20 July 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 30 June 2023 ("Q2 2023")[1].

Executive Summary

- Annualised revenue run rate guidance for 1H23 of £42-£46m met
- Successful launch of Mixed Clinical Workforce proposition to drive margin expansion and provide additional capacity for growth
- Continued focus on core UK business with sale of Australian subsidiary GP2U (completed in early July 2023)
- 190,800 consultations delivered, up 32.1% on PcP and up 3.4% QoQ
- Total Operating and Investing Outflows materially reduced in the quarter as the business drives to profitability. Total Operating and Investing Outflows were £2.3m/A$4.4m in Q2 2023, down £2.1m/A$4.1m v Q2 2022 and £1.7m/A$$3.2m v Q1 2023
- Exited quarter with £6.2m / A$11.9m cash on hand. This has been further enhanced in Q3 2023 with the final £2.5m of loan drawn down under the AXA loan agreement that is expected to see the business through to profitability.
- UK Board restructure completed with the appointment of Non-Executive Director Dr Aleksandra Spencer in July 2023
- Reiterating previous guidance of:
    - 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
	Q2 2023 000's	Q2 2022 (PCP)	Q1 2023 (QoQ)
Eligible Lives[2] at Period End	2,836.7	12.3%	3.1%
Activated Lives[3] at Period End	965.5	27.7%	4.6%
Consultations[4] in Period	190.8	32.1%	3.4%
Secondary Care Journeys[5] in Period	10.5	45.8%	6.1%
Repeat Patients[6] in Period	140.8	35.4%	13.3%

[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) and is unaudited. Figures expressed in Australian Dollars ("A$") have been converted from British Pounds Sterling at an exchange rate of AUD:GBP 1:0.52 for the quarter ended 30 June 2023 and at 1:0.53 for the quarter ended 30 June 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, ANP, 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 or ANP consultation on the DCA platform.

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

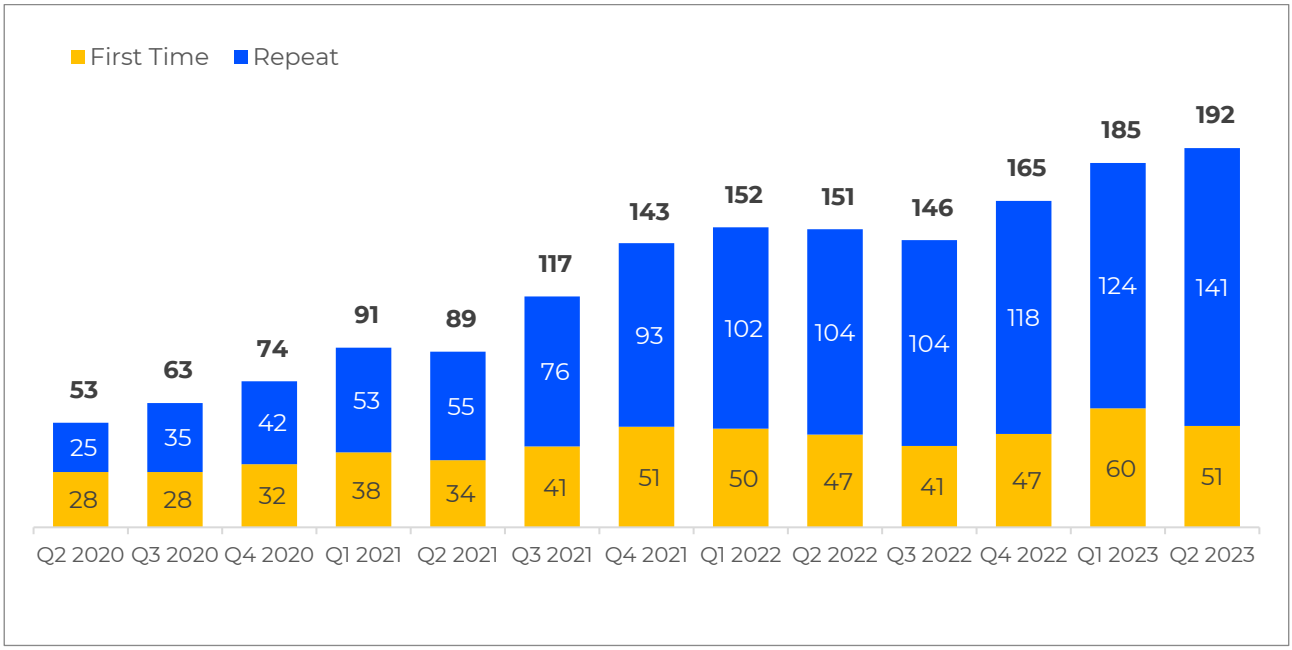
Commentary

Eligible Lives at the end of Q2 2023 were 2.8 million, up 12.3% on PcP and 3.1% QoQ. Growth in Eligible Lives was primarily driven by further penetration of the Company's services across existing channel partners.

At the end of Q2 2023, Activated Lives were 965,500, up 27.7% on the PcP and 4.6% QoQ. Growth in Activated Lives continued to be higher than the growth in 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 190,800 consultations delivered in Q2 2023, up 32.1% on PcP and 3.4% QoQ. The increase in consultation volumes was driven by successful initiatives to increase GP supply in the period, on-going growth in demand for our services, and the successful launch of the Mixed Clinical Workforce proposition in June which resulted in the highest quarterly volume of consultations to date.

Consultations by Quarter (000's)



Returning patients represented 73% of all consultations in the quarter, an increase of 4 percentage points compared to the PcP and an increase of 6 percentage points against the prior quarter. The volume of returning patients increased by 35% from the PcP and by 13% QoQ, demonstrating patient satisfaction with the service.

Cash Position: Progress to Profitability and Net Cash Generation

Cash movements	Q2 2023 £000	Q1 2023 £000	% increase /(decrease) QoQ	Q2 2022 £000	% increase /(decrease) versus PcP
Receipts from customers	10,111	8,245	22.6%	8,731	15.8%
Other/Non-operating staff costs	(2,337)	(2,293)	1.9%	(2,989)	(21.8%)
R&D/Intellectual property costs	(1,343)	(1,529)	(12.2%)	(2,702)	(50.3%)
Operating costs	(7,168)	(6,378)	12.4%	(5,557)	29.0%
Other administrative costs	(1,683)	(2,639)	(36.2%)	(2,131)	(21.0%)
Other inflows	143	649	(78%)	234	(38.9%)
Total operating and investing outflows	**(2,277)**	**(3,944)**	**(42.3%)**	**(4,414)**	**(48.4%)**
Financing cash flows	(258)	7,342	n/m	(134)	92.5%
Exchange gain/(loss)	(16)	(10)	(60.0%)	(7)	128.6%
Net cash flow	**(2,551)**	**3,388**	**-**	**(4,555)**	**-**

The Company is making positive strides towards cash breakeven in Q1 2024, with total operating and investing cash outflows reducing by £1.6 million (A$3.1 million) QoQ and by £2.1 million (A$4.0 million) versus PCP. This was driven by growth and cost reduction activity. Most notably

- Cash receipts from customers increased by 22.6% QoQ with the increase driven by increased appointment volumes, a contractual inflationary increase in our price per consultation received from AXA, and a large receipt from a subscription revenue customer. This also represents a 15.8% increase versus PcP driven by the same factors.
- Staff cash spend increased by 1.9% QoQ as an annual salary increase in April was offset by headcount reductions, and reduced by 21.8% versus PcP, primarily driven by cost savings from reduced headcount following the restructuring programme in 1H 22. This is in spite of substantial growth in the business.
- R&D and intellectual property cash spend reduced 12.2% QoQ and 50.3% vs PcP which is primarily from the restructuring programme in 1H 22 which reduced the size of the technology development team.
- Operating cash spend increased 12.4% QoQ and 29.0% vs PcP, primarily driven by increases in consultation volumes in both instances.
- Other administrative costs cash spend decreased by 36.2% QoQ and by 21% vs PcP. The QoQ variance is primarily due to the timing of several large annual payments in the previous quarter such as our annual insurance premiums. The reduced costs vs PcP are primarily due to the restructuring programme performed in 1H22 which reduced headcount across multiple departments.

Other cash inflows in Q2 2023 and Q2 2022 relate to VAT receipts in the period, with Q1 2023 also including an R&D tax rebate.

Net financing cash outflows for the quarter were £0.3 million (A$0.6 million), a change of £7.6 million (A$14.5 million) from the net inflow in the prior quarter, which included the £7.5m drawn down under the AXA loan facility. Net cash outflows from financing activities in Q2 2022 were £0.1 million (A$0.3 million) which was due to the timing of lease payments.

The overall cash outflow for the business in Q2 2023 was £2.5 million (A$4.8 million), down by £5.9 million (A$11.2 million) from Q1 2023 largely due to the financing from the AXA loan facility received in the prior period. The cash outflow was £2.0m lower (A$3.8 million) than Q2 2022 due to revenue growth and cost savings across the business.

The Company exited the quarter with £6.2 million (A$11.8 million) of cash on hand as at 30 June 2023. It also had a further £2.5m (A$4.8 million) available under the AXA loan agreement which was drawn down in July 2023.

Activities since previous market update

Following the market update issued as part of the Appendix 4C release on 26 April 2023, an update is provided below on key matters:

Operational and financial

- Successful launch of the Company's Mixed Clinical Workforce proposition in mid-June 2023, increasing DCA's capacity to serve patients, and reducing DCA's cost to serve. Total consultations in June were 66,000, of which over 8,000 appointments were provided by our ANPs, demonstrating a quick uptake for the new service.
- Tranche 3 of the AXA loan (£2.5million /A$4.8million) drawn down in July 2023 following achievement of conditions precedent. DCA has now fully drawn down the facility which is expected to see the Company through to breakeven in Q1 2024.
- Completion of sale of Australian subsidiary GP2U to My Emergency Doctor (MED) in July 2023 for A$3.0m, comprising A$2.5m worth of unlisted ordinary shares in MED and $0.5m of cash, adjusted for normalised working capital.
- Appointment to the Board of Dr Aleksandra Spencer as an independent Non-Executive Director and chair of the Company's Audit and Risk Management Committee.
- The sale of GP2U and appointment of Dr Spencer are in line with the Company's strategic aim to focus on the UK market.

Guidance

- DCA is pleased to announce that it has met its annualised revenue run rate target for 1H23 end of £42-£46m.
- In calculating the run rate, the Company calculated the revenue earned from the launch of MCW (14 June 2023) to 30 June 2023 and pro-rated for a calendar year. Management deems this to be reflective of the revised model which DCA now operates and therefore a fair indication of annualised run rate at the end of the reporting period. Management also notes that Q3 2023 run rate is likely to be lower, in line with normal UK seasonal trends.
- As at the date of this report, DCA is on track to meet the remainder of its guidance issued in February 2023 (summarised below, and subject to the assumptions and dependencies accompanying that guidance).

Metric	Guidance
Gross margin of 50-55%	To be achieved in 2H23
Contribution margin of 35-40%	To be achieved in 2H23
EBITDA positive	Achieved in Q1 2024

Other

As required by ASX Listing Rule 4.7C.3, the Company discloses that payments to related parties in the period totalled £0.09 million, representing payment of Director Fees to Non-Executive

Directors (including pension and payroll tax payments), a decrease of £0.25 million on the prior quarter, which included one-off payments.

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 of A$19.4m at date of report release
- £6.2m (A$11.8m) cash at 30 June 2023
- £7.5m (A$13.9m) in drawn down debt at 30 June 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.

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 June 2023

	Consolidated statement of cash flows	Current quarter £'000	Year to date (6 months) £'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	10,111	18,356
1.2	Payments for		
	(a) research and development	(592)	(1,302)
	(b) product manufacturing and operating costs	(7,167)	(13,545)
	(c) advertising and marketing	(77)	(152)
	(d) leased assets	-	-
	(e) staff costs	(2,337)	(4,630)
	(f) administration and corporate costs	(1,536)	(4,045)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	7
1.5	Interest and other costs of finance paid	-	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	196
1.8	Other (provide details if material)	139	592
1.9	**Net cash from / (used in) operating activities**	**(1,454)**	**(4,524)**
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(72)	(128)
	(d) investments	-	-
	(e) intellectual property	(751)	(1,570)

Consolidated statement of cash flows		Current quarter £'000	Year to date (6 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**	**(823)**	**(1,698)**

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
3.6	Repayment of borrowings	(257)	(415)
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**	**(257)**	**7,085**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	8,793	5,406
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,454)	(4,524)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(823)	(1,698)

Consolidated statement of cash flows		Current quarter £'000	Year to date (6 months) £'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(257)	7,085
4.5	Effect of movement in exchange rates on cash held	(17)	(27)
4.6	**Cash and cash equivalents at end of period**	**6,242**	**6,242**

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	6,242	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)**	**6,242**	**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	91
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**	-*

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.

The loan facility is as announced by the Company on 12 December 2022:

https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02611642-2A1419999?access_token=83ff96335c2d45a094df02a206a39ff4.

The lender is AXA PPP Healthcare Group Limited (AXA).

The interest is 5%, accruing quarterly and payable in full on the Maturity Date. The loan is guaranteed by Doctor Care Anywhere Group Limited (DOC) and a number of its subsidiaries. To secure the loan, the subsidiaries have granted AXA a debenture creating fixed and floating charges over all their assets and undertaking and DOC has granted AXA a pledge over all its shares in the subsidiaries.

Maturity date is 30 November 2026.

*Tranche 3 of the Loan Facility of £2.5M was drawn down in July 2023. If this tranche had been drawn down in Q2 2023, the estimated quarters of funding per Note 8.5 below would have been extended to 6.

8.	**Estimated cash available for future operating activities**	**£'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,454)
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,242
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	**6,242**
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: 20 July 2023

Authorised by: Board of Directors