12 December 2023

Doctor Care Anywhere Group signs £10.6m Convertible Note Financing

Doctor Care Anywhere Group PLC (ASX:DOC, "Doctor Care Anywhere" or "the Company") is pleased to advise that it will repay its December 2022 senior loan facility with AXA PPP Healthcare Group Limited ("AXA Health") from the funds raised under an offer of convertible notes (**Convertible Notes**) to raise £10.6m (**Convertible Note Financing**), subject to shareholder approval.

Deal summary:

- Convertible notes due 31 December 2027, with no repayment of principal required until maturity.
- Conversion price of £0.0459[1] (A$0.0875), a premium of 94% to the closing price on 11 December 2023.
- Zero coupon and no interim repayments enable the Company to focus its cash resources to grow the business.
- Funds will be used to repay the £10m loan facility with AXA Health ("AXA Loan").
- AXA Health to participate in Convertible Notes.
- Shareholder meeting scheduled for 4 January 2024.

The Convertible Notes are convertible by the holder at A$0.0875 per CDI, being a 94% premium to the closing price of the Company's CDIs on 11 December 2023, being the last trading date of the CDIs prior to this announcement.

Convertible Note Agreements

DOC has entered into Convertible Note Agreements with AXA Health, and Axia Investments Limited ("Axia")[1], a private client fund, and other investors, for a total of £10.6m (A$20.3m[2]) of committed capital. The Company will use the proceeds from the Convertible Note Financing to strengthen its balance sheet by repayment in full of its £10m December 2022 senior loan from AXA Health, which was due to begin repayment in November 2023.

The issue of the Convertible Notes exceeds the Company's 15% placement capacity and is therefore subject to shareholder approval under ASX Listing Rule 7.1. The Company intends to convene a shareholder meeting on 4 January 2024 to seek shareholder approval of the Convertible Notes and will dispatch the notice of meeting shortly.

John Stier, Chairman of Doctor Care Anywhere, commented, *"The opportunity for growth in digital health services in the UK market is exciting. We are very pleased that AXA Health and our new investors are aligned with our strategic vision and are supporting the Company's growth. Continued participation by AXA Health evidences the strength and depth of our relationship. We are grateful for the continued confidence and support of our largest securityholders.*

Ben Kent, interim Chief Executive Officer, commented, *"the Convertible Note Financing will support our medium-term growth by allowing us to re-invest our cash resources into the business and capitalise on the very substantial opportunity in front of the Company*."

[1] AXA Health and Axia are unrelated parties.
[2] £ conversion price set based on exchange rate of £0.524595 per A$1 as of 8 December 2023, 17:00 UK.

Key Terms of Convertible Notes

The key components of the Convertible Note Financing are as follows:

- £10.6m committed financing in the form of unsecured Convertible Notes which have a face value of £1 per Convertible Note.
- The Convertible Notes must be repaid in full on 31 December 2027.
- The Convertible Notes bear no interest and may be converted into CDIs by the Convertible Noteholders at any time (provided more than 60 days have passed since the holder's previous conversion) at an issue price of £0.0459 (equivalent to A$0.0875, based on exchange rate of 8 December 2023[3], being a premium of 94% to the closing price of the Company's CDIs on the ASX of A$0.045 on 11 December).
- AXA Health has subscribed for £5.4m in Convertible Notes.
- Additional investors including Axia have subscribed for £5.2m in Convertible Notes
- DOC may redeem all outstanding Convertible Notes in full on or after 1 January 2026 by repaying the outstanding principal.
- The Convertible Notes have market standard events of default including (but not limited to) an unremedied breach of the terms of the Convertible Notes by the Company or if an insolvency event occurs in relation to the Company. On an event of default, the Convertible Noteholders may declare the Convertible Notes immediately redeemable or the Convertible Noteholder may require its Convertible Notes to be converted.
- The material terms of the Convertible Notes are set out in the Schedule 1 of the Notice of General Meeting released by the Company on the ASX or on around the date of this announcement.

Indicative timetable for the Convertible Note Financing

Action	Indicative Date
Announce Convertible Note Financing	Tuesday, 12 December 2023
Dispatch of Notice of General Meeting completed	Wednesday, 13 December 2023
Meeting to approve Convertible Note Financing	Thursday, 4 January 2024
Settlement of Convertible Note Financing	Friday, 5 January 2024
Issue Convertible Notes under Convertible Note Financing	Monday, 8 January 2024

Dates and times in this ASX announcement are indicative only and subject to change. All times and dates refer to Sydney time. The Company reserves the right, subject to the ASX Listing Rules and other applicable laws, to vary the dates of the Convertible Note Financing without prior notice, or to withdraw the Convertible Note Financing without prior notice.

[3] £0.524595 per A$1 as of 8 December 2023, 17:00 UK.

Business and Guidance Update

The Company is pleased to report that, based on its unaudited management accounts, in October and November 2023 it met its guidance on achievement of margin targets and, as at the date of this announcement, is on track to meet its guidance on achieving positive EBITDA in Q1 2024. This guidance was originally announced by the Company on 28 February 2023, in its Preliminary Announcement of Full Year 2022 Results, is summarised below, and is subject to the assumptions and dependencies accompanying that guidance:

Metric	Guidance
Gross margin of 50-55%	Achieved in October and November 2023 (1)
Contribution margin of 35-40%	Achieved in October and November 2023 (1)
EBITDA positive	To be achieved in 1Q24

(1) based on unaudited management accounts; December margins will be slightly lower due to the UK holiday period.

On 30 November the Company's cash balance was approximately £5.4m.

The Company reported in its Q3FY23 Quarterly Report released on the ASX on 19 October 2023 that it had agreed in principle with AXA Health to (amongst other things) remove their mutual exclusivity obligations and to wind up the joint venture arrangements. The Company is working through the detailed changes to the relevant contracts with AXA Health and expects to conclude the legal steps, including all relevant approval processes, by the end of Q1 2024.

- ENDS -

This ASX announcement has been authorised for release by the Board of Directors.

About Doctor Care Anywhere:

Doctor Care Anywhere Group PLC is one of the UK's largest private providers of telehealth services. The Company works with insurers, healthcare providers and corporate customers to connect patients to a range of digitally enabled telehealth services on its proprietary platform. It is committed to delivering the best possible patient experience and clinical care through digitally enabled, joined up, evidence-based pathways on its proprietary platform.