

27 January 2022

Quarterly Activity Report and Appendix 4C for 4Q 2021

Doctor Care Anywhere delivers 116% revenue growth over FY 2020, exceeding guidance together with improved margins

Highlights

- Group revenue for FY 2021 totalled £25.0m (A\$46.3 million), representing 115.7% growth above FY 2020
- 114.6% organic revenue growth achieved, exceeding guidance of at least 100% growth over FY 2020
- Gross Profit Margin improved in 4Q 2021, increasing by 5.4ppt to 35.7%
- Growth trajectory continued throughout 4Q 2021, with revenue and consultations increasing 35.9% and 22.7% respectively above 3Q 2021
- 50,500 new patients used the service during the quarter, a new record which demonstrates continued strong demand for the Company's services
- New Operating Model announced in December 2021 expected to deliver significant improvements in both margin and profitability as it is rolled out during 2022

Doctor Care Anywhere Group PLC (ASX:DOC, "Doctor Care Anywhere" or "the Company") is pleased to provide the following update on trading for the quarter ended 31 December 2021 ("4Q 2021").

This Quarterly Activity Report and Appendix 4C is prepared in GBP in accordance with International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 (UK). All figures expressed in Australian Dollars ("A\$") have been converted from British Pounds Sterling at an exchange rate of AUD:GBP 1:0.54, other than where noted.

Performance Overview

Rapid quarter on quarter growth continued in 4Q 2021 across key metrics. Unaudited revenue was £7.9 million in 4Q 2021 (A\$14.6 million); up 35.9% on 3Q 2021. For the full-year FY 2021, unaudited revenue was £25.0 million (A\$46.3 million), up 115.7% on FY 2020, and exceeding revenue guidance of at least 100% growth across the year.

Consultation volumes also continued to grow, with 143,300 consultations delivered across 4Q 2021; up 22.7% on 3Q 2021. Growth in consultation volumes was driven by both:

- The acquisition of new patients, with a record 50,500 patients receiving their first consultation; and
- Improved uptake in the Company's secondary care pathway (referral for diagnostic tests and specialist review of results), with 6,500 patients completing the pathway; up 27.5% on 3Q 2021.

The Company's patients continued to demonstrate their satisfaction with the service, as evidenced by the proportion of consultations delivered to returning patients, which remained at 65% of all consultations, in line with the prior quarter.

New Operating Model

In its announcement titled 'New Operating Model and Variation of Agreement with AXA Health' released on 15 December 2021, the Company announced its new Operating Model alongside a variation of its Master Services Agreement with key strategic partner, AXA Health. The new Operating Model will see the Company evolve its offer, to provide multiple options for a patient to receive care depending on their clinical requirement, and is expected to yield significant improvement in margins and profitability as it is rolled out during FY 2022. As referenced in the announcement, the realisation of some of these benefits commenced in 4Q 2021, with gross margin increasing to 35.7%; up 5.4ppt on 3Q 2021.

New Nuffield Health Contract

In its announcement titled 'Doctor Care Anywhere Finalises Contractual Terms with Nuffield Health' released on 26 January 2022, the Company announced that, further to the announcement of the entering into of a Heads of Terms agreement with Nuffield Health on 25 May 2021, it had entered into full contractual terms to develop a digitally integrated virtual and in-person primary care service. The service is due to launch in mid-2022 and will generate minimum revenue of £1.9 million (A\$3.5 million) across the first two years, with growth potential above this. This agreement is expected to contribute to growth in Eligible Lives once the service has launched.

This service sets the direction for the future of healthcare; integrating online and offline services for a seamless patient journey.

CEO Dr Bayju Thakar said:

"The fourth quarter of 2021 marked the end of a year of substantial growth for Doctor Care Anywhere and we enter 2022 well positioned to maintain our progress. In meeting our revenue guidance for 2021 we have supported record numbers of patients with their health journeys and it's gratifying to see that, as well as attracting new patients, the quality of our service is building trust amongst a returning patient base. By delivering a service our patients love, we continue to strengthen our partnership with AXA Health.

"With health services likely to remain under pressure as the COVID-19 crisis eases and a backlog of patient health concerns unfolds, delivering innovation in access to care will be a key differentiator for those in our sector. The unique, digitally integrated virtual and in-person care service we are establishing with our partners at Nuffield Health not only expands our addressable market but ensures we are able to offer our patients a broader range of health services, both virtually and in-person.

"Our teams are focussed on continuing our growth in 2022. The new operating model announced in December will deliver further improvements to margin and profitability and, importantly, allows us to offer a better healthcare experience, with a greater choice of services to more patients."

Operational Performance

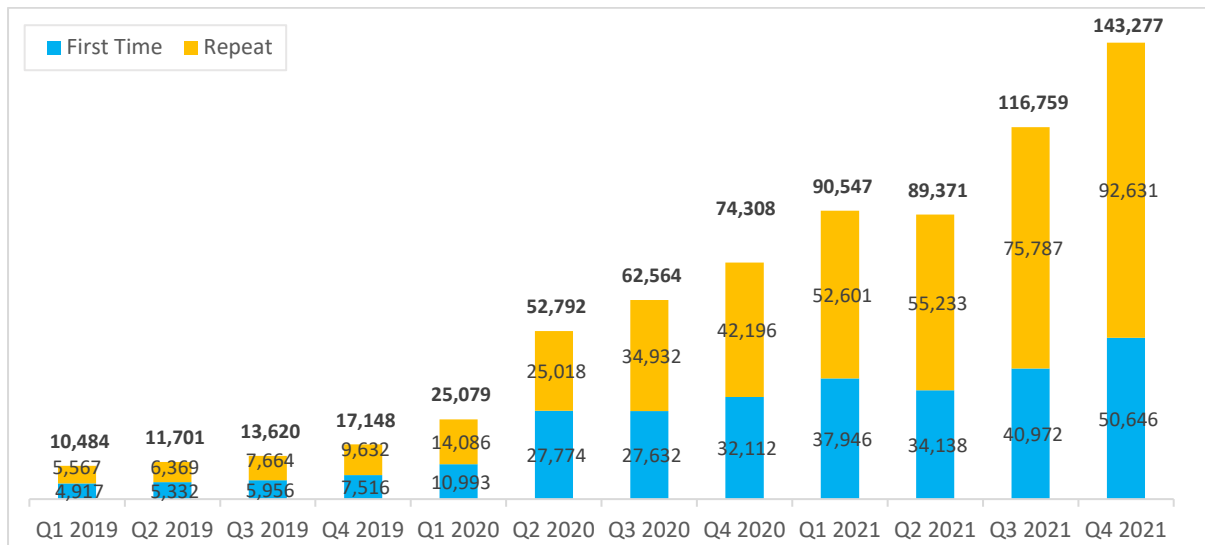
UK primary healthcare environment continues to drive strong demand

	Actual	Actual	% increase / (decrease) on	% increase / (decrease) on	% increase / (decrease) on
	4Q 2021 000's	YTD 2021 000's	3Q 2021 (QoQ)	4Q 2020 (PCP)	YTD 2020 (PCP)
Eligible Lives ¹ at Period End	2,439.7	2,439.7	2.4%	9.8%	9.8%
Activated Lives ² at Period End	675.0	675.0	11.9%	56.1%	56.1%
Consultations ³ by Period	143.3	440.0	22.7%	92.8%	94.3%

The Company's core focus across 2021 was on realising the growth potential within its existing book by driving Activated Lives. At the end of 4Q 2021 Activated Lives were 675,000, up 11.9% on prior quarter (3Q 2021: 603,200).

Consultations for 4Q 2021 of 143,300 were up 22.7% on prior quarter (3Q 2021: 116,800). Consultation growth in the quarter was driven by the acquisition of 50,500 new patients who had their first consultations.

Consultations



¹ **Eligible Lives** represents the total number of people who have an entitlement to use DOC's services.

² **Activated Lives** represents the total number of people who "sign up" for DOC's service and enter their personal details.

³ **Consultations** are the number of GP, Psychiatrist and Psychologist consultations delivered to patients over the period.

Financial Performance

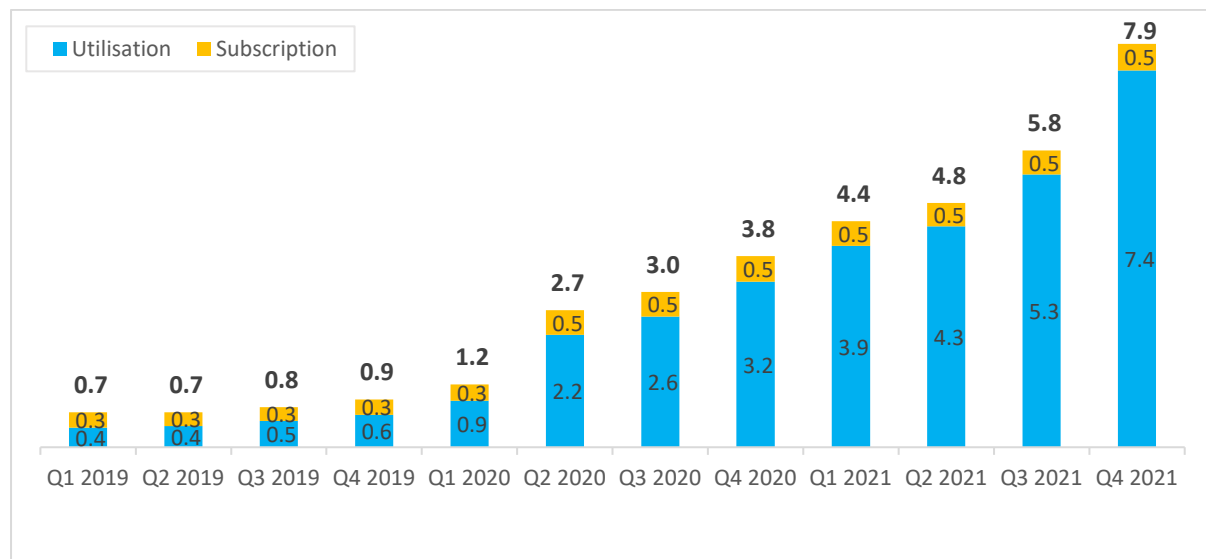
Significant revenue growth realised across the year to date

	Actual	Actual	% increase / (decrease) on	% increase / (decrease) on	% increase / (decrease) on
	4Q 2021 £m's	YTD 2021 £m's	3Q 2021 (QoQ)	4Q 2020 (PCP)	YTD 2020 (PCP)
Revenue	7.9	25.0	35.9%	107.7%	115.7%
Underlying Revenue ⁴	7.9	23.0	35.9%	107.7%	98.4%
Gross Profit	2.8	10.4	61.1%	58.5%	82.6%
Underlying Gross Profit ⁴	2.8	8.4	61.1%	58.5%	47.5%
Gross Profit Margin	35.7%	41.6%	5.4ppt	(11.1ppt)	(7.6ppt)
Underlying Gross Profit Margin ⁴	35.7%	36.6%	5.4ppt	(11.1ppt)	(12.6ppt)
Contribution	1.4	5.0	726.5%	59.7%	90.8%
Underlying Contribution ⁴	1.4	3.0	726.5%	59.7%	14.3%
Contribution Margin	17.4%	20.0%	14.6ppt	(5.2ppt)	(2.6ppt)
Underlying Contribution Margin ⁴	17.4%	13.0%	14.6ppt	(5.2ppt)	(9.6ppt)

Revenue for 4Q 2021 was £7.9 million, up 35.9% on prior quarter (3Q 2021: £5.8 million). Revenue growth was driven by continued growth in consultations and an increase in average revenue per consultation. The Company's Australian operations generated gross revenue of £0.9m in 4Q 2021, contributing £0.1 million to group net revenue.

Operating margins improved in Q4 2021, with a Gross Profit Margin of 35.7%, representing a 5.4ppt increase above 3Q 2021. This margin improvement was driven by an increase in average revenue per consultation. Further margin improvement is expected across 2022 as the Company rolls out its new operating model and the impact of COVID-19 on the UK's clinical workforce eases.

Underlying revenue (£m's)



⁴ Underlying Revenue, Underlying Gross Profit, Underlying Gross Profit Margin, Underlying Contribution and Underlying Contribution Margin exclude irregular revenue items such as underwritten volume top-up payments, technology platform licencing fees and digital design service fees.

Cash flows

Net operating cash outflows for the quarter were £5.4 million (3Q 2021: £5.5 million outflow), relating to costs of operating the Company’s telehealth platform; including the cost of doctors, patient support functions, software technology costs and corporate overheads, offset by cash receipts from customers. Incremental cash receipts in respect of increased consultation prices for consultations conducted in 4Q 2021, totalling £0.8m, are due in 1Q 2022.

Net investing cash outflows for the quarter were £0.9 million (3Q 2021: £2.3 million outflow), relating to payments for capital equipment and capitalised development expenses. Investing cash outflows for 3Q 2021 included the acquisition of GP2U Telehealth Pty Ltd.

Net cash outflows from financing activities for the quarter were £0.1 million (3Q 2021: £0.1 million outflow), mainly relating to office rent.

Payments to related parties in the period totalled £0.2 million (3Q 2021: £0.3 million), representing payment of Director Fees to Non-Executive Directors and salaries to Executive Directors, including pension and payroll tax payments.

The Company exited the quarter with £17.1 million of cash on hand as at 31 Dec 2021 (30 Sep 2021: £23.5 million).

Use of Funds

Use of Funds	Prospectus dated 30 October 2020 (£m’s) ⁵	4Q 2021 (£m’s)	Period to date (£m’s) ⁶
Investment in core capabilities to drive greater value from existing services	13.7	3.6	11.2
Investment in new services to drive growth through existing channels	6.4	0.7	2.7
Investment in international business development	1.3	0.4	3.1
Working capital	10.1	1.7	8.2
Costs of the Offer	4.3	-	3.5
Total	35.8	6.4	35.5

Expenditure for 4Q 2021 was in accordance with the Use of Funds outlined in the Company’s Prospectus dated 30 October 2020 and there were no material variances against the estimated use of funds.

Investor Webcast

Investors are invited to join a webcast presentation at 9.30am (AEDT) hosted by CEO Dr Bayju Thakar and CFO Dan Curran.

Investors who wish to attend can register using the following link:

https://us02web.zoom.us/webinar/register/WN_uwdsZaEcRFalHZ6pkelADQ

Participants are encouraged to submit questions in advance via:

investorenquiries@doctorcareanywhere.com

⁵ AUD: GBP 1:0.55

⁶ **Period to date** represents the period from 1 October 2020 to 31 December 2021

- ENDS -

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

About Doctor Care Anywhere:

Doctor Care Anywhere Group PLC is a UK-based telehealth company that 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.

Further Information:
Roger Newby Domestique Consulting – Investor Relations +61 401 278 906
Daniel Curran Chief Financial Officer and Company Secretary company.secretary@doctorcareanywhere.com

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Doctor Care Anywhere Group PLC

ARBN

645 163 873

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter £'000	Year to date (12 months) £'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,752	25,899
1.2 Payments for		
(a) research and development	(940)	(3,600)
(b) product manufacturing and operating costs	(6,398)	(18,385)
(c) advertising and marketing	(559)	(1,489)
(d) leased assets	-	-
(e) staff costs	(3,066)	(10,901)
(f) administration and corporate costs	(2,206)	(7,404)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	(1)	(3)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	35	(233)
1.9 Net cash from / (used in) operating activities	(5,382)	(16,113)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	(1,600)
(b) businesses	-	-
(c) property, plant and equipment	(182)	(650)

Consolidated statement of cash flows		Current quarter £'000	Year to date (12 months) £'000
	(d) investments	-	-
	(e) intellectual property	(667)	(2,035)
	(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 (GP2U acquisition costs)	(99)	(220)
2.6	Net cash from / (used in) investing activities	(948)	(4,505)

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	-	41
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(111)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(115)	(541)
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	(115)	(611)

Consolidated statement of cash flows		Current quarter £'000	Year to date (12 months) £'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	23,512	38,360
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,382)	(16,113)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(948)	(4,505)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(115)	(611)
4.5	Effect of movement in exchange rates on cash held	(1)	(65)
4.6	Cash and cash equivalents at end of period	17,066	17,066

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	17,066	23,512
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)	17,066	23,512

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	231
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	Total facility amount at quarter end £'000	Amount drawn at quarter end £'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
n/a		

8. Estimated cash available for future operating activities	£'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(5,382)
8.2 Cash and cash equivalents at quarter end (item 4.6)	17,066
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	17,066
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	3
<i>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.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: n/a	
<i>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.</i>	

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 January 2022

Authorised by: Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – e.g. Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.