

Quarterly Activity Report and Appendix 4C for 1Q 2022

Doctor Care Anywhere continues to deliver revenue growth over 1Q 2022; with significant improvements in service delivery costs

Highlights

- 1Q 2022 underlying revenue of £8.6 million (A\$16.2 million), representing 95% growth on pcp
- Consultation volumes up 68% on pcp with cost per consultation significantly reducing as cost of clinicians normalises following COVID-19 pandemic, contributing to improved gross margin (+980bps) and contribution margin (+1,040bps)
- Reaffirm FY22 revenue guidance of £35-38 million (A\$66-71 million). Q1 annualised revenue run rate of £34.4 million (A\$64.9 million)
- Improving operating leverage in the business demonstrated, with quarter-on-quarter improvements in gross profit (£1.1 million) and contribution (£1.0 million) ahead of revenue growth (£0.7 million)
- The Company's current operations are fully funded to meet guidance of EBITDA profitability by 1H 2023 end following the recent capital raise

Doctor Care Anywhere Group PLC (ASX:DOC, "Doctor Care Anywhere" or "the Company") is pleased to provide an update on trading for the quarter ended 31 March 2022 ("1Q 2022").

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 1:0.53, other than where noted.

Doctor Care Anywhere is the UK's largest private provider of telehealth services. The Company works with insurers, healthcare providers and corporate customers to connect patients to a range of digitally-enabled telehealth services on its proprietary platform.

Key Metrics

ANNUALISED REVENUE RUN-RATE £34.4m +95% on pcp	1Q22 UNDERLYING REVENUE £8.6m +95% on pcp	1Q22 ACTIVATED LIVES 735.1k +48% on pcp	1Q22 CONSULTATIONS 151.9k +68% on pcp
1Q22 SECONDARY CARE JOURNEYS 7.2K +227% on pcp	1Q22 REPEAT PATIENTS 102.0k +97% on pcp	1Q22 UNDERLYING GROSS MARGIN 45.5% +980bps on prior quarter	1Q22 UNDERLYING CONTRIBUTION MARGIN 27.8% +1,040bps on prior quarter

CEO Dr Bayju Thakar said:

“Another strong quarter for the Company, reflecting that digital healthcare is here to stay and is swiftly becoming the primary entry point for accessing healthcare services. We are serving more patients per month – delivering a record 54,700 primary care consultations in March – and we are seeing an increasing number of patients go through our unique joined-up, online to offline, primary and secondary care service which enables patients to get swifter diagnostics and a specialist diagnosis at a lower cost for the insurer.

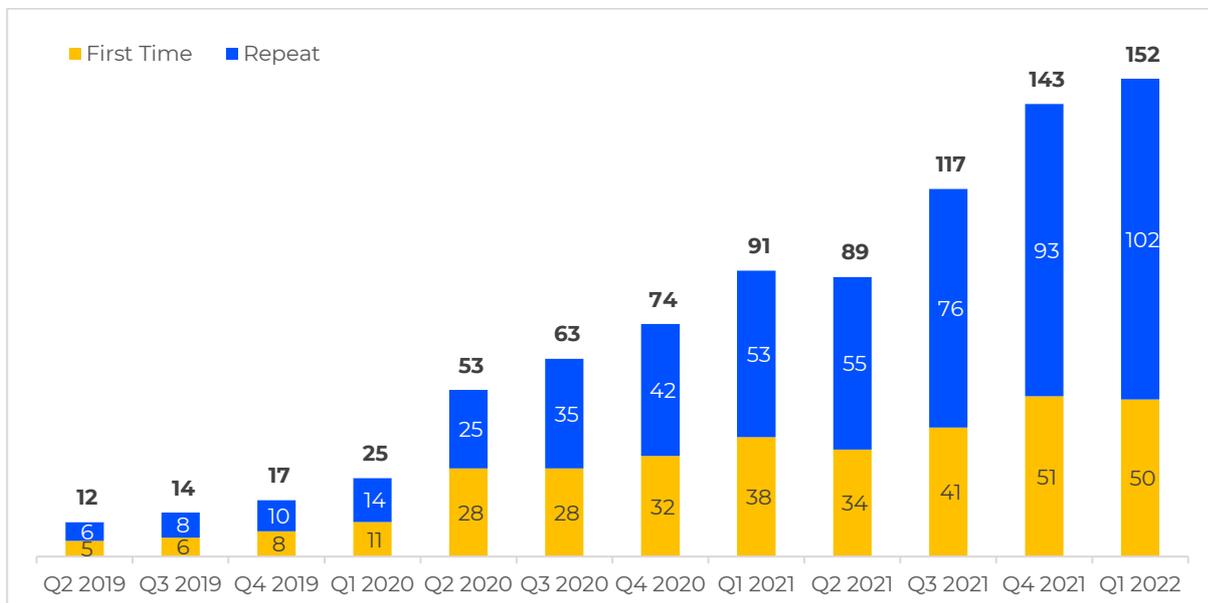
“Whilst we continue to grow, and our economics improve, I am pleased by the progress the team has made in building the product capabilities that underpin our new operating model. The new operating model allows for asynchronous consultations, multi-length consultations and access to a broader clinical workforce. Combined, these capabilities will allow us to scale more rapidly and efficiently, further differentiate ourselves and elevate us as the ‘go-to’ digital health partner for insurers and hospital groups around the world.”

Performance Overview

Operational KPIs

	Actual	% increase / (decrease) on	% increase / (decrease) on
	1Q 2022 000's	4Q 2021 (QoQ)	1Q 2021 (PCP)
Eligible Lives ¹ at Period End	2,567.8	5%	8%
Activated Lives ² at Period End	735.1	9%	48%
Consultations ³ by Period	151.9	6%	68%

Consultations by Quarter (000's)



Eligible Lives at the end of 1Q 2022 were 2.6 million, up 8% on the pcp. Growth in Eligible Lives was driven by new channel partner relationships and increased penetration of the Company’s services across existing channel partners.

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.

At the end of 1Q 2022, Activated Lives were 735,100, up 48% on the pcp. Growth in Activated Lives was driven by marketing and engagement activities across the Company's expanded pool of Eligible Lives.

Consultation volumes also continued to grow, with 151,900 consultations delivered across 1Q 2022, up 68% on pcp. Growth in consultation volumes was driven by:

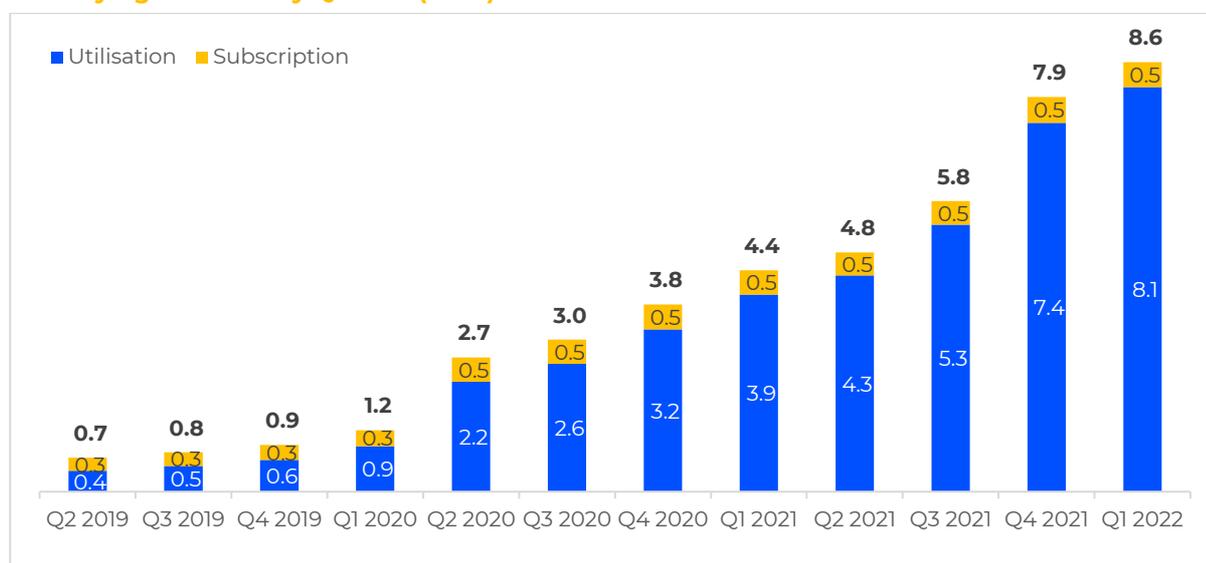
- a 29% pcp uplift in new patients to 49,900; and
- improved uptake in the Company's secondary care pathway (referral for diagnostic tests and specialist review of results), with 7,200 patients completing the pathway; up 227% on 1Q 2021.

Returning patients represented 67% of all consultations in the quarter, up from 65% in the prior quarter and 58% in the pcp, demonstrating patient satisfaction with the service.

Financial KPIs

	Actual	% increase / (decrease) on	% increase / (decrease) on
	1Q 2022 £m's	4Q 2021 (QoQ)	1Q 2021 (PCP)
Underlying Revenue ⁴	8.6	9%	96%
Underlying Gross Profit ⁴	3.9	39%	105%
Underlying Gross Profit Margin ⁴	45.5%	980bps	230bps
Underlying Contribution ⁴	2.4	71%	167%
Underlying Contribution Margin ⁴	27.8%	1,040bps	780bps

Underlying Revenue by Quarter (£m's)



The Company delivered quarter-on-quarter growth in 1Q 2022 across all key financial metrics.

Unaudited underlying revenue was £8.6 million in 1Q 2022 (A\$16.2 million); up 95% on the pcp (£4.4 million) and 9% quarter on quarter (£7.9 million).

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.

The cost of sales per consultation dropped significantly quarter on quarter, from £38.54 to £32.46 in 1Q 2022, resulting in a significant improvement (+980bps) in gross margin. The reduced cost per consultation was driven by a reduction in the cost of clinicians, as the temporary impact of COVID-19 on the UK's clinical workforce eased, and higher utilisation efficiency of clinicians.

Contribution margin also increased significantly (+1,040bps) quarter on quarter. The improvement in contribution margin was largely attributable to the automation of manual processes in the Company's patient support team, allowing the realisation of operational leverage with headcount not needing to scale in line with volumes.

The reduced cost per consultation, and efficiencies in service delivery costs, delivered improvements in gross profit and contribution ahead of revenue growth, with an increase in contribution from operations of £1.0 million against a £0.7 million increase in revenue.

The Company expects margin trends to continue to improve throughout FY22 and FY23, noting the potential for some short-term revenue and margin variability as the business implements its new operating model and business seasonality, including due to the concentration in Q2 of UK public holidays impacting both patient demand and clinician supply.

Cash

The Company's current operations are fully funded and tracking towards guidance following the recently completed capital raise.

Net operating cash outflows for the quarter were £5.5 million, an increase of £0.1 million on the prior quarter. Cash outflows in the quarter included one-off payments in respect of headcount reductions, with existing headcount levels no longer required as a result of the realisation of operational leverage, totalling £0.4 million (with a further £0.3 million of payroll taxes in respect of this to be paid in 2Q 2022). Annualised costs totalling £3.3 million were removed from the Company's overhead base as a result of these headcount reductions.

Net investing cash outflows for the quarter were £0.7 million, a reduction of £0.2 million on the prior quarter. The quarter-on-quarter reduction is partially due to £0.1 million of cash outflows in 4Q 2021 in respect of the acquisition of GP2U Telehealth.

Net cash inflows from financing activities for the quarter were £6.1 million, an increase of £6.2 million on the prior quarter. Investing cash inflows in the quarter represented the funds received in respect of the Company's recent Placement and Retail Security Purchase Plan.

Payments to related parties in the period totalled £0.2 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 £17.0 million of cash on hand as at 31 March 2022.

Guidance

Doctor Care Anywhere reaffirms guidance that was issued alongside its full-year results for FY21.

The Company's plans will see it reach run-rate EBITDA profitability by the end of 1H 2023 (based on the key assumptions set out below). The key developments that will support this are:

- Continued organic revenue and consultation growth;

- Renegotiated key customer contracts (as previously announced), enhancing revenue and margins;
- Launching the Company's new operating model (as previously announced), enhancing productivity and margins; and
- Reduced non-operating costs, as operational leverage is realised across the business.

The key financial metrics that support this guidance are:

- Revenue: annualised run-rate of between £45-55 million (A\$85-104 million);
- Gross margin: between 50-60%; and
- Contribution margin: between 35-40%.

Revenue in FY22 is expected to be at least £35-38 million (A\$66-71 million), representing 40-50% growth above FY21. Visibility of achieving this guidance is clear, with a Q1 annualised revenue run rate of £34.4 million (A\$64.9 million), and continued consultation and revenue growth across the coming three quarters to drive towards FY22 guidance.

Investor Webcast

Investors are invited to join a webcast presentation at 9:00am (AEST) on 21 April 2022, 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/j/87601278631?pwd=TDdDdThxZ2tWdXRHSDdiRFR4azBQUT09>

Participants are encouraged to submit questions in advance via:

investorenquiries@doctorcareanywhere.com

- ENDS -

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

Forward looking statements:

This announcement contains forward-looking statements which are statements that may be identified by words such as "may", "will", "would", "should", "could", "believes", "estimates", "expects", "intends", "plans", "anticipates", "predicts", "outlook", "forecasts", "guidance" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that, at the date of this announcement, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, and the directors and management of the Company. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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.

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Appendix 4C

Quarterly cash flow 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	31 March 2022	
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	7,837	7,837
1.2 Payments for		
(a) research and development	(1,140)	(1,140)
(b) product manufacturing and operating costs	(6,265)	(6,265)
(c) advertising and marketing	(347)	(347)
(d) leased assets	-	-
(e) staff costs	(3,575)	(3,575)
(f) administration and corporate costs	(2,335)	(2,335)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	267	267
1.8 Other (provide details if material)	49	49
1.9 Net cash from / (used in) operating activities	(5,510)	(5,510)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(65)	(65)
(d) investments	-	-
(e) intellectual property	(673)	(673)
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(g) entities	-	-
(h) businesses	-	-

Consolidated statement of cash flows		Current quarter £'000	Year to date (12 months) £'000
	(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	(738)	(738)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	6,408	6,408
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	(283)	(283)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(13)	(13)
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	6,112	6,112

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	17,068	17,068
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,510)	(5,510)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(738)	(738)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,112	6,112
4.5	Effect of movement in exchange rates on cash held	23	23
4.6	Cash and cash equivalents at end of period	16,955	16,955

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	16,955	16,955
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)	16,955	16,955

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	174
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	-	-
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)	(5,510)
8.2 Cash and cash equivalents at quarter end (item 4.6)	16,955
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	16,955
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: 21 April 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.