29 October 2024

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 September 2024 ("Q3 2024")[1].

Executive Summary

- Cash outflow in Q3 24 was roughly half vs Q3 23 at £0.9m. Underlying cash outflow was reduced to £0.2m, before one-off restructuring costs of £0.7m. The company is now targeting underlying cash flow to be breakeven in H2 2024.
- Exited quarter with £3.6m / A$7.0m cash on hand, which is expected to see the business through to cash generation and profitability.
- Consultations of 162,600 in Q3 2024 compared to 180,650 in Q3 2023
- H2 2024 revenue (excluding secondary care pathways) expected to grow by 0-5% versus H2 2023.
- Expected gross margins of 55-60% by end of 2024 from completed restructure of clinical operations to improve the clinician mix and further reduce cost to serve.

Operational Performance – KPIs

	Actual	% increase / (decrease) on	% increase / (decrease) on
	Q3 2024 000's	Q3 2023 (PcP)	Q2 2024 (QoQ)
Eligible Lives[2] at Period End	3,262.7	9.2%	3.7%
Activated Lives[3] at Period End	1,103.3	10.3%	2.1%
Consultations[4] in Period	162.6	(10.0%)	(14.4%)
Secondary Care Journeys[5] in Period	4.1	(61.9%)	(61.1%)
Repeat Patients[6] in Period	120.1	(11.5%)	(14.1%)

Commentary

Eligible Lives at the end of Q3 2024 were 3.3 million, up 9.2% on PcP and up 3.7% QoQ. Growth in eligible lives was due to the new partnership with Alliance Healthcare which was announced in the quarter.

At the end of Q3 2024, Activated Lives were 1.1 million, up 10.3% on PcP and 2.1% QoQ.

162,600 consultations were delivered in Q3 2024, down 14.4% versus QoQ and 10.0% vs PcP. The decrease in consultation volumes versus PcP and QoQ reflected seasonal trends, the reduction in follow-up appointments due to the phased closure of the secondary care pathways, and reduced new member volumes from AXA Health, as it increased its prices in response to increased claims costs in 2023.

[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 1:0.51 for Q3 2024, 1:0.53 for both Q2 2024 and Q3 2023.

[2] **Eligible Lives** represents the total number of people who have an entitlement to use DOC's services.

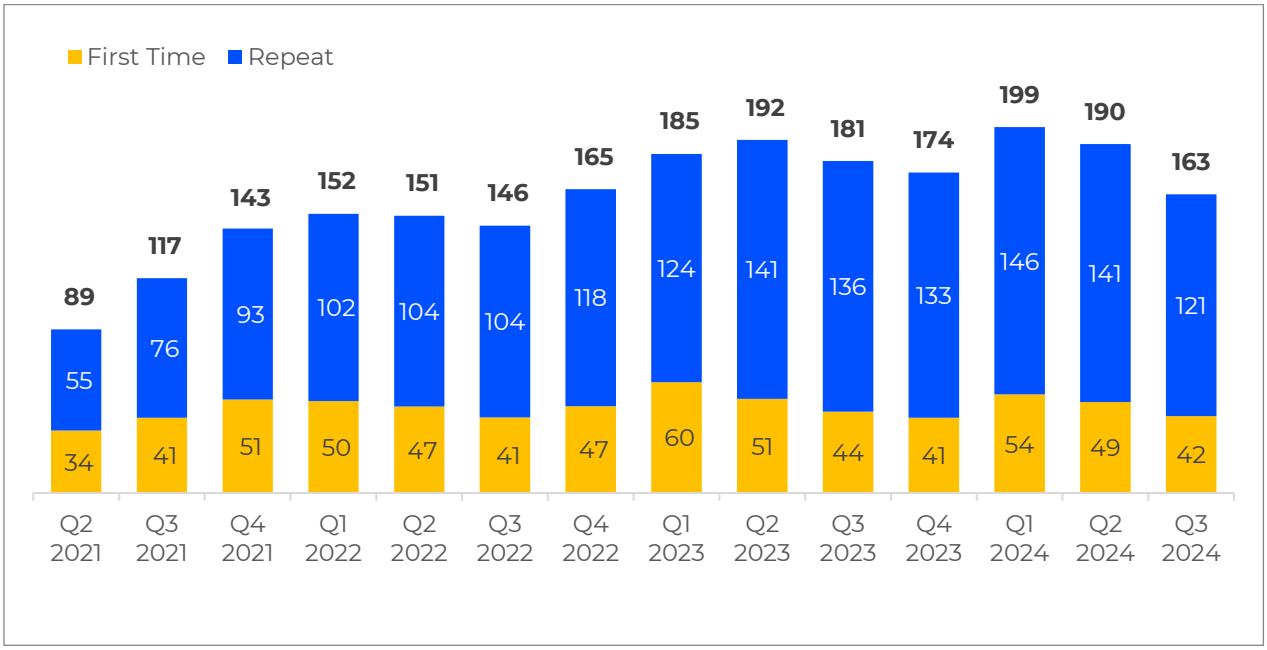
[3] **Activated Lives** represents the total number of people who "sign up" for DOC's service and enter their personal details.

[4] **Consultations** is the number of GP and ANP 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.

Consultations by Quarter (000's)



Returning patients represented 74% of all consultations in the quarter, no change QoQ, but a decrease of 1 ppt compared to PcP.

The Company completed 4,100 secondary care journeys in the period. As mentioned in its 13 June 2024 release, the Company has been phasing out its AXA Health secondary care pathway with the last journey expected to be completed by the end of the year.

Cash Position

Cash movements	Q3 2024 £000	Q2 2024 £000	% increase /(decrease) QoQ	Q3 2023 £000	% increase /(decrease) versus PcP
Receipts from customers	8,518	12,050	(29.3%)	10,986	(22.5%)
R&D/Intellectual property costs	(1,007)	(1,093)*	(7.9%)	(1,160)*	(13.2%)
Operating costs	(5,577)	(6,875)*	(18.9%)	(7,034)*	(20.7%)
Other/Non-operating staff costs	(2,167)	(2,591)	(16.4%)	(2,338)	(7.3%)
Other administrative costs	(877)	(1,707)*	(48.6%)	(2,852)	(69.3%)
Other cash inflows	263	208	26.4%	763	(65.5%)
Total operating and investing outflows	**(847)**	**(7)**	**n/m**	**(1,635)**	**(48.2%)**
Financing cash flows	(23)	(243)	(90.5%)	2,366	(101.0%)
Exchange gain/(loss)	(3)	(2)	50.0%	(57)	(94.7%)
Net cash flow	**(873)**	**(252)**	**246.4%**	**674**	**(229.5%)**

*Q2 2024 and Q3 2023 values for several cost categories have been amended following a re-categorisation of R&D-related software costs. The effect on 'Total operating and investing outflows' and on 'Net cash flow' is nil.

Total operating and investing cash outflows reduced year on year by £0.8m to £0.8m (A$1.5m). This demonstrates the progress made in the past year to reduce cash burn and drive margins. QoQ these

cash outflows increased by £0.8m (A$1.5m), primarily driven by a reduction of £3.5m in receipts from customers, largely offset by the Company's ongoing efficiency drive. Further details are provided as follows:

- Cash receipts from customers decreased by 29.3% QoQ primarily driven by the reduction in volumes and, as previously reported, a material one-off receipt of £0.6m from a subscription customer in Q2 2024. Receipts decreased by 22.5% versus PcP driven by reduced volumes and other one-off receipts in Q3 2023.
- R&D and intellectual property cash spend decreased by 16.4% QoQ and by 13.2% versus PcP, primarily due to timing of payments.
- Operating costs decreased by 18.1% QoQ and were down 20.7% versus PcP, due to the reduction in consultation volumes and the change in the clinical workforce mix.
- Other/non-operating staff costs decreased by 16.4% QoQ and by 7.3% versus PcP. The movement QoQ was primarily due to the timing of bonus payments with the decrease versus PcP driven by efficiency gains year on year.
- Other administrative costs spend reduced by 47.2% QoQ and 69.3% versus PcP which was primarily due to the timing of payments.
- Other cash inflows increased by 25.8% QoQ which primarily related to a higher VAT receipt in the quarter. The 65.5% decrease versus PcP relates to the receipt of the 2022 R&D claim in Q3 2023, with the 2023 R&D claim expected to be received in Q4 2024.

The overall cash outflow for the business in Q3 2024 was £0.9m (A$1.7m) versus £0.7m inflow (A$1.3m) in Q3 2023. Q3 2023 included a £2.5m receipt of the final tranche of the AXA loan. Excluding this, the total operating and investing cash outflows reduced 48.2% versus PcP from £1.8m (A$3.6m) to £0.9m (A$1.8m). This was primarily driven by cost savings across the business.

The Company exited the quarter with £3.6m (A$7.0m) of cash on hand at 30 September 2024, which is expected to be sufficient to see the Company through to profitability and net cash generation.

Underlying cash flow

Included within Operating costs and Other administrative costs for Q3 2024 are costs of £0.5m and £0.2m respectively which relate to the restructuring programme in the period. These costs consist of one-off colleague redundancy costs, legal and project costs, and a temporary reduction in clinician utilisation related to the change in the clinical workforce mix. These costs are excluded from the Company's calculation of underlying cash flow which is (£0.2m) for the period.

Activities since previous market update

An update is provided on key operational and financial matters:

New business

During the period, the Company announced a new partnership with Alliance Health Group, the UK's largest independent healthcare group owned by doctors. As part of this partnership, Alliance Health Group members have access to DCA's digital health services which will be integrated with Alliance Health existing healthcare benefits.

Restructuring

During the quarter, DCA undertook a restructuring of its clinical operations. This involved the following:

- Development of the platform to enable the introduction of Advanced Clinical Practitioners ("ACPs"), such as Pharmacists and Paramedics, into the consultation service, alongside our Advanced Nurse Practitioners (ANPs). The first non-nurse ACP began working on the platform in October.
- Approximately 60 GPs exiting the business.

As a result of these changes, the proportion of consultations delivered by ACPs has increased from 22% in Q2 2024 to 30% in Q3 2024. The Company is targeting a continuing increase in this percentage over time. This enhanced operating model, with a broader mix of clinician types to match patient need and lower cost to serve, is a key driver in DCA's path to profitability.

In addition to the above, DCA substantially progressed the phasing out of its AXA Health secondary care pathway with the last patient entering a referral pathway in September 2024. The closure of the service will be completed in Q4 2024.

Operating model review

Following the completion of the clinical workforce restructure, the Company is initiating a transformation programme to drive process efficiencies and cost reduction, to enable improved patient and client experience and to support its path to profitability.

Guidance

- As at the date of this report, DCA is targeting underlying cash flow to be breakeven in H2 2024 following a £0.2m underlying cash burn in Q3.

- Gross margin targeted at 55-60% post clinical workforce restructure

- Notwithstanding the fall in new member volumes in Q3 2024, the Company expects revenue (excluding secondary care pathway) to grow by 0-5% in H2 2024 vs H2 2023.

Appointment of Non-Executive Director

DCA also advises of the appointment of Matthew Addison as an additional non-executive director to the Board as at today's date.

Matthew is both a repeat technology company founder and an investor. He is CEO of FinTech Step Ladder Solutions Ltd, founded in 2016 with backing from blue-chip growth investors including BBVA, Anthemis, Seedcamp and UK Future Fund.

Prior to founding StepLadder, Matthew had a 15-year career in investment management with hedge funds Och-Ziff, Cheyne Capital, JCAM (formerly Moore Credit Fund) and Platinum Capital Management during which time he participated on several boards of portfolio companies undertaking recapitalisations, listings and M&A exits.

In 2023 he advised the Company in relation to the refinancing of existing debt through the issue of its convertible loan note, placing it in a more sustainable position for future growth.

John Stier, Chairman of Doctor Care Anywhere, said: "*We are pleased to welcome Matthew to the Board of Directors and are confident that Matthew's experience will enhance our discussions and benefit our strategic growth plans.*"

Other

As required by ASX Listing Rule 4.7C.3, the Company discloses that payments to related parties in the period totalled £0.14 million, representing payment of Director Fees to Executive and Non-Executive Directors (including pension and payroll tax payments).

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

- 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/CDIs on issue
- Market capitalisation of A$27.1m at date of report release
- £3.6m (A$7.0m) cash at 30 September 2024
- £10.6m (A$20.8m) in debt under the convertible loan at 30 September 2024.

- ENDS -

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

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.

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 2024

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	8,518	30,759
1.2	Payments for		
	(a) research and development	(610)	(1,968)
	(b) product manufacturing and operating costs	(5,577)	(18,564)
	(c) advertising and marketing	(90)	(254)
	(d) leased assets	-	-
	(e) staff costs	(2,167)	(7,128)
	(f) administration and corporate costs	(784)	(4,454)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	17	55
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	246	528
1.9	**Net cash from / (used in) operating activities**	**(447)**	**(1,026)**

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(3)	(4)
	(d) investments	-	-
	(e) intellectual property	(397)	(1,237)

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**	**(400)**	**(1,241)**

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	-	(103)
3.5	Proceeds from borrowings	-	10,610
3.6	Repayment of borrowings	(23)	(10,697)
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**	**(23)**	**(190)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,458	6,060
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(447)	(1,062)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(400)	(1,205)

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)	(23)	(189)
4.5	Effect of movement in exchange rates on cash held	(3)	(19)
4.6	**Cash and cash equivalents at end of period**	**3,585**	**3,585**

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	3,585	3,585
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)**	**3,585**	**3,585**

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	143
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	10,610	10,610
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	10,610
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 January 2024:

https://wcsecure.weblink.com.au/pdf/DOC/02762058.pdf

The Convertible Notes bear no interest and may be converted into CDIs by the Convertible Noteholders at any time (provided more than 60 days have passed since the holder's previous conversion) at an issue price of £0.0459 (equivalent to A$0.0875, based on the exchange rate on 8 December 2023 , being a premium of 94% to the closing price of the Company's CDIs on the ASX of A$0.045 on 11 December).

Doctor Care Anywhere may redeem all outstanding Convertible Notes in full on or after 1 January 2026 by repaying the outstanding principal.

8.	**Estimated cash available for future operating activities**	**£'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(460)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,585
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	**3,585**
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	8

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: 29 October 2024

Authorised by: Board of Directors