doctor care anywhere.



Interim Report 2024

For the six months ended 30 June 2024

Doctor Care Anywhere Group PLC
(Company Number 08915336)
(ARBN 645 163 873)

Half Year Report

For the six months ended 30 June 2024

Doctor Care Anywhere Group PLC

Company number: 08915336

ARBN: 645 163 873

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Appendix 4D – Half Year Report

Reporting Period

Current reporting period ("H1 24"): 1 January 2024 to 30 June 2024

Previous corresponding period ("H1 23"): 1 January 2023 to 30 June 2023

Basis of Preparation

This Appendix 4D has been prepared in accordance with measurement and recognition (but not disclosure) requirements of International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 (UK).

The interim results for the 6 months ended 30 June 2024 and the comparatives for 30 June 2023 are unaudited but have been reviewed by the Company's independent auditor. A copy of the review report is included at the end of this report.

Note all values in the Appendix 4D and Directors' Report are subject to rounding differences.

Results for Announcement to the Market

		H1 24	H1 23	Change	%
Revenue	£m's	21.8	19.2	2.6	*13.8%*
Net loss	£m's	(2.7)	(6.2)	3.5	*56.7%*

Revenue

Revenue grew by 13.8% in H1 24 compared with H1 23, driven by increased consultations and an increase in the average price per consultation. Average price per consultation grew by 4.6% compared to the six months to 30 June 2023.

EBITDA to Net loss reconciliation

A summary of EBITDA reconciled back to Net loss and then Net underlying loss is as follows:

		H1 24	H1 23	Change	%
EBITDA to underlying EBITDA					
EBITDA	**£m's**	**(0.4)**	**(3.6)**	**3.1**	***87.6%***
Restructuring costs	£m's	0.5	-	0.5	-
Underlying EBITDA	**£m's**	**0.0**	**(3.6)**	**3.6**	***100.4%***
Underlying EBITDA to net loss					
Interest	£m's	(0.4)	(0.2)	(0.2)	*(100.4%)*
Tax	£m's	0.2	0.6	(0.4)	*65.4%*
Depreciation and amortisation	£m's	(1.9)	(1.1)	(0.8)	*(71.2%)*
Restructuring costs	£m's	(0.5)	-	(0.5)	-
Results from discontinued operations	£m's	(0.1)	(1.9)	1.7	*92.5%*
Net loss	**£m's**	**(2.7)**	**(6.2)**	**3.5**	***56.7%***
Net loss to net underlying loss					
Fair value adjustment	£m's	0.6	-	0.6	-
Restructuring costs	£m's	0.5	-	0.5	-
Effective interest on convertible notes	£m's	0.4	-	-	-
GP2U Impairment charge	£m's	-	1.7	(1.7)	-
Net underlying loss	**£m's**	**(1.2)**	**(4.5)**	**3.3**	***72.9%***

EBITDA loss in H1 24 has substantially reduced to £0.4m, a decrease of 87.6% on H1 23. This H1 24 loss includes one off restructuring costs of £0.5m, therefore underlying EBITDA for H1 24 is positive at £0.01m. This EBITDA improvement is driven by the improvements to gross profit and contribution and is the first time in the Company's history it has reported an underlying EBITDA profit.

Net underlying loss for H1 24 includes an adjustment of £0.6m to the fair value of the investment in My Emergency Doctor (MED). This is a non-cash item reflecting more challenging trading conditions in the Australian market. It also includes an adjustment for one-off restructuring costs of £0.5m representing redundancy, notice payments and professional consultancy costs for employees departing the organisation as we continue to drive meaningful productivity in the business to generate cash and profit. It also includes an adjustment for an effective interest charge of £0.4m occurring on the convertible notes as per IFRS requirements. Adjusting for these items, net underlying loss for H1 24 was £1.2m.

Net loss for H1 23 includes an impairment charge of £1.7m against the carrying value of GP2U. Excluding this charge, net underlying loss for H1 23 was £4.5m.

Taking into account these adjustments, net underlying loss for H1 24 reduced by 72.9%, or £3.3m, compared with H1 23. This is due to ongoing growth in the business and a focus on productivity improvements and margin expansion as the business drives towards underlying cash generation in H2 24.

Dividends

No dividends have been declared, nor were any paid in the prior period.

Joint Ventures

The Company is party to a joint venture with AXA PPP Healthcare Group Limited ("AXA Health"). The Company and AXA Health each hold 50% of the issued share capital of Doctor at Hand Diagnostics Limited. As announced on 18 October 2023, it is the joint venture parties' intention to wind up this entity in 2024.

Going Concern

These financial statements have been prepared on a going concern basis, which assumes that the Group and the Company will continue to be able to meet their liabilities as they fall due for the foreseeable future, which has been taken as 12 months from the date of approval of the consolidated financial statements ("Forecast Period").

The Directors have considered detailed cash flow forecasts to determine the appropriateness of preparing these financial statements on a going concern basis.

On 11 December 2023 the Company announced the signing of a £10.6m convertible loan note, which was approved at a shareholder meeting on 4 January 2024. Funds raised from the convertible loan note were used to repay the £10m loan facility with AXA Health. This is a zero coupon loan note with no interest payable, and no repayment of principal required until maturity on 31 December 2027, representing a significant strengthening of the Company's balance sheet.

The cash flow forecast is dependent on a number of key assumptions and dependencies, the most material of which are as follows:

- Minimum growth of 1% in demand for consultations from the Company's existing customer base
- Revenue generated from new business wins following the removal in the mutual exclusivity obligation with AXA.
- Continued roll-out of the Company's Mixed Clinical Workforce, with approximately 40% of consultations being delivered by Advanced Clinical Practitioners by year end
- The ability to manage clinician supply effectively to meet patient demand
- The ability to continue to drive productivity gains which underpin the Company's 2024 plan, including:
    - a move to more 15-minute appointments for both ANP and GP consultations
    - a move to increase the percentage of ANP consultations from the current level of 20% in H1 24 to 40% by the end of FY24
    - no material unanticipated increases in non-operating costs
- The achievement of inflation-adjusted price increases pursuant to our agreement with AXA

Management has assessed all the above assumptions to be reasonable based on its expectations of the business going forward. As part of this going concern

assessment, four scenarios were considered for the Group, being a management case and three other scenarios using a set of plausible downside assumptions to that management case. The management case is built up from detailed projections and the aforementioned assumptions. The downside scenarios considered were as follows:

- Existing customer base consultation volumes being 5% below the management case;
- No new business wins in next twelve months;
- Reduction of 2.0ppt in forecast inflationary uplift to consultation prices in April 2024 below the management case.

In all three downside scenarios and for all three scenarios combined, the Group had adequate resources to continue in operational existence for the going concern period. In order for the Company to no longer remain a Going Concern, the following individual scenarios would be required:

- Existing business consultation volumes to fall by 17% below the management case; or
- Reduction of 32% in consultation prices from April 2024

Management considers the possibility of the above scenarios to be unlikely. Overall, the Group has traded largely in line with the management case for the 2024 financial year. The Directors consider that the Group is well positioned to manage its business risks and have had regard to a number of factors including current trading performance, the outcomes of comprehensive forecasting, and a range of possible future trading impacts. The Directors are of the view that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the next 12 months following the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in the preparation of these financial statements.

Directors' Report

The Directors present the condensed consolidated interim financial report of Doctor Care Anywhere Group PLC ("the Company" or "Doctor Care Anywhere") and its subsidiaries ("the Group") for the six months ended 30 June 2024 ("H1 24").

Directors

The Directors in office during the reporting period and as at the date of this report are shown below:

- John Stier — Independent Chairman
- David Ravech — Non-Executive Director
- Romana Abdin — Independent Non-Executive Director
- Dr Aleksandra Spencer — Independent Non-Executive Director
- Ben Kent — Executive Director (from 7 March 2024)

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.

Operating and Financial Review

000's	H1 24	H1 23	Change	%	H2 23	Change	%
Eligible Lives	3,147.7	2,836.7	310.9	*11.0%*	3,016.3	131.4	*4.4%*
Activated Lives	1,080.6	965.5	115.1	*11.9%*	1,048.4	32.3	*3.1%*
Consultations	389.2	363.2	26.0	*7.2%*	355.2	34.0	*9.6%*
Repeat Patients	286.1	259.1	27.1	*10.4%*	269.9	16.2	*6.0%*
First-Time Patients	103.1	105.4	(2.3)	*(2.2%)*	85.3	17.8	*20.8%*
Secondary-Care Journeys	21.5	20.5	1.0	*5.0%*	19.8	1.7	*8.4%*

*Note that all the above figures exclude GP2U related metrics from 2023.

The company continues to make good progress year on year with strong financial growth and successful operational delivery.

Growth continued across all key operational metrics in H1 24. At the end of H1 24, Activated Lives were 1.08 million, up 12% on the prior comparative period ("pcp"). The Company added 32,200 Activated Lives in H1 24, slightly fewer than the 83,000 Activated Lives added in H2 23, primarily due to lower marketing activity.

Consultation volumes grew to 389,200 in H1 24, up 7.2% on the pcp, as patient demand continued to grow.

DCA continued to enhance its operating model, broadening the mix of clinician types to match patient need and reduce cost to serve, a key driver in DCA's path to profitability and cash generation. Key components of this are:

- The introduction of further categories of Advanced Clinical Practitioners ("ACPs"), such as Pharmacists and Paramedics, into the consultation service, alongside our Advanced Nurse Practitioners (ANPs);
- An increase in the proportion of consultations performed by ACPs, to support the achievement of the target clinician mix of 60:40 GP:ACP;
- Approximately 45 GPs being made redundant.

The restructuring will conclude in September, while the recruitment of ACPs will continue throughout H2 24.

DCA also announced that during H2 24 it will be phasing out its AXA Health secondary care pathway, which includes specialists' advice and diagnostics. This pathway has not generated a commercial return for DCA, so while these pathways generated revenue of circa £5.7m in 2023, the impact on future EBITDA and cashflow will be immaterial.

Both the operating model changes and the phase-out of the secondary care proposition are expected to be completed by the end of Q4 24.

Finally, in January 2024 the Company completed the issue of a £10.6m Convertible Loan Note, strengthening the balance sheet. This is a zero coupon loan note, with no interest payments over the life of the note, and no principal repayments until it matures in December 2027.

Financial KPIs

Consolidated income statement

£m's	H124	H123	Change	%	H2 23	Change	%
Revenue	**21.8**	**19.2**	**2.6**	***13.8%***	**19.3**	**2.5**	***12.9%***
Cost of sales	(9.8)	(10.8)	1.0	*9.6%*	(10.0)	0.2	*1.8%*
Gross Profit	**12.0**	**8.3**	**3.7**	***44.0%***	**9.3**	**2.7**	***28.6%***
Gross Profit Margin	*55.1%*	*43.6%*	*11.6 ppt*		*48.4%*	*6.7 ppt*	
Operating costs	(3.4)	(3.6)	0.2	*6.2%*	(3.2)	(0.2)	*(5.2%)*
Contribution	**8.6**	**4.7**	**3.9**	***82.8%***	**6.1**	**2.5**	***41.0%***
Contribution Margin	*39.5%*	*24.6%*	*14.9 ppt*		*31.6%*	*7.9 ppt*	
Non-operating costs	(9.0)	(8.3)	(0.8)	*(9.4%)*	(8.4)	(0.6)	*(7.4%)*
EBITDA	**(0.4)**	**(3.6)**	**3.1**	***87.6%***	**(2.3)**	**1.9**	***80.9%***
EBITDA Margin	*(2.0%)*	*(18.6%)*	*16.6 ppt*		*(12.0%)*	*10 ppt*	
Depreciation and amortisation	(1.9)	(1.1)	(0.8)	*(71.2%)*	(1.4)	(0.5)	*(34.0%)*
EBIT	**(2.3)**	**(4.7)**	**2.3**	***50.0%***	**(3.7)**	**1.4**	***37.4%***
Finance income/(expense)	(0.4)	(0.2)	(0.2)	*n/m*	(0.3)	(0.1)	*(47.1%)*
Loss before tax	**(2.7)**	**(4.9)**	**2.1**	***44.0%***	**(4.0)**	**1.3**	***31.8%***
Tax	0.2	0.6	(0.4)	*(65.4%)*	0.1	0.1	*42.4%*
Loss after tax	**(2.5)**	**(4.3)**	**1.8**	***41.2%***	**(3.9)**	**1.3**	***34.5%***
Results from discontinued operations	(0.1)	(1.9)	1.7	*92.5%*	0.1	(0.2)	*(293.1%)*
Net loss	**(2.7)**	**(6.2)**	**3.5**	***56.7%***	**(3.8)**	**1.1**	***29.5%***
Net Operating Cash Flows	**(0.6)**	**(4.4)**	**3.8**	***86.8%***	**(1.7)**	**1.1**	***66.3%***

Commentary

Revenue in H1 24 was £21.8m, up 12.9% on H2 23 and 13.8% on H1 23. Revenue growth was driven by an increase in the volume of consultations delivered to patients together with a contractual inflationary increase in our price per consultation.

Gross profit in H1 24 was £12.0m, up 28.6% on H2 23 and 44.0% on H1 23. Gross margin continued to improve from 43.6% in H1 23, to 48.4% in H2 23 and up to 55.1% in H1 24. The increase across all periods is driven by the introduction of ANPs in June 2023 and subsequent ramp up of ANP consultations from 2% of total consultations in H1 23 to 20% in H1 24, as well as an increased price received from AXA Health in April 2024.

Contribution in H1 24 was £8.6m, up 41.0% on H2 23 and 82.8% on H1 23. Contribution margin of 39.5% was 14.9ppt higher than H1 23 and 7.9ppt higher than H2 23. The improvement across both periods was driven by the aforementioned improvement in gross margin coupled with a reduction in the average operating cost per consultation resulting from a range of efficiency gains.

The table below shows the underlying movement in non-operating costs, after excluding one off items:

£m's	H1 24	H1 23	Change	%	H2 23	Change	%
Sales and marketing costs	0.4	0.4	(0.0)	*(3.2%)*	0.3	0.1	*21.3%*
Technology costs	1.8	1.5	0.3	*18.9%*	1.8	(0.0)	*(2.2%)*
General and administration costs	6.9	6.7	0.2	*3.7%*	6.3	0.7	*10.5%*
Other operating income	(0.1)	(0.3)	0.2	*64.3%*	(0.0)	(0.1)	*(181.6%)*
Share based payments	0.1	0.0	0.1	*650.0%*	0.1	0.0	*17.2%*
Total non-operating costs	**9.0**	**8.3**	**0.8**	***9.4%***	**8.4**	**0.6**	***7.4%***
Less restructuring costs	(0.5)	-	(0.5)	-	-	(0.5)	-
Underlying non-operating costs	**8.6**	**8.3**	**0.3**	***3.9%***	**8.4**	**0.2**	***2.0%***

Adjusting for exceptional costs, underlying non-operating costs were £8.6m, a 2.0% increase on H2 23 and 3.9% increase on H1 23. The increase from H1 23 to H1 24 was driven primarily by an increase in the Technology costs due to there being a lower capitalisation of intangible assets.

Operating Cash flow

Operating cash flow trend largely followed EBITDA trend in the period when adjusted for non-cash items:

£m's	H1 24	H1 23	Change	%	H2 23	Change	%
EBITDA	**(0.4)**	**(3.6)**	**3.1**	***87.6%***	**(2.3)**	**1.9**	***80.9%***
Add back restructuring costs	0.5	-	-	-	-	-	-
Underlying EBITDA	**0.0**	**(3.6)**	**3.6**	***100.4%***	**(2.3)**	**2.3**	***100.6%***
Net Operating Cash Flows	**(0.6)**	**(4.4)**	**3.8**	***86.8%***	**(1.7)**	**1.1**	***66.3%***
Add back GP2U cash flows	-	0.1	-	-	-		
Add back paid restructuring costs	0.1	-	-	-	-		
Underlying Net Operating Cash Flows	**(0.5)**	**(4.3)**	**3.8**	***87.9%***	**(1.7)**	**1.2**	***69.8%***

Net operating cash outflows in H1 24 fell significantly to £0.6m, a 66.3% reduction on H2 23 and a 86.8% reduction on H1 23. The reduction in operating cash outflows in H1 24 included £0.1m of payments in respect of restructuring costs. Excluding the impact of these items, operating cash outflows in H1 24 decreased 69.8% on H2 23 and 87.9% on H1 23.

The reduction against both prior periods was mostly driven by the same factors driving the improvements in EBITDA. The variances between EBITDA and net operating cash flows were primarily driven by working capital movements related to timing of payments. Significant payments made in H1 relate to annual insurance payments in Q1 and annual staff bonuses paid in Q2 offset by a subscription revenue receipt.

Unaudited Interim Condensed Financial Statements

Prepared under International Accounting Standard 34 for the six-month period ended 30 June 2024

Interim Condensed Statement of Comprehensive Income

For the six months ended 30 June 2024

	Note	**30 June 2024 Unaudited £'000**	*30 June 2023 Unaudited £'000*
Revenue	3	**21,795**	*19,154*
Cost of sales		**(9,776)**	*(10,810)*
Gross profit		**12,019**	*8,344*
Administrative expenses	6	**(13,847)**	*(13,321)*
Other operating income	7	**122**	*307*
Operating loss	8	**(1,706)**	*(4,670)*
Fair value adjustment	15	**(630)**	-
Finance income		**38**	*7*
Finance costs	9	**(428)**	*(202)*
Loss before taxation		**(2,726)**	*(4,865)*
Tax credit	10	**193**	*560*
Loss for the financial period from continuing operations		**(2,533)**	*(4,305)*
Loss on discontinued operations, net of tax	5	**(141)**	*(1,845)*
Total comprehensive loss for the period		**(2,674)**	*(6,150)*
Loss per share		**£**	£
Basic and diluted EPS	11	**(0.01)**	(0.02)
Basic and diluted EPS – continuing operations	11	**(0.01)**	(0.01)

The notes on pages 16 to 31 form part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Financial Position

	Note	30 June 2024 Unaudited £'000	31 December 2023 Audited £'000
Non-current assets			
Property, plant and equipment	12	**475**	*747*
Intangible assets	13	**5,815**	*5,968*
Investments	15	**670**	*1,300*
Total non-current assets		**6,960**	*8,015*
Current assets			
Trade and other receivables: due within one year	16	**2,516**	*3,110*
Corporation tax receivable		**582**	*387*
Cash at bank and in hand		**4,458**	*6,061*
Interest in joint venture	14	**1,893**	*2,034*
Total current assets		**9,449**	*11,592*
Current liabilities			
Trade and other payables: due within one year	17	**(4,545)**	*(5,868)*
Loans and borrowings	19	-	*(3,846)*
Provisions	21	**(393)**	-
Total current liabilities		**(4,938)**	*(9,714)*
Non-current liabilities			
Trade and other payables: due after one year	18	**(780)**	*(956)*
Loans and borrowings	19	**(7,733)**	*(6,555)*
Provisions	21	**(50)**	*(50)*
Total non-current liabilities		**(8,563)**	*(7,561)*
Net assets		**2,908**	*2,332*
Capital and reserves			
Called up share capital		**78**	*78*
Share premium account		**56,212**	*56,212*
Other reserves		**5,421**	*2,171*
Retained earnings		**(58,803)**	*(56,129)*
Total equity		**2,908**	*2,332*

The notes on pages 16 to 31 form part of these interim condensed consolidated financial statements. The interim condensed financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

Ben Kent

Ben Kent, Chief Executive Officer 28 August 2024

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Called up share capital Unaudited £'000	Share premium account Unaudited £'000	Other reserves Unaudited £'000	Retained earnings Unaudited £'000	Total equity Unaudited £'000
At 1 January 2024	**78**	**56,212**	**2,171**	**(56,129)**	**2,332**
Comprehensive loss for the period	-	-	-	(2,674)	**(2,674)**
Total comprehensive loss for the period	-	-	-	(2,674)	**(2,674)**
Share based payments	-	**-**	123	-	**123**
Issue of convertible loan notes	-	**-**	3,132	-	**3,132**
Foreign exchange movements	-	**-**	(5)	-	**(5)**
At 30 June 2024	**78**	**56,212**	**5,421**	**(58,803)**	**2,908**

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2023

	Called up share capital Unaudited £'000	Share premium account Unaudited £'000	Other reserves Unaudited £'000	Retained earnings Unaudited £'000	Total equity Unaudited £'000
At 1 January 2023	**78**	**56,212**	**2,078**	**(46,080)**	**12,288**
Comprehensive loss for the period	-	-	-	(6,150)	**(6,150)**
Total comprehensive loss for the period	-	-	-	(6,150)	**(6,150)**
Share based payments	-	**-**	16	-	**16**
Foreign exchange movements	-	-	22	-	**22**
At 30 June 2023	**78**	**56,212**	**2,116**	**(52,230)**	**6,176**

The notes on pages 16 to 31 form part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows

	Period ended 30 June 2024 Unaudited £'000	*Period ended 30 June 2023 Unaudited £'000*
Cash flows from Operating Activities		
Receipts from customers	**22,241**	*18,356*
Payments to suppliers and employees	**(22,862)**	*(23,082)*
Finance income received	**38**	*7*
Finance cost paid	**-**	*(1)*
Government grants and tax incentives	**-**	*196*
Total Cash flows from Operating Activities	**(583)**	*(4,524)*
Cash flows from Investing Activities		
Payment for property, plant and equipment	**(1)**	*(128)*
Purchase of intangible fixed assets	**(835)**	*(1,570)*
Total Cash flows from Investing Activities	**(836)**	*(1,698)*
Cash flows from Financing Activities		
Transaction costs on issue of convertible loan note	**(103)**	-
Proceeds from issue of convertible loan note	**10,610**	*7,500*
Repayment of loans	**(10,673)**	*(415)*
Total Cash flows from Financing Activities	**(166)**	*7,085*
Net Cash flows	**(1,585)**	*863*
Cash and cash equivalents at beginning of period	**6,060**	*5,406*
Effect of movement in exchange rates on cash held	**(17)**	*(27)*
Cash and cash equivalents at the end of period	**4,458**	*6,242*
Included in cash and cash equivalents per the balance sheet	4,458	6,194
Included in the assets of the disposal group	-	48

The notes on pages 16 to 31 form part of these interim condensed consolidated financial statements.

Notes to the Interim Condensed Financial Statements

For the six month period ended 30 June 2024

1. Corporate information

Doctor Care Anywhere Group PLC ('the Company') and its subsidiary undertakings (together referred to as the 'Group') are engaged in digital healthcare service and development.

Doctor Care Anywhere Group PLC is a public company limited by shares and registered in England and Wales, registered number 08915336. Its registered office is located at 13-15 Bouverie Street, 2nd Floor, London, England, EC4Y 8DP. It is listed on the Australian Securities Exchange (ASX:DOC).

These condensed consolidated interim financial statements are unaudited and do not constitute the statutory accounts within the meaning of Section 434 of the Companies Act 2006. The Group's most recent statutory financial statements, which comprise the Annual Report and audited Financial Statements for the year ended 31 December 2023 were approved by the Board of Directors on 27 March 2024 and delivered to the Registrar of Companies. The report of the auditor on those financial statements was not qualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

2. Significant accounting policies

2.1. Basis of preparation

The unaudited interim condensed consolidated financial statements cover Doctor Care Anywhere Group PLC and the entities it controlled at the end of, or during, the half year ended 30 June 2024, and have been prepared in accordance with IAS 34, Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements prepared in accordance with UK-adopted international accounting standards.

2.2. Going concern

These financial statements have been prepared on a going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future, which is defined as a period of not less than twelve months from the signing of these accounts.

The Company has prepared a cash flow forecast through to August 2025 on a going concern basis, and the directors have considered this forecast and a range of sensitivities carefully. The Company therefore adopts the going concern basis of accounting in preparing these consolidated financial statements.

The Going Concern section in the Appendix 4D of the front section of this report discloses in detail the matters relating to going concern.

2.3. Estimates and Judgements

The preparation of the interim financial statements requires management to make estimates, judgements and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates, judgements and assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The critical accounting judgements and the major sources of estimation uncertainty were largely the same as those described in the previous annual financial statements for the year ended 31 December 2023. Details of the estimates and judgements are included on page 68 of the 2023 Annual Report.

New estimates and judgements in the period include:

Accounting for convertible loan notes

Management has assessed the accounting treatment of the convertible loan notes in determining the type of financial instrument. Having had due regard to the requirements of IAS 32, management determined that the convertible instrument was a compound instrument and contained both a liability and equity components.

Other judgements on the notes included the discount rate used in determining the split between the liability and equity and also the amount of interest on the financial liability after initial recognition.

Recognition of restructuring provision

Management have assessed the need to recognise a restructuring provision relating to the costs associated with the phasing out of the AXA Health secondary care pathway. The restructuring plan was approved by the board in the interim period. The plan had been communicated to the affected groups prior to the interim period end.

Fair value of investment in My Emergency Doctor

At each period end management assesses the fair value of any investments held under IFRS 9. At 30 June 2024 the investment in My Emergency Doctor (MED) was deemed in the period to need a fair value adjustment based on its recent performance where there was a significant decline in its annualised revenue. Further detail is provided in note 15. The fair value of the investment was determined using the market approach (Level 3 inputs) based on revenue multiples of smaller listed companies in the industry in which the group operates.

3. Revenue

	Period ended 30 June 2024 Unaudited £'000	*Period ended 30 June 2023 Unaudited £'000*
Utilisation	**20,216**	*17,870*
Subscription	**1,576**	*1,281*
Other	**3**	*3*
Total revenue	**21,795**	*19,154*

Revenue streams are analysed between Utilisation, Subscription and Other services as follows:

Utilisation revenue

UK & Republic of Ireland: Individually purchased consultations: revenue is recognised at a point in time, when the one distinct performance obligation, the consultation, is complete.

Subscription revenue

Monthly or Annual service subscription: there is one distinct performance obligation, being the provision of virtual healthcare services. Revenue from virtual healthcare services is recognised in the accounting period in which the services are rendered. The contracts are satisfied monthly over the contract term. Revenue is recognised over time, on a systematic basis over the period of the contract, as this represents the pattern of delivery of the performance obligation to customers.

Other revenue

- **Minimum number of purchased consultations**: some customers purchase consultations as a bundle for a fixed amount which entitles them to a minimum number of consultations per period. At the end of the period and if the actual number of consultations is less than the minimum number in the bundle, the revenue in respect of the unutilised consultations is recognised in full.

- **Technology platform licensing**: revenue is deferred and recognised evenly over time, over the period for which the licence is granted.

A **contract asset** is recognised for revenue where the performance obligation (being the provision of utilisation and subscription services) has been completed, but payment remains conditional on acceptance by the customer. Once invoiced, the amount recognised as contract assets is reclassified to trade receivables.

A **contract liability** is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services or for instances where the customer is invoiced in advance. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer). Contract liabilities arise from annual service subscriptions and technology platform licensing.

4. Segmental reporting

The Group provides virtual healthcare services and technology platform licensing within the United Kingdom and the Republic of Ireland. Historically it also provided services in Australia that ceased on the sale of GP2U in July 2023. The following table represents this Geographic split for the period ended 30 June 2024 & 30 June 2023:

Period ended 30 June 2024	UK and Republic of Ireland	Australia	**Total**
	£'000	£'000	**£'000**
Revenue	21,795	-	**21,795**
Cost of sales	(9,776)	-	**(9,776)**
Administrative expenses	(13,847)	-	**(13,847)**
Other operating income	122	-	**122**
Fair value adjustment	(630)	-	**(630)**
Finance income	38	-	**38**
Finance expense	(428)	-	**(428)**
Tax	193	-	**193**
Loss on discontinued operations	(141)	-	**(141)**
Loss for the financial period	**(2,674)**	**-**	**(2,674)**
Assets on continued operations	14,516	-	**14,516**
Assets on discontinued operations	1,893	-	**1,893**
Liabilities on continued operations	(14,184)	-	**(14,184)**
Liabilities on discontinued operations	-	-	**-**
Net assets	**2,225**	**-**	**2,225**

Period ended 30 June 2023	UK and Republic of Ireland	Australia	**Total**
	£'000	£'000	**£'000**
Revenue	19,154	-	**19,154**
Cost of sales	(10,810)	-	**(10,810)**
Administrative expenses	(13,321)	-	**(13,321)**
Other operating income	307	-	**307**
Share of profit of joint venture	27	-	**27**
Finance income	7	-	**7**
Finance expense	(202)	-	**(202)**
Tax	560	-	**560**
Loss on discontinued operations	-	(1,872)	**(1,872)**
Loss for the financial period	**(4,278)**	**(1,872)**	**(6,150)**
Assets on continued operations	21,222	-	**21,222**
Assets on discontinued operations	-	1,760	**1,760**
Liabilities on continued operations	(16,429)	-	**(16,429)**
Liabilities on discontinued operations	-	(377)	**(377)**
Net assets	**4,793**	**1,383**	**6,176**

5. Discontinued Operations

On 4 June 2023, the Company announced the sale of its Australian subsidiary GP2U for A$3.0m to My Emergency Doctor. The consideration comprised of $2.5m unlisted ordinary shares in MED and $0.5m cash adjusted for normal working capital. The sale was completed on 9 July 2023, and consequently GP2U's operations have been classified as discontinued for the period ended 30 June 2023.

On 18 October 2023, as part of its quarterly activity report, the Company gave an update regarding its relationship with AXA Health, including the intention to wind up its Joint Venture, Doctor at Hand Diagnostics Ltd ("JVCo"). This remains the intention at the date of this report, and consequently JVCo has been classified as discontinued for the period ended 30 June 2024.

The result from discontinued operations in the period was as follows:

	Period ended 30 June 2024 Unaudited £'000	*Period ended 30 June 2023 Unaudited £'000*
Revenue	**-**	*352*
Administrative expenses	**-**	*(519)*
Other operating income	**-**	-
Tax	-	*28*
Intangible asset impairment	**-**	*(1,733)*
Share of (loss)/profit of joint venture	**(141)**	*27*
Loss after tax	**(141)**	*(1,845)*

Intangible asset impairment relates to an impairment of GP2U intangible assets down to the fair value less costs to sell.

The net assets classified as held for sale are broken down as follows:

	As at 30 June 2023 Unaudited £'000
Assets	
Fixed assets	**5**
Intangible assets	**1,576**
Trade receivables	**92**
Prepayments	**11**
Contract assets	**28**
Cash	**48**
	1,760
Liabilities	
Trade payables	**6**
Other taxation and social security	**106**
Accruals	**40**
Contract liabilities	**8**
Other payables	**36**
Deferred tax	**181**
	377

6. Administrative expenses

	Period ended 30 June 2024 Unaudited £'000	*Period ended 30 June 2023 Unaudited £'000*
Operating costs	**3,412**	*3,636*
Technology costs	**1,770**	*1,489*
Sales and Marketing costs	**399**	*412*
General and Administration costs	**8,266**	*7,784*
	13,847	*13,321*

Operating costs include a variety of expenses attributable to running the Group, including a number of support functions.

Technology costs include the expenses attributable to the development and maintenance of the Group's intellectual property which do not meet the capitalisation criteria under IAS 38.

Sales and Marketing costs include the expenses attributable to the selling and marketing of the Group's services.

General and Administration costs include the expenses attributable to supporting the Group's operating functions, depreciation, amortisation, and share-based payments.

7. Other Operating Income

Other operating income reported in the Interim Condensed Consolidated Statement of Comprehensive Income consists of the following:

	Period ended 30 June 2024 Unaudited £'000	*Period ended 30 June 2023 Unaudited £'000*
Recharges to joint venture	**-**	*305*
Foreign exchange gains	**-**	*2*
Rental Income	**122**	*-*
	122	*307*

8. Operating loss

The operating loss is stated after charging/(crediting):

	Period ended 30 June 2024 Unaudited £'000	Period ended 30 June 2023 *Unaudited £'000*
Cost of sales employee costs	**6,626**	*5,897*
Cost of sales contractor costs	**3,141**	*4,901*
Administrative expenses employee costs	**7,709**	*7,524*
Administrative expenses contractor costs	**1,543**	*1,806*
Depreciation	**274**	*300*
Amortisation of intangible assets	**994**	*806*
Exchange difference	**11**	*(2)*

Employee costs consist of:

	Period ended 30 June 2024 Unaudited £'000	Period ended 30 June 2023 *Unaudited £'000*
Wages and salaries	**12,720**	*11,986*
Social security costs	**1,322**	*1,251*
Costs of defined contribution scheme	**218**	*168*
Share-based payment	**75**	*16*
	14,335	*13,421*

9. Finance costs

Finance costs consist of the following:

	Period ended 30 June 2024 Unaudited £'000	*Period ended 30 June 2023 Unaudited £'000*
IFRS 16 lease liability charge	**50**	*50*
Loan interest	**5**	*152*
Effective interest on convertible loan notes	**373**	*-*
	428	*202*

10. Income tax

The Income tax below relates to the Research and Development tax claim that the group submits annually. No deferred tax asset has been recognised on the Group's losses.

	Period ended 30 June 2024 Unaudited £'000	*Period ended 30 June 2023 Unaudited £'000*
Current income tax credit	**193**	*560*

11. Earnings per share

Basic EPS is calculated by dividing the total comprehensive loss for the period attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the period.

Diluted EPS is calculated by dividing the total comprehensive loss for the period attributable to equity holders of the parent (after adjusting for potential inflows/outflows on all dilutive potential shares) by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

There is no difference in the total comprehensive loss for the period or the weighted average number of equity shares used for the calculation of basic and diluted loss per share, as the effect of all potentially dilutive shares outstanding was anti-dilutive.

	Period ended 30 June 2024 Unaudited £'000	*Period ended 30 June 2023 Unaudited £'000*
Total comprehensive loss for the period	**2,674**	6,150
Total comprehensive loss for the period – continuing operations	**2,533**	4,278
Weighted number of equity shares:		
Ordinary shares	**366,672,247**	366,672,247
Weighted number of equity shares: for calculation of Basic and Diluted EPS	**366,672,247**	366,672,247
Loss per share	**£**	*£*
Basic and diluted	**(0.01)**	(0.02)
Basic and diluted – continuing operations	**(0.01)**	(0.01)

12. Property, plant and equipment

During the six months ended 30 June 2024, the Group acquired computer equipment and office furniture with a cost of £2,431 (30 June 2023: £34,675).

13. Intangible assets

During the six months ended 30 June 2024, the Group capitalised software development costs of £832,354 (30 June 2023: £1,569,397). Software development costs of £3,150 relating to third party software installation were incurred by the Group during the six months ended 30 June 2024 (30 June 2023: £3,823).

During the six months ended 30 June 2023, intangible assets with a carrying value of £1,575,548 relating to GP2U were moved from non-current intangible assets to current assets due to their classification as an asset held for sale (see note 5). Prior to the disposal, an impairment of £1,733,000 was recognised in relation to these assets, being the difference between the carrying value of those assets at 30 June 2023 and the fair value less cost to sell of the asset.

14. Interest in joint venture

Movement in the Group's investment in joint venture during the financial period was as follows:

	Unaudited £'000
Balance as at 30 June 2023	**1,993**
Share of profit of joint venture from 1 July to 31 December 2023	41
Balance as at 31 December 2023	**2,034**
Share of loss of joint venture from 1 January to 30 June 2024	(141)
Balance as at 30 June 2024	**1,893**

15. Investments

Movement in the Group's investments during the financial period was as follows:

	Unaudited £'000
Balance as at 31 December 2023	**1,300**
Fair value adjustment	(630)
Balance as at 30 June 2024	**670**

The fair value adjustment relates to a £630,000 reduction in the value of the Group's investment in My Emergency Doctor (MED).

16. Trade and other receivables

The following balances are due to be realised within one year of the reporting date:

	As at 30 June 2024 Unaudited £'000	As at 31 December 2023 Audited £'000
Trade receivables	**1,314**	1,904
Other receivables	**308**	218
Prepayments	**841**	950
Contract assets	**53**	38
	2,516	3,110

17. Trade and other payables: Amounts falling due within one year

	As at 30 June 2024 Unaudited £'000	As at 31 December 2023 Audited £'000
IFRS 16 lease liability <1 year	**366**	392
Trade payables	**285**	1,858
Other taxation and social security	**763**	755
Other payables	**37**	38
Accruals	**2,151**	2,211
Contract liabilities	**943**	614
	4,545	5,868

18. Trade and other payables: Amounts falling due after one year

	As at 30 June 2024 Unaudited £'000	As at 31 December 2023 Audited £'000
IFRS 16 lease liability >1 year	**30**	207
Other payables	**750**	749
	780	956

19. Loans and borrowings

As at 30 June 2024 the Group had the following loans and borrowings:

	As at 30 June 2024 Unaudited £'000	*As at 31 December 2023 Audited £'000*
Current liabilities		
Amounts falling due within one year	**-**	*3,846*
Non-current liabilities		
Amounts falling due after one year	**7,733**	*6,555*

Both the current and non-current amounts as at 31 December 2023 related to a loan facility secured with AXA PPP Healthcare Group Limited (the "AXA Loan"). The key terms of this loan were as follows:

- Maturity date of 30 November 2026

- Interest charged at 5% per annum, accruing quarterly and paid in full on maturity date
- Principal amount repayable in 13 quarterly instalments from 30 November 2023
- Loan facility of £10.0m
- DCA required to maintain look forward 12 month minimum cash balance of £1.5m throughout loan period.

On 11 January 2024 the Company issued £10.6m of convertible loan notes. The key terms of the note are as follows:

- Convertible Notes are interest free and due 31 December 2027, with no repayment of principal required until maturity
- Conversion price of £0.04591 (A$0.0875), a premium of 94% to the closing price on 11 December 2023, the last trading date of the CDIs prior to the announcement of the transactions
- A Noteholder has the right to convert all or some of their notes upon issuance of conversion notice
- Initial £10.6m loan note split £7.7m to liability, £3.1m to equity with remaining £0.167m of costs being unwound evenly to liability over the term of the notes
- Fair value of the liability was determined using an unsecured market rate of interest of 9.15% and discounted over the term of the loan
- Convertible notes consist of £ 372,929 of effective interest using the unsecured market rate of interest of 9.15%
- Zero coupon and no interim repayments
- Funds used to repay the AXA Loan and accrued interest of £0.4m
- AXA Health and Axia Investments Limited participated in the Convertible Notes

20. Financial instruments

As at 30 June 2024 the Group has the following financial assets and financial liabilities:

	As at 30 June 2024 Unaudited £'000	*As at 31 December 2023 Audited £'000*
Financial assets		
Current assets		
Held at amortised cost:		
Cash and cash equivalents	**4,458**	*6,061*
Other financial assets	**1,622**	*2,122*
Total assets held at amortised cost	**6,080**	*8,183*
Financial liabilities		
Current liabilities		
Held at amortised cost:		
Loans and borrowings	**-**	*3,846*
Other financial liabilities	**2,839**	*4,499*
	2,839	*8,345*
Non-current liabilities		
Held at amortised cost:		
Loans and borrowings	**7,733**	*6,555*
Other financial liabilities	**780**	*956*
	8,513	*7,511*

Prepayments, contract assets and liabilities under the scope of IFRS 15, and tax and social security balances, are not considered financial instruments and are excluded from the table above.

Other current financial assets comprise trade and other debtors (see note 16). Other current financial liabilities comprise IFRS 16 lease liabilities <1 year, trade payables, accruals, other payables (see note 17). Non-current Other financial liabilities comprise IFRS 16 lease liabilities >1 year and other payables (see note 18).

21. Provisions

	Dilapidation £'000	Restructuring £'000	Total £'000
At 1 January 2024	**50**	**-**	**50**
Arising during the year	**-**	393	393
At 30 June 2024	**50**	**393**	**443**
Current	**-**	393	**393**
Non-current	50	-	**50**

Dilapidation

The dilapidation provision relates to a contractual obligation in the lease agreement for the Harmsworth House office to be returned to the same condition as it was on commencement of the lease. The lease expires at the end of 2025.

Restructuring

The restructuring provision is in relation to the cessation of the diagnostic operations of the company and a change to its clinical workforce operating model. The restructuring is expected to be completed by the end of 2024.

22. Share options

The Group grants share options to certain of the Company's employees. The options have a range of vesting periods and exercise conditions.

The share-based payment charge included in the profit and loss account for the six months ended 30 June 2024 was £75,378 (30 June 2023: £16,470).

	Weighted average exercise price (£)	**Number**	Weighted average exercise price (£)	Number
	Period ended 30 June 2024 Unaudited	**Period ended 30 June 2024 Unaudited**	Period ended 30 June 2023 Unaudited	Period ended 30 June 20223 Unaudited
Outstanding at beginning of the period	**0.24**	**12,658,548**	0.31	10,090,423
Granted during the period	**0.04**	**7,358,707**	-	-
Exercised during the period	**-**	**-**	-	-
Lapsed during the period	**-**	**-**	0.25	31,875
Outstanding at the end of the period	**0.17**	**20,017,255**	0.30	10,058,548
Exercisable at the end of the period	**0.21**	**14,154,503**	0.22	8,243,203

The range of exercise prices in respect of options outstanding at 30 June 2024 is £0.04 to £0.59 (30 June 2023: £0.05 to £0.59). The weighted average remaining contractual life of outstanding options at 30 June 2024 is 5.5 years (30 June 2023: 6.1 years).

23. Related parties

For the six month period ended 30 June 2024, the Directors considered themselves and the Chief Financial Officer as key management personnel. For the six month period ended 30 June 2023, the Directors considered themselves, the Chief Executive Officer and the Acting Chief Financial Officer as key management personnel. Key management personnel remuneration for the periods was as follows:

	Period ended 30 June 2024 Unaudited £'000	*Period ended 30 June 2023 Unaudited £'000*
Short-term employee benefits	**303**	*336*
Company contributions to defined contribution pension schemes	**-**	*1*
Share-based payment charge	**12**	*1*
	315	*338*

Amounts owed to the Group by Key Management Personnel at 30 June 2024 was £Nil (31 December 2023: £Nil).

All transactions with related parties were conducted on an arm's length basis under normal market terms and conditions.

24. Events after the reporting period

No significant events occurred after the reporting period.

Directors' Declaration

In the directors' opinion:

a. The financial statements and notes set out on pages 11 to 31 are in accordance with the Corporations Act 2001, including:

i) Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

ii) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and

b. There are reasonable grounds to believe that Doctor Care Anywhere Group PLC will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Ben Kent

Ben Kent

Chief Executive Officer
Doctor Care Anywhere Group PLC

Date: 28 August 2024

Independent Review Report to Doctor Care Anywhere Group PLC

Conclusion

We have been engaged by Doctor Care Anywhere Group Plc (the "Group"), to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 which comprise the condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and the related Notes to the Interim Condensed Financial Statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared in all material aspects, in accordance with UK-adopted International Accounting Standard 34 'Interim Financial Reporting'.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards. The condensed set of financial statements included in this half-yearly report has been prepared in accordance with UK-adopted International Accounting Standard 34 "Interim Financial Reporting".

Conclusions related to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE(UK) 2410, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with UK adopted International Accounting Standard 34.

In preparing the half-yearly financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

Our responsibility is to express a conclusion to the company on the condensed set of financial statements in the half-yearly financial report based on our review.

Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor, Chartered Accountants
London, UK
Date: 28 August 2024

Corporate Directory

Directors

John Stier	Independent Non-Executive Chairman
David Ravech	Non-Executive Director
Romana Abdin	Independent Non-Executive Director
Dr Aleksandra Spencer	Independent Non-Executive Director
Benjamin Kent	Executive Director

Company Secretary

Catherine Baxandall

Principal Registered Office in the UK

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Share Register

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Tel: +61 3 9415 4000

Auditor

Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW

Stock Exchange Listing

Doctor Care Anywhere Group PLC's shares are listed on the Australian Securities Exchange (Listing Code: DOC)

UK Company Number and ARBN

Company number: 08915336

ARBN: 645 163 873