

RC365 Holding plc
("RC365", the "Group" or the "Company")

Soft Launch of Virtual Card Capability

RC365 Holding plc (LSE: RCGH), a payment solutions and fintech company, announces that the Group has commenced a soft launch of its virtual card capability to a limited number of users.

The Group has historically offered physical payment cards. As electronic payment usage continues to develop, the virtual card is being introduced as an additional option alongside the Group's existing physical card offering. The current soft launch is limited to several users and does not represent a full commercial rollout or general availability to customers.

The Group believes that, for use cases where a virtual card can be used instead of a physical card, the capability has the potential to reduce certain card ordering and issuance costs. These may include costs associated with physical card materials and production, personalisation, packaging, fulfilment and delivery, inventory management, and replacement or re-issuance. The extent of any savings will depend on user adoption, the number of physical cards avoided, the Group's existing cost base and any costs associated with operating the virtual card capability. No net cost savings have yet been quantified, and there can be no assurance that the capability will result in material savings or a positive financial impact.

The Group also considers that reducing the number of physical cards ordered and distributed could help reduce the associated use of card materials and packaging, as well as waste from physical cards that may otherwise need to be replaced or disposed of. Any environmental benefit would depend on the number of physical cards actually avoided and the overall resources required to operate the digital service. The Group has not conducted or completed a quantified environmental or lifecycle assessment and is not making a quantified claim as to emissions reduction or the net environmental impact of the capability.

From an investor perspective, the soft launch is intended to test whether the virtual card capability can support a more scalable and potentially more capital-light payment model alongside the Group's physical card offering. If adopted more broadly, the capability could potentially improve the speed of card issuance, reduce reliance on physical fulfilment infrastructure and simplify certain replacement or re-issuance processes. It may also provide the Group with operational data on user adoption, transaction activity, customer experience, fraud controls and service costs. At this stage, these are potential value drivers for evaluation only and should not be interpreted as guidance on future revenue, margins, cash flow, customer numbers or earnings.

The soft-launch phase will allow the Group to assess user feedback, operational performance, the potential cost implications, environmental considerations and the indicators relevant to any wider rollout. These indicators may include user activation and retention, transaction volumes, physical cards avoided, fulfilment cost per user, virtual-card operating cost per user, payment success rates, fraud and chargeback performance, customer support requirements and regulatory or compliance findings. Any broader rollout will be subject to the results of this phase, applicable regulatory and compliance requirements, and any necessary operational approvals. The timing and scope of any wider rollout have not yet been determined.

Chief Executive Officer's Commentary

Chi Kit (Michael) Law, Executive Director and Chief Executive Officer of RC365, commented:

"We are pleased to commence the soft launch of our virtual card capability to a limited number of users. Alongside giving users an additional digital payment option, the Group will assess whether the capability can reduce reliance on physical card issuance, its associated costs and material use, while providing the operational data needed to evaluate any broader rollout."

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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>