27 April 2023

Quarterly Activity Report and Appendix 4C

Doctor Care Anywhere Group PLC (ASX:DOC, "Doctor Care Anywhere" or "the Company") is pleased to provide an update on trading and corporate activity for the quarter ended 31 March 2023 ("Q1 2023")[1].

Executive Summary

- Increased focus on core business and significant UK opportunity
- 184,600 consultations delivered up 27.8% on PcP and 11.4% QoQ
- Cash receipts from customers of £8.2m / A$15.3m up 5.2% PcP and 4.8% QoQ
- Eligible lives up 7.1% on PcP and 1.1% QoQ
- Activated lives up 25.6% on PCP and 6.2% QoQ
- Secondary care journeys up 37.6% PcP and 9.1% QoQ
- Repeat patients up 21.9% PcP and 5.3% QoQ
- Total operating expenses down 36.9% pcp and 6.5% QoQ
- Platform demonstrating stability
- £7.5m of AXA loan facility drawn down, a further £2.5m available
- Launch of mixed clinical workforce proposition on track for Q2
- Exited quarter with £8.8m / A$16.3m cash on hand
- Departure of Richard Dammery, Simon Calver and Vanessa Wallace from board
- Reiterating guidance of:
    - Annualised revenue run rate 1H23 end of £42-46 m / A$ 78-85m
    - Gross margin of 50-55% by 2H23
    - Contribution margin of 35-40% by 2H23
    - Positive EBITDA by Q1 2024

Operational Performance – Key KPIs

	Actual	% increase / (decrease) on	% increase / (decrease) on
	Q1 2023 000's	Q1 2022 (PCP)	Q4 2022 (QoQ)
Eligible Lives[2] at Period End	2,750.7	7.1%	1.1%
Activated Lives[3] at Period End	923.1	25.6%	6.2%
Consultations[4] in Period	184.6	27.8%	11.4%
Secondary Care Journeys[5] in Period	9.9	37.6%	9.1%
Repeat Patients[6] in Period	124.3	21.9%	5.3%

[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). Figures expressed in Australian Dollars ("A$") have been converted from British Pounds Sterling at an exchange rate of AUD:GBP 1:0.54 for the quarter ended 31 March 2023 and at 1:0.57 for the quarter ended 31 March 2022

[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** is the number of GP, Psychiatrist and Psychologist consultations delivered to patients over the period.

[5] **Secondary Care Journeys** is the number of secondary care journeys completed by patients over the period following a referral from an initial GP consultation on the DCA platform.

[6] **Repeat Patients** represents the number of consultations completed by patients who had previously completed an appointment.

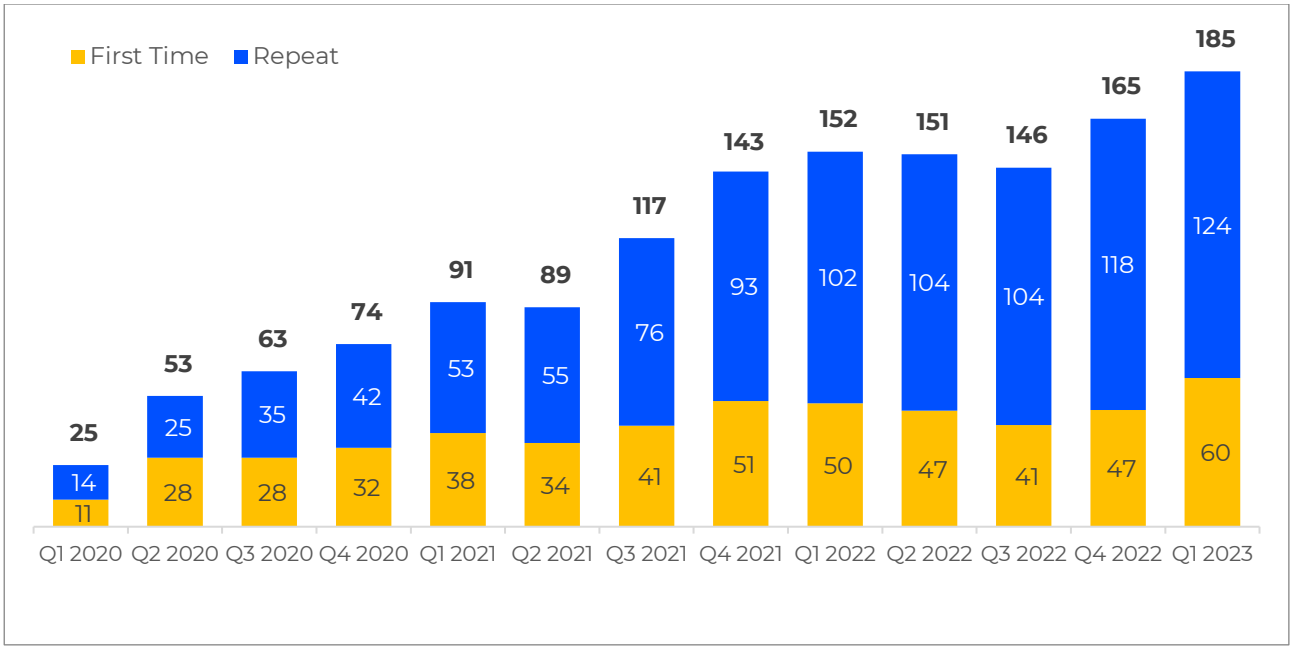
Commentary

Eligible Lives at the end of Q1 2023 were 2.8 million, up 7.1% on the prior comparative period ("pcp") and 1.1% QoQ. Growth in Eligible Lives was primarily driven by further penetration of the Company's services with AXA.

At the end of Q1 2023, Activated Lives were 923,100, up 25.6% on the pcp and 6.2% QoQ. This continues the trend of Activated Lives growing faster than Eligible Lives. Growth in Activated Lives was driven by marketing and engagement activities across the Company's expanded pool of Eligible Lives.

Consultation volumes continued to grow year-on-year, with 184,600 consultations delivered in Q1 2023, up 27.8% on pcp and 11.4% QoQ. The increase in consultation volumes was driven by successful initiatives to increase GP supply in the period and on-going growth in demand for our services, which led to the highest quarterly volume of consultations to date.

Consultations by Quarter (000's)



Returning patients represented 67% of all consultations in the quarter, in line with the pcp but down 4% against the prior quarter. The volume of returning patients increased by 22% from the pcp and by 5% QoQ, demonstrating patient satisfaction with the service.

Cash Position: Progress to Profitability and Net Cash Generation

Cash movements	Q1 23 £000	Q4 22 £000	% increase /(decrease) QoQ	Q1 22 £000	% increase /(decrease) versus PcP
Receipts from customers	8,245	7,871	4.8%	7,837	5.2%
Staff costs	(2,293)	(2,292)	0.0%	(3,575)	(35.9%)
R&D/Intellectual property costs	(1,529)	(1,735)	(11.9%)	(1,813)	(15.7%)
Operating costs	(6,378)	(6,151)	3.7%	(6,265)	1.8%
Other administrative costs	(2,639)	(1,922)	37.3%	(2,748)	(4.0%)
Other inflows	649	12	5531.9%	316	105.4%
Total operating and investing outflows	**(3,944)**	**(4,217)**	**(6.5%)**	**(6,248)**	**-36.9%**
Financing cash flows	7,342	(29)	n/m	6,112	20.1%
Exchange gain/(loss)	(10)	(20)	(50.0%)	23	(143.5%)
Net cash flow	**3,388**	**(4,266)**	**-**	**(113)**	**-**

The Company is making positive strides in its drive towards cash breakeven in Q1 24, with total operating and investing cash outflows reducing by £0.3million (A$0.6million) QoQ and £2.3million (A$4.3million) versus PCP. This was driven by growth and cost reduction activity. Most notably:

- Cash receipts from customers increased by 4.8% QoQ with the increase predominantly driven by increased appointment volumes. This also represents a 5.2% increase versus PcP also driven by appointment volumes, offset by a reduction in contracted average consultation price with AXA to reflect anticipated clinician mix.
- Staff costs were consistent QoQ but showed a 35.9% reduction versus PcP which was primarily driven by cost savings from reduced headcount following the restructuring programme in Q1 22.
- R&D and intellectual property spend reduced 11.9% QoQ and 15.7% vs PcP.
- Other administrative costs increased 37.3% QoQ but reduced 4.0% vs PcP. The QoQ variance is primarily due to the timing of several large annual payments in the quarter such as our annual insurance premiums. The reduced costs vs PcP are primarily due to cost saving exercises to drive our margins.

Other inflows in Q1 2023 and Q1 2022 relate to R&D rebates and VAT receipts in the period.

Net financing cash flows for the quarter were £7.3 million (A$13.5 million), an increase of £7.3 million (A$13.6 million) on the prior quarter, primarily due to the £7.5m drawn down under the AXA loan facility. Net cash flows from financing activities in Q1 2022 were £6.1 million (A$10.7 million) which was primarily driven by the equity fund raise in the quarter.

The overall cash inflow for the business in Q1 2023 was £3.4 million (A$6.0 million), up by £7.6 million (A$14.1 million) from Q4 2022 and up by £3.5 million (A$6.1 million) from Q1 2022. The switch from cash outflow in Q4 2022 to cash inflow in Q1 2023 was primarily due to the receipt of £7.5m under the AXA loan facility and on-going improvements in our operating cash flow.

The Company exited the quarter with £8.8 million (A$16.3 million) of cash on hand as at 31 March 2023. It also has a further £2.5m available under the AXA loan agreement to support its move to profitability.

Activities since previous market update

Following the market update issued as part of the Appendix 4E release on 27 February 2023, an update is provided below on key matters:

Operational and financial

- Departure of Richard Dammery, Simon Calver and Vanessa Wallace from the Board of Directors following the AGM on 29 March 2023. The Board will be UK focused going forwards in line with our strategic plans. We would like to thank Richard, Simon and Vanessa for their contribution over the past few years.
- Tranche 2 of the AXA loan drawn down in March 2023 (£2.5million /A$4.6million). Tranche 3 of £2.5million/A$4.6million is expected to be drawn down towards the end of Q2 2023
- The Company remains on track for the launch of its Mixed Clinical Workforce proposition in Q2 2023. As noted before, this will help create capacity to support further growth and improve margins in the business.
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Platform and IT

- The Company is pleased to confirm that it has not experienced any outages since the previous market update which would be significant enough to incur service credit payments to AXA Health. With the platform now being stable, we will focus on building capability and further scaling our technology to support our growth ambitions. We will therefore not report on platform stability going forwards as a routine matter.

Guidance

- As at the date of this report, DCA is on track to meet the guidance issued in February 2023 (summarised below, and subject to the assumptions and dependencies accompanying that guidance)

Metric	Guidance
Annualised revenue run rate 1H23 end*	£42-46 million
Gross margin of 50-55%	Achieved in 2H23
Contribution margin of 35-40%	Achieved in 2H23
EBITDA positive	Achieved in Q124

*Annualised revenue run rate 1H23 end means June 2023 revenue multiplied by 12.

Corporate Activity

The Company has received approaches from parties regarding potential change of control transactions. The board has determined that none of these approaches represented a fair valuation of the business and so has not put any of these approaches to shareholders.

Other

As required by ASX Listing Rule 4.7C.3, the Company discloses that payments to related parties in the period totalled £0.34 million, representing payment of Director Fees to Non-Executive Directors and salaries to Executive Directors (including pension and payroll tax payments), an increase of £0.18 million on the prior quarter. The increase was primarily driven by one-off exertion payments to Non-Executive Directors in the current quarter, offset by operational savings, with Non-Executive Directors needing to take on additional duties for a period of time. This is not expected to be repeated going forwards.

This update must be read as a whole and is subject to the disclaimer that it:

- Is subject to the assumptions referred to above and, if any of those assumptions are not met, actual results may differ from this guidance;
- Is not a prediction or guarantee of future performance; and
- Involves known and unknown risks, uncertainties and other factors which are beyond the Company's control, and which may cause actual results to differ from this guidance. The Company is not liable for the accuracy and/or correctness of this information and any differences between the guidance and actual outcomes.

Corporate Overview

- 366,771,846 shares in issue
- Market capitalisation ofA$19.4m at date of report release
- £8.8m (A$16.3m) cash at 31 March 2023
- £7.5m (A$13.9m) in drawn down debt at 31 March 2023

- ENDS -

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

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.

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	31 March 2023

Consolidated statement of cash flows		Current quarter £'000	Year to date (3 months) £'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	8,245	8,245
1.2	Payments for		
	(a) research and development	(710)	(710)
	(b) product manufacturing and operating costs	(6,378)	(6,378)
	(c) advertising and marketing	(75)	(75)
	(d) leased assets	-	-
	(e) staff costs	(2,293)	(2,293)
	(f) administration and corporate costs	(2,509)	(2,509)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	196	196
1.8	Other (provide details if material)	453	453
1.9	**Net cash from / (used in) operating activities**	**(3,070)**	**(3,070)**
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(56)	(56)
	(d) investments	-	-
	(e) intellectual property	(819)	(819)

Consolidated statement of cash flows		Current quarter £'000	Year to date (3 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**	**(875)**	**(875)**

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	7,500	7,500
3.6	Repayment of borrowings	(158)	(158)
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**	**7,342**	**7,342**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	5,406	5,406
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,070)	(3,070)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(875)	(875)

Consolidated statement of cash flows		Current quarter £'000	Year to date (3 months) £'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,342	7,342
4.5	Effect of movement in exchange rates on cash held	(10)	(10)
4.6	**Cash and cash equivalents at end of period**	**8,793**	**8,793**

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	8,793	8,793
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)**	**8,793**	**8,793**

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	338
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	7,500	7,500
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	7,500
7.5	**Unused financing facilities available at quarter end**		2,500

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.

8.	**Estimated cash available for future operating activities**	**£'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,070)
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,793
8.3	Unused finance facilities available at quarter end (item 7.5)	2,500
8.4	Total available funding (item 8.2 + item 8.3)	**11,293**
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	4

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:

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:

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:

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: 27 April 2023

Authorised by: Board of Directors