

4 March 2024

**RC365 Holding Plc**

**("RC365" or the "Company")**

**Issue of Convertible Loan Note**

RC365 Holding Plc ("**RC365**"), a company focusing on payment gateway solutions and IT support, is pleased to announce that it has entered into an unsecured Convertible Loan Note ("**CLN**") with Mill End Capital Limited (the "**Lender**") for up to £4 million. The net proceeds of the unsecured loan will be used for the continuing development of the Company's existing operations with particular focus on expanding operations in Malaysia, Japan and the UK.

The First Tranche of the CLN comprises £600,000, the Second Tranche of the CLN comprises a further £1.4 million, which can be drawn at RC365's election and subject to shareholder approval by 30 April 2024, and any Further Tranche shall be at the written request of RC365 and discretion of the Lender, provided that the aggregate amount issued pursuant to this CLN shall not exceed £4 million.

The resulting number of Ordinary Shares to be issued shall be calculated at a price per Ordinary Share ("**Conversion Price**") equal to 80% of the lowest closing volume-weighted average price ("**VWAP**") of an Ordinary Share over five trading days ending prior to the date of service of the Conversion Notice.

Other key terms of the CLN:

- The CLN shall not bear interest and no interest shall be payable to the Noteholder in respect of them;
- The Ordinary Shares arising on conversion of the Notes shall be credited as fully paid and rank pari passu with Ordinary Shares of the same class in issue on the date of their issue and shall carry the right to receive all dividends and other distributions declared after such date;
- The Company may at any time on ten Business Days' prior, and with written notice to the Noteholder, redeem all (but not part) of the CLN then outstanding by paying to the Noteholder in immediately available cleared funds an amount equal to 120% of the Notes then outstanding;
- The CLN in issue shall be immediately redeemed if the Company fail to publish and, where applicable, file in accordance with applicable law and regulation any audited annual report and accounts or interim financial statement;
- The Company shall promptly convene a general meeting, at which the Directors will put to the shareholders of the Company resolutions, to authorise the Directors to allot and issue Ordinary Shares and to dis-apply statutory pre-emption provisions so that the Directors are authorised to allot at least (in aggregate) 30,000,000 Ordinary Shares (or the equivalent amount of nominal capital in the event of a share capital reorganisation of any kind) for cash other than on a pre-emption basis.
- The Company will maintain sufficient share capital and shareholder authority to permit the directors of the Company to issue all Ordinary Shares arising pursuant to the terms of this CLN. Furthermore, if and to the extent at any time the Company has insufficient headroom to issue all Ordinary Shares arising pursuant to the terms of this CLN without the publication of a prospectus approved by the FCA, the Company shall promptly prepare and have approved by the FCA a duly-prepared prospectus relating to the issue and Admission of such Ordinary Shares.

**Authority to issue Ordinary Shares**

As per the announcement made on 12 September 2023, the Company has authority to issue and allot up to 6,276,730 Ordinary Shares free of statutory pre-emption rights. The Company intends to provide notice of a General Meeting to empower the Directors to allot equity securities (within the meaning of section 560 of the Act) for cash.

**Chi Kit Law (Michael), Executive Director and Chief Executive Officer, said:**

"We are delighted to have entered into this Convertible Loan Note agreement which enables us to drive the Company forward and continue expanding our operations in Malaysia, Japan and the UK."

For further information please contact:

**RC365 Holding plc**

Chi Kit LAW, Chief Executive Officer

T: +852 2251 1621  
E: ir@rc365plc.com

**Guild Financial Advisorv Limited - Financial Adviser**

Ross Andrews

T: +44 (0)7973 839767  
E: ross.andrews@guildfin.co.uk

Evangeline Klaassen

T: +44 (0)7972 841276  
E: evangeline.klaassen@guild.co.uk

**Optiva Securities Limited - Deal Intermediary**

James Holloway, Head of Broking & Trading

T: +44 (20) 3981 4183  
E: james.holloway@optivasecurities.com

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