreement**"). At the date of the announcement, the Company has served drawdown notices for a total of £4,000,000; of that amount, £2,954,000 remains to be advanced by RegTech Italy.
- On 3 January 2024 the Company received bank confirmations of payments of £100,000 from The AvantGarde Group S.p.A. (an entity ultimately beneficially wholly-owned and controlled by Mr Alessandro Zamboni) ("**TAG**") on behalf of RegTech Italy following additional funding arrangements put in place by TAG with a third-party provider. Mr Zamboni, on behalf of RegTech Italy, furthermore confirmed to the Directors that RegTech Italy would continue to make payments to the Company ultimately to fulfil its obligations under the Shareholder Loan Agreement.
- The Company announced on 6 December 2023 that it had identified £3,564,500 of payables to transfer to RegTech Italy for set-off on a £-for-£ basis under the Shareholder Loan Agreement. The Company is actively working with RegTech Italy to complete the set-off process.

Further details of each of these are set out below.

Financial and funding update

The Company provides an update on the status of its funding.

Since completion of the Company's direct listing on 25 August 2023, the Company has served drawdown notices for a total of £4,000,000 (comprising £2,000,000 drawdown by 1 September 2023, £500,000 by 30 September 2023 and, since 1 October 2023, three tranches of £500,000 each) under 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
- £2,954,000 remains to be advanced by RegTech Italy and is accruing compounding interest at a rate of 15% per annum (calculated on a 360-day basis) payable to the Company, 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**").

- On 6 December 2023 the Company announced that Mr. Zamboni on behalf of RegTech Italy had acknowledged the amounts currently outstanding under the Shareholder Loan Agreement and had made representations to the Company that RegTech Italy would be in a position to fulfil its payment obligations in full, and specifically that £1,400,000 would be paid to the Company by 31 December 2023. However, as at 31 December 2023 no additional funding had been received. On 3 January 2024 RTOP received bank confirmations of payments of £100,000 from TAG on behalf of RegTech Italy following additional funding arrangements put in place by TAG with a third-party provider. Furthermore, Mr. Zamboni on behalf of RegTech Italy confirmed to the Directors that RegTech Italy would continue to make payments to the Company ultimately to fulfil its obligations under the Shareholder Loan Agreement.

The Board continues to review and monitor the cashflow and working capital requirements of the Group on a prudent basis and is continuing to work on the mitigation of risks relating to delays in receipt of the outstanding sums under the Shareholder Loan Agreement. The Board continues to actively explore alternative financing options for RTOP should there be continued delays in receipt of outstanding principal under the Shareholder Loan Agreement.

The Directors have reviewed the current status of interest payable on funds received under the Shareholder Loan Agreement which accrues at 10% against interest receivable against funds requested under the Shareholder Loan Agreement which have not been received which accrues at a rate of 15%. Based on the amounts drawn and outstanding, there is a net interest receivable of approximately £100,000 as at 31 December 2023 which will be deductible against the current principal loan amounts received as at 31 December 2023.

As announced on 6 December 2023, the Company has identified £3,564,500 of payables to transfer to RegTech Italy for set-off on a £-for-£ basis 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. The Company is actively working with RegTech Italy to complete the set-off process.

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.

- Ends -

Enquiries:

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