31 October 2022

Quarterly Activity Report and Appendix 4C

Doctor Care Anywhere Group PLC (ASX:DOC, "Doctor Care Anywhere" or "DCA" or "the Company") is pleased to provide an update on trading for the quarter ended 30 September 2022 ("3Q 2022")[1].

Overview

In 3Q 2022, Doctor Care Anywhere continued to see the business grow in line with expectations, with demand for Doctor Care Anywhere services outstripping supply.

- Continued growth on all key metrics on pcp
- 3.6% decline on consultations QoQ driven by GP supply issues
- Net operating cash outflows improved by 42% QoQ
- Initiatives to address platform issues being implemented
- Exited quarter with £9.67m cash and cash equivalent
- Active consideration of recapitalisation opportunities

Key Metrics for 3Q 2022

ACTIVATED LIVES	CONSULTATIONS	SECONDARY CARE JOURNEYS	REPEAT PATIENTS
800k	**146k**	**8k**	**104k**
+33% on pcp	**+28%** on pcp	**+49%** on pcp	**+12%** on pcp
+6% QoQ	**-4%** QoQ	**+6%** QoQ	Stable QoQ

Cash receipts from customers decreased by 5% on the prior quarter £0.5 million (A$0.9 million) to £8.3 million (A$14.6 million). This decrease was predominantly driven by timings of receipts and a 3.6% reduction in consultations completed in the quarter. The receipt of £8.3 million compares to £5.9 million (A$10.4 million) in Q3 2021.

Net operating cash outflows for the quarter improved from £1.5 million (A$2.6 million) to £2.1 million (A$3.7 million) against Q2 2022, a 42% improvement. This was driven by a reduction in Q3 of advertising and marketing spend and lower research and development spend. The Q3 net spend of £2.1m compares to £5.3million (A$9.3 million) in Q3 2021.

Net investing cash outflows for the quarter were £0.6 million (A$1.1 million), a decrease of £0.3 million (A$0.5 million) on the prior quarter.

Net cash outflows from financing activities for the quarter were £0.04 million (A$0.07 million), a decrease of £0.09 million (A$0.16 million) on the prior quarter. Net cash flows from financing activities in the prior quarter included transaction costs relating to the Placement and Retail Security Purchase Plan completed in Q1. Net cashflow from financing activities in Q3 2021 was £0.12 million (A$0.21 million).

[1] This Quarterly Activity Report and Appendix 4C is prepared in GBP in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 (UK). All figures expressed in Australian Dollars ("A$") have been converted from British Pounds Sterling at an exchange rate of AUD: GBP 1:0.57.

The overall cash outflow for the business in Q3 2022 was £2.7 million (A$4.7 million), down from £4.6 million (A$8.1 million) in Q2 2022 and £8.0 million (A$14.0 million) in Q3 2021. Progress is being made towards a more sustainable cost structure, with the goal remaining to become EBITDA and cash positive in calendar year 2023.

The Company exited the quarter with £9.7 million (A$17.0 million) of cash on hand as at 30 September 2022.

Operational Performance

Operational KPIs

	Actual	% increase / (decrease) on	% increase / (decrease) on
	3Q 2022 000's	3Q 2021 (PCP)	2Q 2022 (QoQ)
Eligible Lives[2] at Period End	2,596.7	9.0%	2.8%
Activated Lives[3] at Period End	800.1	32.6%	5.8%
Consultations[4] by Period	145.6	28.4%	(3.6%)

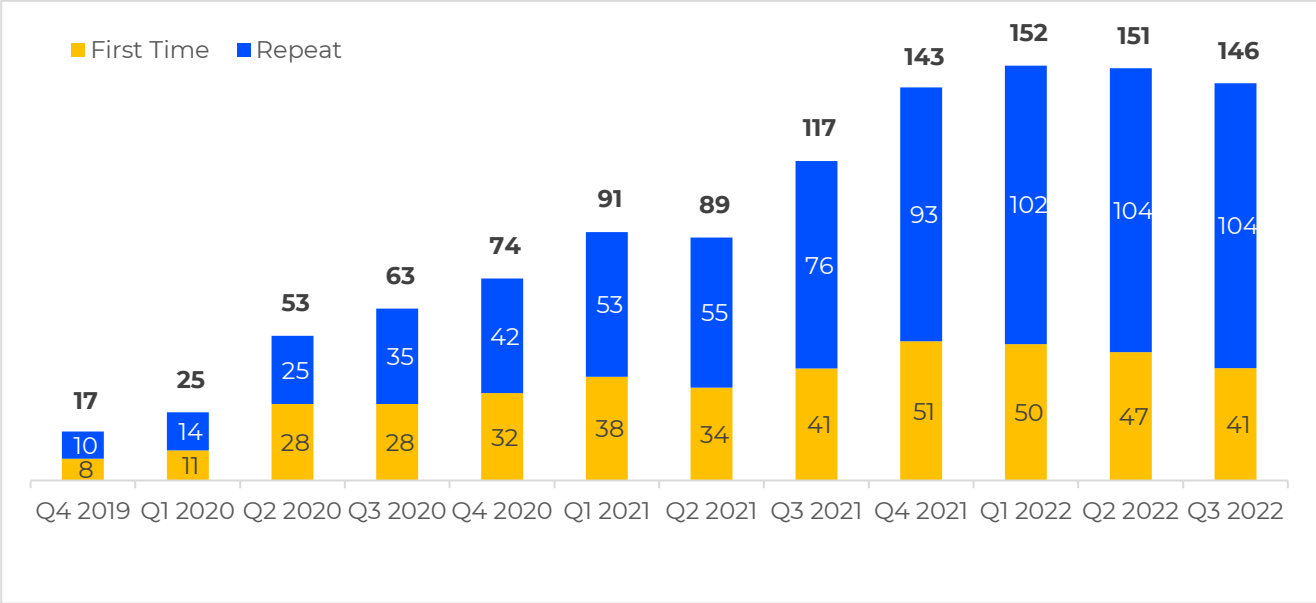
Commentary

Eligible Lives at the end of Q3 2022 were 2.6 million, up 2.8% QoQ (up 9.0% on the pcp). Growth in Eligible Lives was driven by increased penetration of the Company's services across existing channel partners.

At the end of Q3 2022, Activated Lives were 800,100, up 5.8% QoQ (up 32.6% on the pcp). Growth in Activated Lives was driven by marketing and engagement activities across the Company's expanded pool of Eligible Lives.

As shown in the table below, 145,600 consultations were delivered in Q3 2022, down 3.6% QoQ (up 28.4% on pcp). Returning patients remained stable at 104,000 for the quarter. The reduction in consultation volumes was primarily driven by continued GP supply issues, with the market-wide challenges described in the Company's August 2022 Market Update continuing.

Consultations by Quarter (000's)



[2] **Eligible Lives** represents the total number of people who have an entitlement to use DOC's services.
[3] **Activated Lives** represents the total number of people who "sign up" for DOC's service and enter their personal details.
[4] **Consultations** are the number of GP, Psychiatrist and Psychologist consultations delivered to patients over the period

Activities since last market update

Following the Market Update issued on 28 August 2022, key matters progressed during the quarter include:

Operational

- Commencement of interim CEO Mark Taylor, who has been tasked by the Board to lead the priority activities described in the last market update, with particular focus on resetting the Company's workplace culture, Improving operating efficiency and managing cash tightly.

- Appointment of new Chief Technology officer Neil Graham. Interim CTO, Pat Duncombe, remains as a consultant to the Company, supporting key platform stability and development activities.

- In October, the Company successfully completed its recertification audit of ISO27001 and ISO9001. ISO27001 specifies the requirements for establishing, implementing, maintaining, and continually improving our information security management system across our organisation. ISO9001 sets out the criteria for a quality management system.

Platform and technology

- As reported in the August 2022 Market Update, the Company continues to undertake a program of work to address recent platform performance issues, including instability and some outages as a result of legacy technology. While a number of necessary changes have been effected during the quarter, the Company has incurred further service credits in Q3 due to missing contractual service levels with AXA. AXA continues to agree not to enforce these service credits immediately.

- The Mixed Clinical Workforce initiative remains a substantial opportunity for the Company to improve the business' service delivery and operating margins. The objective remains to target go-live in the first quarter of 2023, noting that the ability to meet this timetable is dependent on continued improvements in platform stability.

Guidance and Strategic

- The revised market guidance provided in August 2022 was based on a number of key assumptions and dependencies as set out in that announcement (page 7). While the Company continues to target this revised guidance, it now appears more likely that demand for the Company's services is likely to peak over the winter period in the range of 50-65,000 consultations per month. Until the Mixed Clinical Workforce initiative is launched, this forecast demand can only be met by securing doctors to undertake consultations. The Company's key partner, AXA, has asked DCA to be ready to meet expected peak demand levels. The Company is currently assessing its options to do this, including the evaluation of alternative incentive and/or other mechanisms to ensure clinician availability.

- The Board remains actively engaged in the development and assessment of strategic options to secure the Company's future. As these discussions remain early stage, conditional and incomplete – and may not eventuate - no further comment can be made at this time.

Other

As required by ASX Listing Rule 4.7C.3, the Company discloses that payments to related parties in the period totalled £0.17 million, representing payment of Director Fees to Non-Executive Directors and salaries to Executive Directors (including pension and payroll tax payments), a decrease of £0.09 million on the prior quarter.

- ENDS -

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

Further Information:

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About Doctor Care Anywhere:

Doctor Care Anywhere Group PLC is the UK's largest private provider 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. Doctor Care Anywhere utilises its relationships with health insurers, healthcare providers and corporate customers to connect with patients to deliver a range of telehealth services.

Forward looking statements:

This announcement contains forward-looking statements which are statements that may be identified by words such as "may", "will", "would", "should", "could", "believes", "estimates", "expects", "intends", "plans", "anticipates", "predicts", "outlook", "forecasts", "guidance" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that, at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, and the directors and management of the Company. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity	
Doctor Care Anywhere Group PLC	
ARBN	**Quarter ended ("current quarter")**
645 163 873	30 September 2022

Consolidated statement of cash flows		Current quarter £'000	Year to date (9 months) £'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	8,274	24,842
1.2	Payments for		
	(a) research and development	(1,187)	(4,187)
	(b) product manufacturing and operating costs	(5,200)	(17,022)
	(c) advertising and marketing	(109)	(891)
	(d) leased assets	-	-
	(e) staff costs	(2,333)	(8,897)
	(f) administration and corporate costs	(1,538)	(5,556)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	(1)	(2)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	267
1.8	Other (provide details if material)	(4)	278
1.9	**Net cash from / (used in) operating activities**	**(2,098)**	**(11,167)**

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(18)	(95)
	(d) investments	-	-
	(e) intellectual property	(580)	(2,096)

Consolidated statement of cash flows		Current quarter £'000	Year to date (9 months) £'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Other	-	-
2.6	**Net cash from / (used in) investing activities**	**(598)**	**(2,191)**

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,408
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(339)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(45)	(136)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(45)**	**5,933**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	12,400	17,068
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,098)	(11,167)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(598)	(2,191)

Consolidated statement of cash flows		Current quarter £'000	Year to date (9 months) £'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(45)	5,933
4.5	Effect of movement in exchange rates on cash held	13	29
4.6	**Cash and cash equivalents at end of period**	**9,672**	**9,672**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter £'000	Previous quarter £'000
5.1	Bank balances	9,672	12,400
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**9,672**	**12,400**

6.	Payments to related parties of the entity and their associates	Current quarter £'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	169
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end £'000**	**Amount drawn at quarter end £'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	n/a		

8.	**Estimated cash available for future operating activities**	**£'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,098)
8.2	Cash and cash equivalents at quarter end (item 4.6)	9,672
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	**9,672**
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	5

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:
n/a

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:
n/a

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:
n/a

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2022

Authorised by: Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – e.g. Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.