

# Funding Agreement with AXA Health UK

13 December 2022

## Overview

- DOC secures £10 million loan from AXA
- Variation of AXA Agreements
- Full settlement of historic service level credits arising from platform issues

Doctor Care Anywhere Group PLC (ASX:DOC, "Doctor Care Anywhere" or "the Company") today announces that its subsidiary, Doctor Care Anywhere Limited ("DCA Limited"), has entered into a four-year secured and guaranteed loan agreement with AXA PPP Healthcare Group Limited ("AXA") to borrow up to £10,000,000 in 3 tranches ("Loan"). The Loan will be used by the Company for general working capital purposes in accordance with the terms of the Loan. An overview of the key terms of the Loan is set out in the Attachment.

Chairman Richard Dammery said: *"AXA is Doctor Care Anywhere's major partner and its primary source of revenue, and has provided DCA with strong support over time. Today's announcement is further evidence of its belief in the Doctor Care Anywhere service as an important benefit to its members. The agreements announced today obviously increase DCA's dependence on AXA, and enhance AXA's rights in relation to the Company, but they also ensure that the Company can continue to develop innovative healthcare pathways into 2023 and beyond"*.

Chief Executive of AXA Health UK, Tracy Garrad said: *"Our partnership with Doctor Care Anywhere provides a much valued offering to our members, so providing financial support to DCA was imperative to ensure continuity of service to AXA's clients"*.

## Amendment to AXA Joint Venture Agreement

Under the terms of their Joint Venture Agreement ("JVA"), AXA and the Company undertook to each other, and agreed to procure that their affiliates will not, for so long as they are a party to the JVA, be concerned with, engaged or interested in any business that is in competition with the joint venture in the UK or Republic of Ireland. Doctor Care Anywhere and AXA have now agreed to vary certain terms of their agreements to permit AXA to enter into discussions with alternative service providers for the purposes of AXA's own business continuity planning. AXA shall not be entitled to appoint an alternative service provider to Doctor Care Anywhere, or make a similar proposition available to its customers, unless the relevant restrictive covenants otherwise cease to apply to AXA in accordance with the existing terms of the JVA and related agreements. This includes as a result of various specified events of default.

## **Settlement of historic service level credits with AXA arising from platform issues**

In the Company's Market Update of 23 August 2022, DOC indicated that AXA has contractual rights to receive service credits when the group's performance fails to meet agreed service levels. At that time, AXA had agreed not to enforce these service credits immediately, with the Company to direct the funds towards platform stability initiatives and other IT integration projects, to the mutual benefit of AXA and the Company. DOC and AXA have now agreed that £750,000 will be payable by DOC in full settlement of all known historic service level credits due to date under the MSA. Payment by the Company will be deferred to the end of the Loan term.

### **Further update**

An update on the Company's operating performance will be provided at the time of its preliminary full-year results announcement, anticipated to be at the end of February 2023.

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

**ATTACHMENT: OVERVIEW OF KEY TERMS OF AXA LOAN**

<b>Lender:</b>	AXA PPP Healthcare Group Limited
<b>Borrower:</b>	Doctor Care Anywhere Limited (" <b>DCA Limited</b> "), a wholly owned subsidiary of Doctor Care Anywhere Group PLC (" <b>DOC</b> ")
<b>Amount:</b>	£10 million
<b>Commencement Date:</b>	12 December 2022
<b>Term:</b>	4 years
<b>Maturity Date:</b>	30 November 2026
<b>Purpose:</b>	Working capital requirements of DOC and its subsidiaries ( <b>the "Group"</b> ).
<b>Interest:</b>	<p>Accruing quarterly, but all interest shall be paid in full on the Maturity Date. If the borrower obtains debt finance from a third party at a yield (i.e. fees, commission, interest rate and interest rate floor) that is higher than the rate payable to AXA, the interest rate on the Loan shall rise to match the yield paid to such third party.</p> <p>Assuming Tranches 1, 2 and 3 are drawn down at the earliest opportunity, the total Interest payable in the form of a one-off payment in Dec 2026 is c.£1.1m.</p>
<b>Drawdown:</b>	<p>The Loan is available in three tranches. Tranche 1 of £5m is available for 3 months from the initial entry into the loan, Tranche 2 of £2.5m is available for 3 months from 1 March 2023 and Tranche 3 of £2.5m is available for 3 months from 1 June 2023, in each case provided certain conditions precedent are met.</p> <p>Tranche 1 can be drawn upon the provision of certain specified documents and information to AXA.</p> <p>Tranche 2 can be drawn upon provision to AXA of IT Development Plans, in a form acceptable to AXA (acting reasonably).</p> <p>Tranche 3 likewise can be drawn upon provision of evidence to AXA that all milestones set out in the IT Development Plans have been delivered.</p>

	In addition, and as is standard, Tranche 2 and Tranche 3 can be drawn if at the respective time of drawdown, no event of default or potential event of default is continuing.
<b>Guarantee and Security:</b>	The Loan is guaranteed by DOC and its subsidiaries DCA Limited, DCA Innovation Limited and Doctor at Hand Diagnostics Limited (together, the " <b>Subsidiaries</b> "). To secure the Loan, the Subsidiaries will grant AXA a debenture creating fixed and floating charges over all their assets and undertaking and DOC will grant AXA a pledge over all its shares in the Subsidiaries.
<b>Repayment:</b>	Principal amount is repayable in full on a straight line basis by repaying 1/13 <sup>th</sup> of the total aggregate principal outstanding from 30 November 2023 and thereafter (i.e. quarterly), with the last repayment due on 30 November 2026.  Interest will be capitalised to the Interest Reserve and will be repayable as a bullet repayment on the Maturity Date, along with £750k of agreed SLA credits.
<b>Additional Repayment conditions:</b>	Entire balance (principal and interest) will be immediately repayable upon any of the following:  (a) it becomes unlawful in any jurisdiction for the Lender to comply with its obligations under the loan agreement;  (b) change of control of any of DOC or the Subsidiaries; or  (c) sale of all or substantially all the assets of any of DOC or the Subsidiaries.
<b>Undertakings:</b>	<b><u>Information Undertakings:</u></b> <ul style="list-style-type: none"> <li>• DOC shall provide AXA with: <ul style="list-style-type: none"> <li>○ its annual audited consolidated accounts and the Subsidiaries audited accounts (within 180 days of its financial year end);</li> <li>○ its 6 monthly unaudited consolidated accounts (within 30 days of the end of that 6 month period)</li> <li>○ its consolidated monthly accounts for the Group (within 15 days after the end of each month).;and</li> <li>○ 12 month look forward liquidity forecast delivered monthly (within 5 business days of the end of each month) to include summary of cash inflows/outflows and cash.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• AXA has the right to a business meeting with DOC monthly for the first 6 months, quarterly for the remainder of the term.</li> </ul> <p><b>General Undertakings:</b></p> <p>Standard general undertakings to restrict the ability of the Group to take certain actions without AXA's consent including: sell the business, dispose of assets, declare dividends (except where recipient is DOC or a Subsidiary, so DOC in particular cannot declare dividends), restriction on director drawings (except for drawings as agreed at signing) change the nature of the business, make acquisitions, incur additional debt, give guarantees, make loans, grant security to other parties (negative pledge), incur capex above £500k without AXA's consent (not to be unreasonably withheld or delayed), enter into transactions other than on arm's length terms, authorisations and compliance with laws and restrictions on movements of cash. Certain permitted exceptions to be agreed between the parties and in particular:</p> <p>DOC can issue ordinary shares to its shareholders for cash provided it does not lead to a change of control;</p> <p>From 1 October 2023 the Group can incur additional indebtedness of up to 4x next 12 months forecast EBITDA (4x threshold increasing to 4.5x for the year ending 31 December 2025 and 5x for the year ending 31 December 2026); and</p> <p>DOC shall be permitted to sell GP2U / Psych2U and other non-material assets.</p>
<b>Representations:</b>	Standard reps and warranties
<b>Events of default:</b>	<p>Standard events of default including: non-payment (subject to a remedy period of 5 business days), cross-default, misrepresentation (subject to a remedy period of 10 business days), insolvency or insolvency proceedings, creditors' process, breach of undertakings (subject to a remedy period of 10 business days), unlawfulness or invalidity, cessation of business, change of ownership, litigation, audit qualification, material adverse change and breach of liquidity covenant (being triggered where: (i) DCA Limited's 12 month look forward liquidity position drops below £3 million; or (ii) DCA Limited's monthly cash end balance is less than £3million– tested monthly by reference to 12 month look forward liquidity forecast and accounts). The forecast can be supported by planned draw down of debt under the loan agreement). Any</p>

	termination of the JVA, Master Services Agreement, Side Letter and other material agreements made between AXA and the Group, shall also constitute an Event of Default.
<b>Publicity</b>	AXA and DOC to agree any announcements except where required by law or the rules of any financial market
<b>Governing Law and Jurisdiction:</b>	English law. Courts of England and Wales