

THE INFORMATION CONTAINED WITHIN THIS ANNOUNCEMENT IS DEEMED BY THE COMPANY TO CONSTITUTE INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION (EU) NO. 596/2014, AS AMENDED WHICH, BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, FORMS PART OF UK LAW. ON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE ("RIS"), THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

RC365 Holding plc
("RC365", the "Company" or the "Group")
Entry into £3,000,000 Convertible Loan Note Instrument

RC365 Holding plc (LSE: RCGH), an established payment solutions and fintech company (the "Company"), announces that it has entered into a convertible loan note instrument (the "CLN Instrument") with VBG Consulting Holdings Limited (the "Lender"), constituting £3,000,000 unsecured convertible loan notes (the "Loan Notes").

The CLN Instrument has been executed by the Company as a deed poll. The Loan Notes have not yet been issued.

Conditionality and Funding Commitment

The Lender's obligation to subscribe for the Loan Notes is subject to a condition precedent, being approval by the UK Financial Conduct Authority ("FCA") of a prospectus relating to the Loan Notes. Upon satisfaction of this condition, the Lender will be obligated to subscribe for the full £3,000,000 principal amount in accordance with the terms of the CLN Instrument.

Key Terms of the Convertible Loan Notes

The principal terms of the CLN Instrument are summarised below, as set out in the fully executed document:

The principal terms of the CLN Instrument are summarised below:

- **Principal Amount**
£3,000,000 unsecured convertible loan notes.
- **Maturity**
Three (3) years from the date of issuance of the Loan Notes.
- **Interest and Fees**
 - 12% rolled-up coupon accruing from issuance, payable on maturity or conversion
 - 6% facility fee payable in cash
 - 6% warrants to the Lender on the same terms as the A share purchase warrants
 - Lender's legal fees and expenses
 - The facility fee, together with interest, is payable on maturity or conversion in accordance with the terms of the CLN Instrument.
- **Conversion**

The Lender may convert outstanding principal, together with accrued interest and, if elected, the facility fee, into ordinary shares of the Company at any time up to the Maturity Date, subject to necessary legal and regulatory approvals.

- Conversion price: 1 penny per ordinary share
- Each conversion share will be issued with:
 - one A share purchase warrant (exercise price equal to 100% of the conversion price, each with a six-month term), and
 - one B share purchase warrant (exercise price equal to 125% of the conversion price, each with a twelve-month term)

- **Takeover Code Protection**

Conversion is restricted such that no Noteholder (together with any persons acting in concert with it) may become interested in 30 per cent. or more of the Company's voting rights following conversion, unless (i) a waiver of the obligation to make a mandatory offer under Rule 9 of the Takeover Code has been granted by the Panel on Takeovers and Mergers and approved by independent shareholders, or (ii) such conversion would not give rise to an obligation to make a mandatory offer under Rule 9 of the Takeover Code.

- **Security**

The Loan Notes are unsecured.

- **Use of Proceeds**

The proceeds, if and when drawn, are expected to be used to support the Company's working capital requirements and corporate growth initiatives.

- **Condition Precedent**

The Lender's obligation to subscribe for the Loan Notes arises only upon FCA approval of the relevant prospectus. Prior to fulfilment of this condition precedent, the Loan Notes remain authorised but unissued.

Commentary

Chi Kit Law, Chief Executive Officer of RC365, commented:

"The execution of today's Convertible Loan Note Instrument represents a significant step forward in securing committed financing for RC365. Once the FCA approves the prospectus, the Company will be able to issue the Loan Notes and strengthen its balance sheet in support of our planned growth strategy. We appreciate the continued support from VBG Consulting Holdings Limited."

The Directors of the Company accept responsibility for the contents of this announcement. To the best of their knowledge, the information contained in this announcement is in accordance with the facts and does not omit anything likely to affect its import.

-Ends-

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About RC365 Holding plc

RC365 Holding plc (LSE: RCGH) is an established payment solutions and fintech company. It operates primarily in East and Southeast Asia through its core subsidiaries of Regal Crown Technology and the recently acquired HC Capital.

For over 10 years, the Company has delivered efficient and secure payment gateway solutions and IT support and development services for payment and financial systems, including ERP solutions. In 2021, it commenced providing digital remittance and payment services, which expanded to include foreign exchange and asset linked credit card solutions. These services are provided to multinational merchants, SMEs and individuals. RC365 intends to expand into the virtual banking market and geographically, including in the UK and wider Europe.

For more information, visit: <https://www.rc365plc.com>