



19 September 2023

MyHealthChecked PLC
(“MyHealthChecked”, the “Group” or the “Company”)

Half-Year Report

MyHealthChecked PLC, the consumer home-testing healthcare company, announces its unaudited half-year report for the six months ended 30 June 2023.

Financial highlights

- Revenue of £2.5m (H1 2022: £9.8m)
- Adjusted EBITDA loss £296,000 (H1 2022: £372,000 *profit*)
- Cash balance of £5m available to self-fund next growth phase

Commercial and operational highlights

- Launch of an extensive range of wellness tests into the UK’s top pharmacy retailer
- Investment in IT infrastructure to support customer journey of extensive range of blood and urine tests
- H1 investment in stockholding (£1.7m) to meet 2023 demand
- Achievement of Healthcare Inspectorate Wales accreditation
- Cyber Essentials Plus renewed for digital security
- Operational streamlining to minimise cash burn
- Appointment of Amber Vodegel as a Non-Executive Director post-period end

Penny McCormick, Chief Executive Officer of MyHealthChecked PLC, said: *“Despite the reduction in demand for COVID testing during the period under review, we have been very pleased with the delivery and retail launch of a broad range of blood and urine tests, progress with the capabilities of our digital platform, regulatory approval of our portfolio under CE marking, and achievement of Healthcare Inspectorate Wales accreditation.*

“Post-period end we have seen increased demand for COVID testing as we move towards the winter season, and the Eris and Pirola strains are in the news. We remain well-placed to provide a reliable and effective supply chain at large volumes to retail.

“During the period we have further demonstrated the Company’s agile and ambitious capabilities and are poised to build awareness of this vast new range of tests in a dynamic category, whilst making progress in this new and exciting sector.”

Investor presentation

Penny McCormick, Chief Executive Officer and Adam Reynolds, Chairman will provide a live presentation relating to the Half-Year Report via the Investor Meet Company platform on Tuesday 19 September 2023 at 4.30pm. The presentation is open to all existing and potential shareholders.

Investors can sign up to Investor Meet Company for free and register for the presentation via the link below:

<https://www.investormeetcompany.com/myhealthchecked-plc/register-investor>

MyHealthChecked PLC

Adam Reynolds, Chairman

Penny McCormick, Chief Executive Officer

www.myhealthcheckedplc.com

via Walbrook PR

SPARK Advisory Partners Limited (NOMAD)

Tel: +44 (0)20 3368 3550

Neil Baldwin / Jade Bayat

Dowgate Capital Limited (Broker)
David Poutney / Nicholas Chambers

Tel: +44 (0)20 3903 7715

Walbrook PR Ltd (Media & IR)
Paul McManus / Alice Woodings

Tel: +44 (0)20 7933 8780 or myhealthcheckedplc@walbrookpr.com
Mob: +44(0)7980 541 893 / +44(0)7407 804 654

About MyHealthChecked PLC (www.myhealthcheckedplc.com)

MyHealthChecked PLC, based in Cardiff, is an AIM-quoted pioneering UK healthcare company focused on a range of at-home healthcare and wellness tests.

[MyHealthChecked](#) is the umbrella brand of a range of at-home rapid tests, as well as DNA, RNA and blood sample collection kits which have been created to support customers on their journeys to wellness. The tests are lateral-flow self-tests, whilst the sample collection kits enable the collection of blood, urine, nasal or mouth swab samples that are analysed in partner laboratories for a range of biomarkers. The tests will also be made available online and will be viable for over-the-counter purchase.

The MyHealthChecked portfolio has been identified as part of a change in mindset as customers become more familiar with the concept of accessible healthcare in the growing at home testing kit market with a focus on accessibility at the right price, led by UK-based experts.

CHAIRMAN AND CEO JOINT STATEMENT

Whilst the market has been challenging in 2023, and the inevitable seasonal COVID reduction has had an impact, we have been able to make significant inroads into the consumer healthcare space and carve out an identity for ourselves as a consumer health and wellness test provider. The successful launch of a strong portfolio of multi-platform tests into the UK's biggest pharmacy retailer has been a major milestone for MyHealthChecked.

Financial performance

Sales for the six months ended 30 June 2023 fell to £2.5m (six months ended 30 June 2022: £9.8m; year ended 31 December 2022: £22.3m) due to the anticipated fall in demand for COVID Lateral Flow Tests ("LFTs"). The new product range was launched in May 2023 into 801 Boots stores and www.boots.com, alongside direct sales via www.myhealthchecked.com. This has been a new category launch and awareness levels will build over time, driven by marketing activity and store initiatives. 2023 will be a period of bedding-in whilst awareness is driven through, and customer behaviour is understood in this new space.

Gross margin increased to 41.3% (six months ended 30 June 2022: 15.4%; year ended 31 December 2022: 20.8%) due to the release of a surplus accrual for the processing of COVID PCR nasal swab kits sold in earlier years which were not returned by customers and have now expired. Excluding this adjustment, the gross margin achieved on sales in the period was 13.5% reflecting the dominance of competitively priced LFTs in the product mix.

Overheads were broadly in line with prior years. As previously announced, we continue to focus on the commercialisation and development of our digital platform. Total spend on the development and maintenance IT infrastructure during the period under review amounted to £686,000 (six months ended 30 June 2022: £295,000; year ended 31 December 2022: £856,000) of which £374,000 (six months ended 30 June 2022: £145,000; year ended 31 December 2022: £310,000) has been capitalised. This investment has been in the expansion of the recommendation engine and development of the codebase for new blood and urine tests, as well as enhancements to our Laboratory Information Management System ("LIMS") to enable medical oversight and compliance with Healthcare Inspectorate Wales, and the customer dashboard that allows all customers to securely activate their test kits and enter their personal data, regardless of their point of purchase. The development of the platform also ensures that users of our tests have access to a high standard of clear guidance and information provided by doctors, within a secure digital environment, that is accessible to healthcare professionals.

Adjusted EBITDA is calculated as follows:

	<i>Unaudited</i> 30 June 2023 £'000	<i>Unaudited</i> 30 June 2022 £'000	<i>Audited</i> 31 December 2022 £'000
Operating (loss)/profit	(404)	12	1,506
Depreciation and amortisation	89	169	222
Impairment of intangible assets	-	-	378
Closure of laboratory costs *	-	87	171
Share based payments	19	104	(20)
Adjusted EBITDA	(296)	372	2,257

* Excluding loss on disposal of equipment

At 30 June 2023 our cash amounted to £5,015,000 (six months ended 30 June 2022: £6,995,000; year ended 31 December 2022: £7,608,000). At 31 December 2022 the Group had open purchase orders to the value of £2.8m for the delivery of COVID LFTs (which are manufactured with a 24 month shelf life) during 2023; by 30 June 2023 this stock had all been received and paid for in full. Stock at 30 June 2023 amounted to £3.0m, an increase of £1.7m during the period under review. There are no additional contractual commitments to purchase COVID LFT stocks during 2023.

Business Review

The consumer healthcare space is dynamic and exciting, and consumers are in a period of considerable behavioural change post-COVID which will have a major impact on the future of consumer healthcare in the UK. As a high calibre provider in the sector we are well-placed, and funded, to build upon our strong portfolio and explore broader opportunities for business growth as the market evolves at pace. This is a new phase for MyHealthChecked as our reliance on COVID reduces, and we are eager to take the next steps through H2 2023 and beyond.

The retail category launch on 18 May 2023 of such a vast multi-platform, multi-sample range of tests has been unprecedented. MyHealthChecked's range is unique insofar as it covers saliva, blood, urine and stool collection, across lateral flow and laboratory assays to deliver a varied portfolio of wellness and health self-checks and laboratory biomarker and DNA tests. The creation and launch of a comprehensive range of 20 tests was extremely ambitious, and the successful delivery of this to a major retailer will remain one of our biggest product launches – and successes – in perpetuity. The ambitious launch positions us well in the market and demonstrates, as we did with COVID, our ability to move with pace to deliver quality and compliant physical and digital products and services to a tight timescale.

The priority, as agreed with our primary retail partner, has been to achieve product 'go-live', followed by a period of awareness-building to achieve product rotation and recommendation. New categories required an investment in on-shelf fixtures, and we are now firmly focused on educating end-users and store-staff. We have commenced a journey to achieving this primarily via social media advertising and PR, along with partnership activity with retail. This is allowing us to utilise traditional routes such as leafleting within ecommerce orders in Q3 and trialling social media influencer activity as we did around Father's Day. We are seeing an improvement in key KPIs including unit sales, pieces of media coverage and web engagement times and, as we continue to communicate with our extensive database of existing customers alongside outreach to new customers, performance tracking will be key to us.

With a focus on ongoing performance, we appointed Amber Vodegel to our Board on 3 July 2023. Amber's expertise, which includes mobile app development, digital transformation, and platform development within the health space, with a focus on driving consumer obsession and maximising user engagement, will support our focus on launch activation. With her input we can also ensure a high calibre of marketing expertise in driving the performance of our portfolio. This will accompany efforts to grow our customer footprint and strengthen our presence in the market through new retail channels.

Looking ahead, our focus is on growing awareness of this new category and helping to educate customers on the benefits of self-testing. The category is very new, and digital service and information enhancements will take precedence over new assays in the short term. However, we will continue to work closely with our Scientific Advisory Board to continually assess all new market requirements, and progress should the market demand such developments.

We are also working with a talented team of technical developers to build out our digital infrastructure and user journey. Our requirements here are twofold: that overall, we provide a positive user experience by ensuring our results are accurate and correct, that our customers can receive and interpret their test results and actionable guidance correctly, and that we are compliant with the requirements of Healthcare Inspectorate Wales; and that we ensure robustness in cyber security, which we have demonstrated successfully with the renewal of our Cyber Essentials Plus certification.

We have met the technology challenges we set ourselves, for example our sexual health blood and urine tests require an enhanced level of medical oversight and customer interaction, as the British Association for Sexual Health and HIV guidelines require a different pathway for ongoing guidance. Some of the complexities around our tests have required an intense technical, product and customer care delivery to meet our ambitious timelines, and we are satisfied that these brand-new builds provide a solid foundation for ongoing customer journey enhancements.

The period saw us meet the high standards of governance and patient safeguarding required to achieve Healthcare Inspectorate Wales Certification (“HIW”). HIW is the equivalent of England’s Care Quality Commission (“CQC”) and is the required standard of healthcare-providing organisations that are headquartered in Wales. As governance and compliance continuously remain a high focus for us, we are well-placed in 2023 to achieve ISO 13485 and have made significant progress towards achievement of this in the second half of the year.

Supply chain management through COVID has challenged all players in the space, and MyHealthChecked has been responsive throughout the pandemic and has delivered in an exemplary fashion to high-demand retailers. As demand in Q1 2023 grew we honoured our stock commitments and invested accordingly during the period. Subsequently, as demand has tapered off, we have no further commitments to stock and are well-placed to meet post-period uplifts that are arising due to immunity waning, new strains appearing, and winter/flu season impacting.

Our cost base and cash resources are also being closely monitored and kept under review, and we have actively reduced our staff costs post-period, alongside a detailed review and renegotiation where appropriate of recurring costs. In Q4 we will also reduce our office space. This will ensure we move forward in a position to invest in awareness building and improvements that will directly benefit the customer, with a focus on financially valuable capital allocations that will strengthen our position and drive growth and longevity.

Outlook

We will continue to work closely with our retail partners to build awareness and expect that traction for the new product portfolio will build momentum in 2024 as we activate key initiatives and look to build on the Q1 2024 new year period when customers are motivated and ready for a new wellness outlook. Whilst we expect that H2 trading on the wellness tests will remain broadly in line with run rate, we are working with our partners to drive awareness and evolve the positioning of the range so that it maximises the opportunity that home-testing brings. We continue to explore new initiatives around sample collection including phlebotomy services that will further meet the needs of the customer, alongside the continuing evolution of our digital user platform to ensure we continue to excel in our user experience.

Post-period we have seen an uplift in the demand for COVID lateral flow tests, and as outlined our stock investment means that we are well placed to service the market. Signs indicate that COVID may become seasonal like flu, and there may be a cyclical market emerging based on infection rates, for which MyHealthChecked is well placed to serve.

Driving awareness and educating customers around the benefits of home-testing, whilst enhancing our services, and growing our retail footprint are our primary aims ahead. As the dynamic healthcare and investment market evolves, we will also be open to strategic exploration and welcome conversations that could bring earnings enhancing strategic opportunities for MyHealthChecked. As well as delivering ISO 13485 as a strategic goal, we will continue to evaluate the very best routes to support our customers, our retail partners, and the NHS as we all navigate a changing healthcare system, and new behaviours.

As always, we thank our committed staff team and our valued shareholders for their ongoing investment in the future of MyHealthChecked.

Adam Reynolds
Chairman

Penny McCormick
Chief Executive Officer

18 September 2023

Consolidated statement of comprehensive income
For the 6 months ended 30 June 2023

		Unaudited 6 months ended 30 June 2023 £'000	Unaudited 6 months ended 30 June 2022 £'000	Audited Year ended 31 December 2022 £'000
	Notes			
Revenue	3	2,464	9,832	22,314
Cost of sales		(1,446)	(8,321)	(17,667)
Gross profit		1,018	1,511	4,647
Sales and marketing costs		(245)	(282)	(798)
Other administrative expenses		(1,158)	(960)	(2,087)
Closure of laboratory		-	(153)	(226)
Impairment of intangible assets		-	-	(50)
Share-based payments		(19)	(104)	20
Administrative expenses		(1,177)	(1,217)	(2,343)
Operating (loss)/profit		(404)	12	1,506
Finance payable		(1)	(3)	(5)
Interest receivable		50	-	3
Impairment of goodwill arising on the acquisition of Nell Health		-	-	(987)
Contingent consideration no longer payable on the acquisition of Nell Health Limited		-	1,000	1,000
(Loss)/profit before income tax	3	(355)	1,009	1,517
Tax credit		36	-	-
(Loss)/profit for the period		(319)	1,009	1,517
Attributable to owners of the parent:		(319)	1,009	1,517
(Loss)/earnings per Ordinary Share				
- basic	4	(0.61)p	1.95p	2.94p
Fully diluted earnings per Ordinary Share	4	(0.61)p	1.94p	2.92p

Consolidated statement of financial position
As at 30 June 2023

	Notes	Unaudited 30 June 2023 £'000	Unaudited 30 June 2022 £'000	Audited 31 December 2022 £'000
Non-current assets				
Property, plant and equipment		118	88	75
Right-of-use assets		63	88	75
Intangible assets		1,397	2,520	1,098
Total non-current assets		1,578	2,696	1,248
Current assets				
Inventories		3,004	711	1,284
Trade and other receivables		537	3,224	1,288
Cash and cash equivalents		5,015	6,995	7,608
Total current assets		8,556	10,930	10,180
Total assets		10,134	13,626	11,428
Current liabilities				
Trade and other payables		1,544	5,094	2,525
Lease liabilities		28	26	29
Total current liabilities		1,572	5,120	2,554
Non-Current liabilities				
Lease liabilities		12	40	24
Total non-current liabilities		12	40	24
Total liabilities		1,584	5,160	2,578
Net assets		8,550	8,466	8,850
Share capital	5	780	780	780
Deferred shares		-	6,359	6,359
Share premium account		-	16,887	16,887
Capital redemption reserve		-	1,815	1,815
Reverse acquisition reserve		(6,044)	(6,044)	(6,044)
Retained earnings		13,814	(11,331)	(10,947)
Total equity		8,550	8,466	8,850

Consolidated statement of changes in equity

For the 6 months ended 30 June 2023

	Share capital	Deferred shares	Share Premium	Capital redemption reserve	Reverse acquisition reserve	Retained earnings	Total
	£ '000	£'000	£'000	£'000	£'000	£'000	£'000
Equity as at 1 January 2022	756	6,359	16,671	1,815	(6,044)	(12,444)	7,113
Profit for the year	-	-	-	-	-	1,517	1,517
Total comprehensive profit	-	-	-	-	-	1,517	1,517
The Genome Store deferred consideration	24	-	216	-	-	-	240
Share-based payments	-	-	-	-	-	(20)	(20)
Equity as at 31 December 2022	780	6,359	16,887	1,815	(6,044)	(10,947)	8,850
Loss for the period	-	-	-	-	-	(319)	(319)
Total comprehensive profit	-	-	-	-	-	(319)	(319)
Share-based payments	-	-	-	-	-	19	19
Capital reduction	-	(6,359)	(16,887)	(1,815)	-	25,061	-
Equity as at 30 June 2023	780	-	-	-	(6,044)	13,814	8,550

Consolidated statement of cash flows
For the 6 months ended 30 June 2023

	Unaudited 6 months ended 30 June 2023 £'000	Unaudited 6 months ended 30 June 2022 £'000	Audited Year ended 31 December 2022 £'000
Cash flows from operating activities			
(Loss)/profit before taxation	(355)	1,009	1,517
Adjustments for:			
Non-cash movement in provisions and accruals	(760)	(1,000)	(1,000)
Depreciation and amortization	89	169	222
Impairment of intangible assets	-	-	1,365
Loss on sale of laboratory assets	-	-	55
Finance income	(50)	-	(3)
Finance expenses	1	3	5
Share-based payments	19	104	(20)
Adjusted operating (loss)/profit before changes in working capital	(1,056)	285	2,141
Changes in working capital			
Increase in inventory	(1,720)	(214)	(787)
Decrease/(increase) in trade and other receivables	751	(892)	1,044
(Decrease)/increase in trade and other payables	(221)	1,779	(790)
Cash (used)/generated in operations	(2,246)	958	1,608
Bank interest received	50	-	3
Interest paid	(1)	(3)	(5)
Net cash (outflow)/inflow from operating activities	(2,197)	955	1,606
Investing activities			
Purchase of property, plant and equipment	(45)	(17)	(22)
Purchase of intangible assets	(374)	(296)	(316)
Net cash flows used in investing activities	(419)	(313)	(338)
Taxation			
Research and development tax credit	36	-	-
Cash inflow from taxation	36	-	-
Financing activities			
Repayment of lease liability	(13)	(34)	(47)
Cash outflows from financing activities	(13)	(34)	(47)
Net change in cash and cash equivalents	(2,593)	608	1,221
Cash and cash equivalents at the beginning of the period	7,608	6,387	6,387
Cash and cash equivalents at the end of the period	5,015	6,995	7,608

Notes to the unaudited interim financial information for the 6 months ended 30 June 2023

1. General information

MyHealthChecked PLC (the "Group") is a public limited company incorporated and domiciled in England and Wales. The registered office of the Company is The Maltings, East Tyndall Street, Cardiff, CF24 5EA. The registered company number is 06573154.

The principal activity of the Group is in the development and commercialisation of diagnostic healthcare products.

2. Significant accounting policies

Basis of preparation

The interim financial information for the six months ended 30 June 2023, which was approved by the Board of Directors on 18 September 2023, does not constitute statutory accounts as defined by section 434 of the Companies Act 2006.

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements.

The financial information presented is unaudited and has been prepared using the same accounting policies as those adopted in the financial statements for the year ended 31 December 2022 and expected to be adopted in the financial year ending 31 December 2023.

The interim financial information includes unaudited comparative figures for the unaudited 6 months to 30 June 2022 and comparatives for the year ended 31 December 2022 that have been extracted from the audited financial statements for that year. The financial statements for the year ended 31 December 2022 were reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain an adverse statement under section 498 (2) or (3) of the Companies Act 2006.

In the opinion of the Directors, the interim financial information for the period presents fairly the financial position and the results from operations and cash flows for the period.

Going concern

The interim financial statements have been prepared under the going concern basis as the Directors have undertaken a review of the future financing requirements of the ongoing operation of the Group and considers the Group is able to meet its working capital requirements.

3. Segment information

In the opinion of the directors, the Group has one class of business, being that of the provision of diagnostic healthcare products. All the segment assets associated with the provision of diagnostic healthcare products are located in the UK.

	Unaudited 30 June 2023 £'000	Unaudited 30 June 2022 £'000	Audited 31 December 2022 £'000
Covid related products	2,342	9,832	22,305
Other	122	-	9
Revenue from the provision of diagnostic healthcare products	2,464	9,832	22,314
Loss/(profit) for the period from provision of diagnostic healthcare products	(88)	433	1,987
Corporate costs	(316)	(421)	(481)
Net finance income/(expense)	49	(3)	(2)
Deferred consideration adjustment	-	1,000	13
Group (loss)/profit before tax	(355)	1,009	1,517
Cash	5,015	6,995	7,608
Segment assets	5,066	6,579	3,778
Corporate assets	53	52	42
Total assets	10,134	13,626	11,428
Segment liabilities	1,444	4,973	2,105
Corporate liabilities	140	187	473
Total liabilities	1,584	5,160	2,578

4. (Loss)/profit per Ordinary Share

	Unaudited 30 June 2023	Unaudited 30 June 2022 <i>(restated)</i>	Audited 31 December 2022 <i>(restated)</i>
Basic and diluted (loss)/profit per Ordinary Share <i>(restated)</i>			
(Loss)/profit for the period	£(319,000)	£1,009,000	£1,517,000
Weighted average number of shares - basic	52,005,932	51,628,000	51,620,000
Weighted average number of shares – fully diluted	52,005,932	51,981,000	51,881,000
(Loss)/profit) per share - basic	(0.61)p	1.95p	2.94p
Fully diluted (loss)/profit per share	(0.61)p	1.94p	2.92p

Basic (loss)/profit per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period. Due to the loss in the six month period ended 30 June 2023 the effect of the share options was considered anti-dilutive. The comparative figures been restated to reflect the impact of the share consolidation referred to in note 5 below.

5. Share capital

On 17 January 2023 the Court approved the reduction of the share capital of the Company, involving the cancellation of all the Deferred Shares, the Share Premium Account and the Capital Redemption Reserve. The purpose of the Capital Reduction was to create distributable reserves.

On 11 May 2023, 13 new Ordinary Shares were allotted to the Company's registrars, Neville Registrars Limited, so that the total number of existing Ordinary Shares would be exactly divisible by 15 for the share consolidation. On 12 May 2023 the 780,088,980 existing Ordinary Shares of 0.1 pence each were consolidated on a 15 for 1 basis, such that every 15 existing Ordinary Shares were consolidated into 1 Ordinary Share of 1.5p pence in nominal value. On completion of the share consolidation the Company had 52,005,932 new Ordinary Shares in issue.

This interim financial statement will be released in accordance with the AIM Rules for Companies, available shortly on the Company's website at <https://investors.myhealthchecked.com/>.