

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 2024 (“Q2 2024”)¹.

Executive Summary

- Total Operating and Investing Cash Outflows decreased by 90% vs PcP to near breakeven.
- H1 revenue growth in line with guidance of 10-15%
- Exited quarter with £4.5m / A\$8.4m cash on hand, that is expected to see the business through to cash generation and profitability.
- Initiated a restructuring of clinical operations to improve the clinician mix and further reduce cost to serve. This is expected to lead to gross margins of 55-60% post restructuring.
- Reiterated market guidance of underlying cash generation in H2 2024.

Operational Performance – KPIs

	Actual	% increase / (decrease) on	% increase / (decrease) on
	Q2 2024 000's	Q2 2023 (PcP)	Q1 2024 (QoQ)
Eligible Lives ² at Period End	3,147.7	11.0%	4.6%
Activated Lives ³ at Period End	1,080.6	11.9%	2.3%
Consultations ⁴ in Period	190.0	3.1%	(4.6%)
Secondary Care Journeys ⁵ in Period	10.5	(0.3%)	(4.4%)
Repeat Patients ⁶ in Period	140.5	(0.2%)	(3.5%)

Commentary

Eligible Lives at the end of Q2 2024 were 3.15 million, up 11.0% on PcP and 4.6% QoQ.

At the end of Q2 2024, Activated Lives were 1.08 million, up 11.9% on PcP and 2.3% QoQ.

Consultation volumes continued to grow year-on-year, with 190,000 consultations delivered in Q2 2024, up 3.1% versus PCP but down 4.6% QoQ. The increase in consultation volumes versus PCP was primarily driven by growth in activated lives and an increase in capacity following the launch of our Mixed Clinical Workforce in June 2023. The decrease QoQ principally reflects seasonal trends.

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 1:0.53 for Q2 2024 and at 1:0.52 for Q2 2023 and Q1 2024.

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

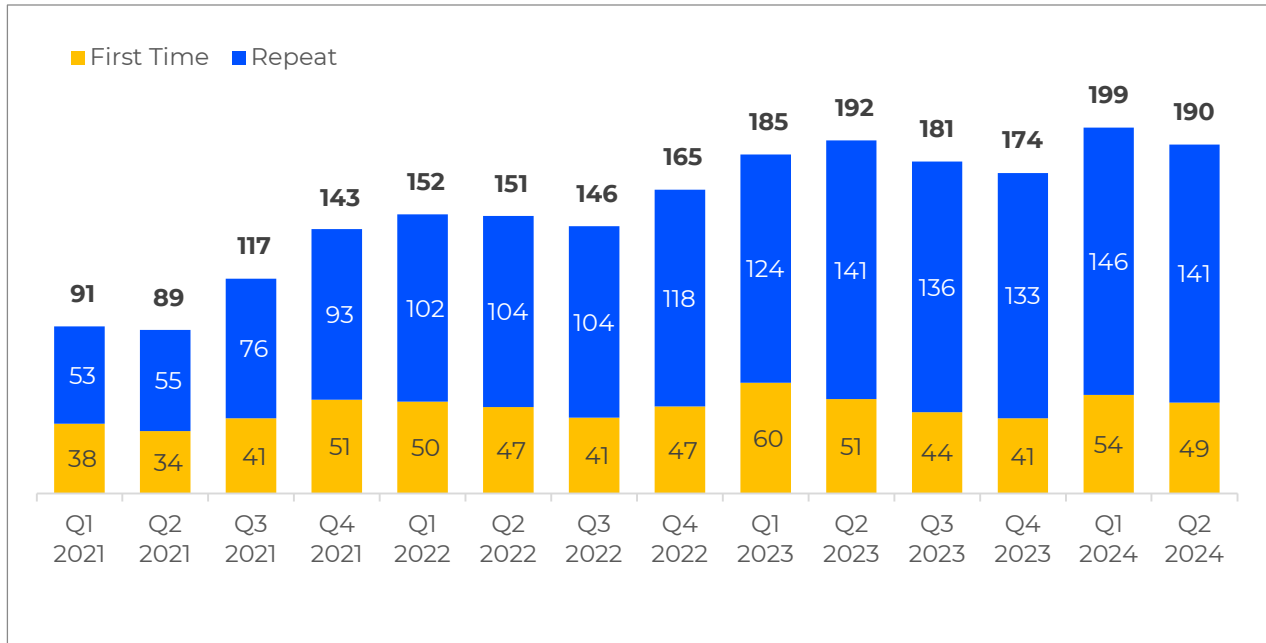
³ **Activated Lives** represents the total number of people who “sign up” for DOC’s service and enter their personal details.

⁴ **Consultations** is the number of GP and ANP consultations delivered to patients over the period. 7.5K of consultations delivered by GP2U in Q2 2023 are excluded when calculating increase in consultations.

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, an increase of 1 percentage point compared to both the PcP and QoQ.

The Company completed 10,500 secondary care journeys in the period. As mentioned in its 13 June 2024 release, the Company is phasing out its AXA Health secondary care pathway over the coming months. Further detail is provided later in this document.

Cash Position: Progress to Profitability and Net Cash Generation

Cash movements	Q2 2024 £000	Q1 2024 £000	% increase /(decrease) QoQ	Q2 2023 £000	% increase /(decrease) versus PcP
Receipts from customers	12,050	10,191	18.2%	10,111	19.2%
R&D/Intellectual property costs	(1,093)	(840)	29.9%	(1,343)	(18.7%)
Operating costs	(6,875)	(6,267)	9.7%	(7,168)	(4.1%)
Other/Non-operating staff costs	(2,591)	(2,370)	9.3%	(2,337)	10.9%
Other administrative costs	(1,707)	(2,239)	(23.8%)	(1,683)	1.4%
Other cash inflows	209	114	82.7%	143	45.6%
Total operating and investing outflows	(7)	(1,411)	(99.5%)	(2,277)	(99.7%)
Financing cash flows	(243)	77	(416.1%)	(258)	(5.7%)
Exchange gain/(loss)	(2)	(16)	(90.6%)	(16)	(90.6%)
Net cash flow	(252)	(1,350)	(81.3%)	(2,551)	(90.1%)

Total operating and investing cash outflows reduced year on year by £2.3m (A\$4.3m) to £0.0m. This demonstrates the progress made in the past year to reduce cash burn and drive margins, through volume growth and reduced cost to serve. QoQ these cash outflows reduced by £1.4m (A\$2.6m), primarily driven by annual payments for insurance totalling £1.0m in the prior quarter and our ongoing efficiency drive. Further details are provided as follows:

- Cash receipts from customers increased by 18.2% QoQ primarily driven by a large receipt from a subscription revenue customer in Q2 and by other working capital movements. The reduction in volumes QoQ was offset by DCA's annual inflationary increase per consultation in Q2 2024. Receipts increased by 19.2% versus PcP driven by contractual price increases and increasing volumes.
- R&D and intellectual property cash spend increased by 29.9% QoQ primarily due to timing of payments to technology suppliers. The 18.7% decrease versus PcP is primarily due to a reduction of headcount in the Technology team as we drive value from our technology investment.
- Operating costs increased by 9.7% QoQ and were down 4.1% versus PcP. The increase QoQ is primarily due to timing of payments to specialists and insurers and inflationary pay rises. Costs reduced versus PcP despite the increase in consultations, due to the lower cost to serve achieved from the Company's mixed clinical workforce.
- Staff cash spend increased by 9.3% QoQ and by 10.9% versus PcP. In both cases this was due to the timing of bonus payments and inflationary pay rises in Q2 2024.
- Other administrative costs cash spend reduced by 23.8% QoQ which was primarily due to annual insurance payments of approximately £1.0m in the prior quarter, offset by other timing differences.
- Other cash inflows in all quarters relate to VAT receipts.

The overall cash outflow for the business in Q2 2024 reduced substantially to £0.3m (A\$0.5m) versus £2.6m (A\$4.8m) in Q2 2023. As noted above this was driven by volume growth and reduced cost to serve.

This also compares with a cash outflow of £1.4m (A\$2.6m) in Q1 2024, the change being largely due to payment of the annual insurance premiums in Q1 2024 and our ongoing efficiency drive.

The Company exited the quarter with £4.5m (A\$8.4m) of cash on hand at 30 June 2024 which we expect to be sufficient to see the Company through to profitability and net cash generation.

Activities since previous market update

An update is provided on key matters as follows:

Operational and financial

As part of the guidance upgrade issued on 13 June 2024, DCA announced that it had initiated a restructuring of its clinical operations. The main components of this are:

- The planned introduction of further categories of Advanced Clinical Practitioners (“ACPs”), such as Physiotherapists and Paramedics, into the consultation service, alongside our Advanced Nurse Practitioners (ANPs).
- An increase in the proportion of consultations performed by ACPs.
- Approximately 90 GPs being placed at risk of redundancy.

This restructuring will enhance the Company's operating model, with a broader mix of clinician types to match patient need and lower cost to serve, a key driver in DCA's path to profitability.

In addition to the above, DCA also announced that it will be phasing out its AXA Health secondary care pathway over the coming months, 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 2024. In H2 2024, the Company expects to incur one-off redundancy, legal and consultancy costs, and to experience a temporary reduction in clinician utilisation. This amounts to an estimated £1.3m-£1.5m of non-recurring expenditure but will allow the Company to target a gross margin of 55%-60%.

Guidance

- The Company is pleased to confirm that it has met its upgraded guidance issued in June 2024. Further details will be provided with the release of the Company's interim financial statements in August 2024.
- As at the date of this report, DCA remains on track to be underlying cash generative in H2 2024, positioning the Company for a successful, profitable 2025.
- Gross margin targeted at 55-60% post current restructuring programme

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\$24.9m at date of report release
- £4.5m (A\$8.4m) cash at 30 June 2024
- £10.6m (A\$20.4m) in debt under the convertible loan at 30 June 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

645 163 873

Quarter ended ("current quarter")

30 June 2024

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	12,050	22,241
1.2 Payments for		
(a) research and development	(575)	(1,097)
(b) product manufacturing and operating costs	(6,875)	(13,142)
(c) advertising and marketing	(87)	(164)
(d) leased assets	-	-
(e) staff costs	(2,591)	(4,961)
(f) administration and corporate costs	(1,620)	(3,782)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	17	38
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)	192	284
1.9 Net cash from / (used in) operating activities	511	(583)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1)	(1)
(d) investments	-	-
(e) intellectual property	(517)	(835)

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	(518)	(836)

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	(243)	(10,673)
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	(243)	(166)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,710	6,060
4.2	Net cash from / (used in) operating activities (item 1.9 above)	511	(583)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(518)	(836)

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)	(243)	(166)
4.5	Effect of movement in exchange rates on cash held	(2)	(18)
4.6	Cash and cash equivalents at end of period	4,458	4,458

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	4,458	4,710
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)	4,458	4,710

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	139
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 <i>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.</i>	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.		
<p>The loan facility is as announced by the Company on 12 January 2024: https://wcsecure.weblink.com.au/pdf/DOC/02762058.pdf</p> <p>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).</p> <p>Doctor Care Anywhere may redeem all outstanding Convertible Notes in full on or after 1 January 2026 by repaying the outstanding principal.</p>		

8. Estimated cash available for future operating activities	£'000
8.1 Net cash from / (used in) operating activities (item 1.9)	510
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,458
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	4,458
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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:	
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 July 2024

Authorised by: Board of Directors