

21 September 2022

MyHealthChecked PLC
(“MyHealthChecked”, “MHC”, 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 2022, which were stronger than expected and ahead of management expectations.

Financial Highlights

- Revenue up circa threefold to £9.8m (H1 2021: £3.3m)
 - *Post-period end: Record breaking July revenues of £6.8m (unaudited)*
- Adjusted EBITDA improved to £0.37m (H1 2021: loss of £0.20m)
- Improvement in Gross Profit to £1.5m (H1 2021: £1.1m)
- Net cash generated from operating activities of £0.96m (H1 2021: £1.29m utilised)
- Cash balance at period end of £7.0m (H1 2021: £2.2m)
 - *Whilst continuing to invest across the business for future growth*
- Strong cash generation and balances ensure next growth phases are self-funded

Commercial & Operational Highlights

- Distribution of FlowFlex™ COVID-19 lateral flow test kits into top 2 pharmacy retailers
- Over 6.4m COVID lateral flow tests delivered into the market, with a further 5m delivered post-period end
- Launch of new self-funded portfolio DNA tests
- Successful launch of DNA at-home wellness test range on Amazon
- Development technology builds for new blood testing launch in Q4 2022
- Retailer engagement around new testing portfolio

Penny McCormick, Chief Executive Officer of MyHealthChecked PLC, said: *“We have exceeded our expectations for revenue performance in the first half of the year, and have further demonstrated our position of strength which has been earned through strong delivery and consistent customer service, despite even greater COVID unpredictability than experienced in 2021. Cash generation has been a top KPI for us, to ensure that we can self-fund our next growth phases and invest in building great technology and services for a successful and sustainable future. I want to thank each person who has delivered for MHC this year, doing so alongside the work being undertaken as we work towards a new portfolio and associated launches, which we are excited to share with the market in Q4.”*

Investor presentation

Penny McCormick, Chief Executive Officer and Nicholas Edwards, Chief Financial Officer, will provide a live presentation relating to the Half-Year Report via the Investor Meet Company platform tomorrow (Thursday 22 September 2022) at 4:30pm BST. 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

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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, supported by a user-friendly digital interface.

MyHealthChecked is the umbrella brand of a range of at-home wellness tests that are 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

We are delighted with the delivery of a robust financial performance during the first half of 2022, which has been achieved alongside delivery of our other Company milestones including product and technical development and product launches. Significantly, this included the successful development, build and launch of our new portfolio of DNA wellness test panels, which has been our first milestone launch following the success of our COVID testing portfolio. We have sustained our progress in the COVID space which has become increasingly competitive this year, demonstrating that once again we have nurtured our customer base through high levels of uncertainty and surge demand, with strong execution having added the distribution of lateral flow tests to our “at-home” product portfolio.

This performance has been underpinned by a strong customer base, robust partner suppliers, and most importantly, a committed team who have delivered another superb set of results. Our thanks go to each person who has worked to deliver as part of this team for MHC this year, together we are energised and eager to deliver our new product launches in the coming months.

Financial performance – supply chain management and customer service

We traded strongly through Spring which far exceeded expectations with revenue delivery of £9.8m (six months ended 30 June 2021: £3.3m; year ended 31 December 2021: £16.4m) and an adjusted EBITDA achievement of £372,000 (six months ended 30 June 2021: £199,000 *loss*; year ended 31 December 2021: £2,729,000). Revenue growth in the period was driven by high volume distribution of COVID lateral flow tests (“LFTs”) which were supplied into top pharmacy retailers via both in-store and online channels. Demand spiked in April as direct-to-consumer purchases were driven by the Government’s cessation of free lateral flow testing for the general public, and a change in consumer behaviour to ‘self-elected’ lateral flow testing. Store distribution increased throughout the first half of the year, building a reach that spanned impulse travel outlets through to flagship top-tier city-centre stores.

During the period the business managed a high-volume national supply chain, shipping over 6.4m COVID tests into the market and ensuring that we carefully managed purchasing and logistics in an unpredictable and challenging global situation.

Gross margins have reduced to 15.4% (six months ended 30 June 2021: 33.6%; year ended 31 December 2021: 31.3%) reflecting the change in product mix from higher margin COVID PCR testing to LFTs in what is a competitive, high demand environment, and whilst the margins associated with LFTs are lower than laboratory testing, we have used our best efforts to balance customer value with the promise of a first-class, reliable supply chain management.

Overheads were broadly in line with prior years. In April we took the decision to close our Manchester laboratory operation, reducing future operational costs by approximately £25,000 per month. Our lab and experienced staff team played a key role in securing major contracts and servicing customer orders in 2021, and our team delivered during peak demand phases. The closure has enabled the business to focus on the commercialisation and development of our digital platform, and future investment will be channelled into strengthening the areas that provide the greatest long term growth potential, namely our digital platform, complementary services, and commercialisation.

Adjusted EBITDA is calculated as follows:

| | Unaudited 30 June 2022 £'000 | Unaudited 30 June 2021 £'000 | Audited 31 December 2021 £'000 |
|-------------------------------|------------------------------------|------------------------------------|--------------------------------------|
| Operating profit/(loss) | 12 | (267) | 2,046 |
| Depreciation and amortisation | 103 | 61 | 157 |
| Impairment provision | - | - | 414 |
| Closure of laboratory costs * | 153 | - | - |
| Share based payments | 104 | 7 | 112 |
| Adjusted EBITDA | 372 | (199) | 2,729 |

* Includes additional depreciation of £66,000

As a performance milestone on the acquisition of Nell Health Limited has not been met the Directors believe that the contingent deferred consideration of £1m will no longer be payable and have therefore released the provision for this amount. Consequently the Group's profit before and after taxation amounted to £1,009,000 (six months ended 30 June 2021: £269,000 loss; year ended 31 December 2021: £2,004,000) giving a basic earnings per share of 0.13p (six months ended 30 June 2021: 0.04p loss; year ended 31 December 2021: 0.28p) and fully diluted earnings per share of 0.13p (year ended 31 December 2021: 0.27p).

Our careful delivery and focus on expenditure has also enabled us to retain a robust cash position with cash balances as at 30 June 2022 of £6,995,000 (six months ended 30 June 2021: £2,214,000; year ended 31 December 2021: £6,387,000). This marks the achievement of cash KPIs and our commitment to generating income for investment in our future portfolio and rollout.

New product launches

The delivery of our testing portfolio, and subsequent soft launch, has been a significant milestone for us in 2022 as we have begun to build a portfolio of consumer wellness tests to support market needs outside of the pressurised NHS. Our DNA tests have been developed in house, using SNPs ("Single Nucleotide Polymorphisms") that must meet specific criteria before our Scientific Advisory Board approves them for inclusion within our tests, and have been developed to meet an anticipated change in consumer behaviour to self-management and preventative wellness. Our initial portfolio has been priced competitively within the DNA space for accessibility, and whilst it is far too early to comment on market position, our initial launch on Amazon and ongoing retailer discussions have indicated that the market is receptive to at-home wellness testing, including those using DNA extraction methods. We continue to work towards expanding our distribution network for this new portfolio.

Technology Developments

A key development area for us in the first half of this year has been our digital platform, which includes a simple reporting format for our new DNA tests. We are further expanding this to accommodate our upcoming product launches, whilst ensuring risk, customer safety, GDPR, data, security, regulations and governance are at the core of our digital evolution. Our platform has been used directly by well over 100,000 customers and provides a great customer experience that meets with the approval of our direct at-home customers and our retail partners. Our investment and development team continues to channel into the building of a 'growth stack' where the emphasis is on technology that allows for growth and auto scaling as our volume increases, focusing on a modular approach that will ensure our platform is agile, scalable and adaptable to the evolving digital landscape.

Post-period achievements

July 2022 was a record-breaking month with revenue of £6.8m (unaudited) after the delivery of over 5.5m COVID LFTs into the market in that month alone. Alongside this delivery we have made significant progress on building a Phase 2 portfolio of further wellness products ready for launch in Q4 2022, which have been market validated using

quantitative customer insights. These tests, that predominantly use blood sampling methods, will further strengthen our range, and enable us to provide the most popular tests, and subsequent results on our proven, simple to use digital reporting platform.

Market readiness and new launches

Our team has grown in terms of calibre through the period, with the appointment of digital development expertise, product management and marketing personnel, along with the appointment of additional medical advisors and knowledgeable subject matter experts in key marketing disciplines. We will execute a significant marketing push in line with our new product launches, and look forward to providing an update as we build momentum towards our launches. Much of this strategy is being shaped by further qualitative market insights through Q3 and Q4, as we invest in listening to a customer base that has emerged since the pandemic with new perspectives and behaviours. We will use this information to further shape our strategy and ensure that our products, services, and messaging resonates with our customer base and brings end users into a relationship development funnel.

Outlook

We have delivered strong revenue and operational performance in the first half of 2022, which, alongside new product launches and the building of a robust strategic growth plan, we believe will significantly support our customer base in meeting their health needs. Through clear decision making and proactive routes to self-selection, we can add value to the customer journey. We are filled with optimism and energy for the remainder of the year, where we will see our commercial, digital and product teams continue to strengthen, and deliver the builds and rollout plans that will underpin further growth.

Our half year and post-period performance has further demonstrated the establishment of a strong, credible, commercially focused operation that is committed to growth and delivery, and our excitement for next year is further heightened by the fact that we are still in the relatively early stages of our growth plan, which is anchored within at-home testing. Our Management and Board firmly believe in MyHealthChecked and are committed to building further upon this position of strength that has been achieved, so far, in 2022.

Adam Reynolds
Chairman

Penny McCormick
Chief Executive Officer

21 September 2022

Consolidated statement of comprehensive income
For the 6 months ended 30 June 2022

| | | Unaudited 6 months ended 30 June 2022 £'000 | Unaudited 6 months ended 30 June 2021 £'000 | Audited Year ended 31 December 2021 £'000 |
|--|-------|---|---|---|
| | Notes | | | |
| Revenue | 3 | 9,832 | 3,274 | 16,376 |
| Cost of sales | | (8,321) | (2,174) | (11,251) |
| Gross profit | | 1,511 | 1,100 | 5,125 |
| Other administrative expenses | | (1,395) | (1,360) | (2,553) |
| Impairment of intangible assets | | - | - | (414) |
| Share-based payments | | (104) | (7) | (112) |
| Administrative expenses | | (1,499) | (1,367) | (3,079) |
| Operating profit/(loss) | | 12 | (267) | 2,046 |
| Finance expenses | | (3) | (2) | (2) |
| Additional consideration payable on the acquisition of The Genome Store Limited | | - | - | (40) |
| Contingent consideration on the acquisition of Nell Health Limited no longer payable | | 1,000 | - | - |
| Profit/(loss) before income tax | | 1,009 | (269) | 2,004 |
| Tax | | - | - | - |
| Profit/(loss) for the period | 3 | 1,009 | (269) | 2,004 |
| Attributable to owners of the parent: | | 1,009 | (269) | 2,004 |
| Earnings/(loss) per ordinary share - basic | 4 | 0.13p | (0.04p) | 0.28p |
| Fully diluted earnings per ordinary share | 4 | 0.13p | - | 0.27p |

Consolidated statement of financial position
As at 30 June 2022

| | Notes | Unaudited 30 June 2022 £'000 | Unaudited 30 June 2021 £'000 | Audited 31 December 2021 £'000 |
|---|-------|------------------------------------|------------------------------------|--------------------------------------|
| Non-current assets | | | | |
| Property, plant and equipment | | 88 | 152 | 163 |
| Right-of-use assets | | 88 | - | - |
| Intangible assets | | 2,520 | 590 | 2,289 |
| Total non-current assets | | 2,696 | 742 | 2,452 |
| Current assets | | | | |
| Inventories | | 711 | 783 | 497 |
| Trade and other receivables | | 3,224 | 3,114 | 2,332 |
| Cash and cash equivalents | | 6,995 | 2,214 | 6,387 |
| Total current assets | | 10,930 | 6,111 | 9,216 |
| Total assets | | 13,626 | 6,853 | 11,668 |
| Current liabilities | | | | |
| Trade and other payables | | 5,094 | 2,994 | 3,315 |
| Lease liabilities | | 26 | - | - |
| Deferred taxation | | - | 87 | - |
| Deferred consideration and other provisions | | - | 226 | 1,240 |
| Total current liabilities | | 5,120 | 3,307 | 4,555 |
| Non-Current liabilities | | | | |
| Lease liabilities | | 40 | - | - |
| Total non-current liabilities | | 40 | - | - |
| Total liabilities | | 5,160 | 3,307 | 4,555 |
| Net assets | | 8,466 | 3,546 | 7,113 |
| Share capital | 5 | 780 | 725 | 756 |
| Deferred shares | | 6,359 | 6,359 | 6,359 |
| Share premium account | | 16,887 | 15,513 | 16,671 |
| Capital redemption reserve | | 1,815 | 1,815 | 1,815 |
| Reverse acquisition reserve | | (6,044) | (6,044) | (6,044) |
| Retained earnings | | (11,331) | (15,745) | (12,444) |
| Share-based payment reserve | | - | 923 | - |
| Total equity | | 8,466 | 3,546 | 7,113 |

Consolidated statement of changes in equity

For the 6 months ended 30 June 2022

| | Share capital | Deferred shares | Share Premium | Share-based payment reserve | Capital redemption reserve | Reverse acquisition reserve | Retained earnings | Total |
|---|---------------|-----------------|---------------|-----------------------------|----------------------------|-----------------------------|-------------------|--------------|
| | £ '000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Equity as at 1 January 2021 | 518 | 6,359 | 12,442 | 916 | 1,815 | (6,044) | (15,476) | 530 |
| Profit for the year | - | - | - | - | - | - | 2,004 | 2,004 |
| Total comprehensive profit | - | - | - | - | - | - | 2,004 | 2,004 |
| Transfer from share-based payment reserve | - | - | - | (916) | - | - | 916 | - |
| Issue of shares net of expenses | 194 | - | 2,979 | - | - | - | - | 3,173 |
| Conversion of loan note and interest | 13 | - | 92 | - | - | - | - | 105 |
| Exercise of options | 2 | - | 18 | - | - | - | - | 20 |
| Other share issue | 1 | - | 16 | - | - | - | - | 17 |
| Share-based payments | - | - | - | - | - | - | 112 | 112 |
| Acquisition of Nell Health Limited | 28 | - | 1,124 | - | - | - | - | 1,152 |
| Equity as at 31 December 2021 | 756 | 6,359 | 16,671 | - | 1,815 | (6,044) | (12,444) | 7,113 |
| Profit for the period | - | - | - | - | - | - | 1,009 | 1,009 |
| Total comprehensive profit | - | - | - | - | - | - | 1,009 | 1,009 |
| Share-based payments | - | - | - | - | - | - | 104 | 104 |
| The Genome Store deferred consideration | 24 | - | 216 | - | - | - | - | 240 |
| Equity as at 30 June 2022 | 780 | 6,359 | 16,887 | - | 1,815 | (6,044) | (11,331) | 8,466 |

Consolidated statement of cash flows
For the 6 months ended 30 June 2022

| | Unaudited 6 months ended 30 June 2022 £'000 | Unaudited 6 months ended 30 June 2021 £'000 | Audited Year ended 31 December 2021 £'000 |
|---|---|---|---|
| Cash flows from operating activities | | | |
| Profit/(loss) before taxation | 1,009 | (269) | 2,004 |
| Adjustments for: | | | |
| Deferred consideration adjustment | (1,000) | - | 40 |
| Decrease in provisions | - | - | (26) |
| Depreciation and amortization | 169 | 61 | 157 |
| Impairment of intangible assets | - | - | 414 |
| Finance expenses | 3 | 2 | 2 |
| Share-based payments | 104 | 7 | 112 |
| Adjusted operating profit/(loss) before changes in working capital | 285 | (199) | 2,703 |
| Changes in working capital | | | |
| Increase in inventory | (214) | (781) | (494) |
| Increase in trade and other receivables | (892) | (2,918) | (2,124) |
| Increase in trade and other payables | 1,779 | 2,610 | 2,931 |
| Cash generated/(used) in operations | 958 | (1,288) | 3,016 |
| Other interest paid | (3) | (2) | (2) |
| Net cash inflow/(outflow) from operating activities | 955 | (1,290) | 3,014 |
| Investing activities | | | |
| Purchase of property, plant and equipment | (117) | (128) | (147) |
| Purchase of intangible assets | (296) | (3) | (102) |
| Acquisition of Nell Health Limited | - | - | (50) |
| Net cash flows used in investing activities | (413) | (131) | (299) |
| Financing activities | | | |
| Issue of ordinary shares (net of issue expenses) | - | 3,174 | 3,211 |
| New lease finance | 100 | - | - |
| Repayment of lease liability | (34) | (5) | (5) |
| Net cash inflows from financing activities | 66 | 3,169 | 3,206 |
| Net change in cash and cash equivalents | 608 | 1,748 | 5,921 |
| Cash and cash equivalents at the beginning of the period | 6,387 | 466 | 466 |
| Cash and cash equivalents at the end of the period | 6,995 | 2,214 | 6,387 |

Notes to the unaudited interim financial information for the 6 months ended 30 June 2022

1. General information

MyHealthChecked PLC 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 at-home health diagnostics medical tests.

2. Significant accounting policies

Basis of preparation

The interim financial information for the six months ended 30 June 2022, which was approved by the Board of Directors on 20 September 2022, 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 2021 and expected to be adopted in the financial year ending 31 December 2022.

The interim financial information includes unaudited comparative figures for the unaudited 6 months to 30 June 2021 and comparatives for the year ended 31 December 2021 that have been extracted from the audited financial statements for that year.

The financial statements for the year ended 31 December 2021 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 business 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 2022 £'000 | Unaudited 30 June 2021 £'000 | Audited 31 December 2021 £'000 |
|--|------------------------------------|------------------------------------|--------------------------------------|
| Revenue from the provision of diagnostic healthcare products | 9,832 | 3,274 | 16,376 |
| Profit for the period from provision of diagnostic healthcare products | 430 | 131 | 2,815 |
| Corporate costs | (421) | (400) | (771) |
| Deferred consideration adjustment | 1,000 | - | (40) |
| Group profit/(loss) before and after tax | 1,009 | (269) | 2,004 |
| Cash | 6,995 | 2,214 | 6,387 |
| Segment assets | 6,579 | 4,543 | 5,221 |
| Corporate assets | 52 | 96 | 60 |
| Total assets | 13,626 | 6,853 | 11,668 |
| Segment liabilities | 4,973 | 3,070 | 3,057 |
| Corporate liabilities | 187 | 237 | 1,498 |
| Total liabilities | 5,160 | 3,307 | 4,555 |

4. Profit/(loss) per share

| | Unaudited 30 June 2022 | Unaudited 30 June 2021 | Audited 31 December 2021 |
|---|---------------------------|---------------------------|-----------------------------|
| Basic and diluted | | | |
| Profit/(loss) for the period | £1,009,000 | £(269,000) | £2,004,000 |
| Weighted average number of shares - basic | 774,420,000 | 665,654,000 | 710,852,000 |
| Weighted average number of shares – fully diluted | 797,488,000 | - | 744,056,000 |
| Profit/(loss) per share | 0.13p | (0.04)p | 0.28p |
| Fully diluted profit per share | 0.13p | - | 0.27p |

Basic profit/(loss) per share is calculated by dividing the profit/(loss) 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 2021 the effect of the share options was considered anti-dilutive and hence no diluted loss per share information has been provided.

5. Share capital

On 22 February 2021, 194,285,714 ordinary shares were issued at 1.75p per share for a total consideration of £3.4 million before expenses of £227,000 and the convertible loan note (plus accrued interest) was converted into 13,138,647 shares at an issue price of 0.8p per share. On the acquisition of Nell Heath Limited on 3 July 2021 a further 27,842,931 new ordinary shares of 0.1p each were issued at 4.14p per share as part of the initial consideration payable of £1.2m. In addition, 2,500,000 EMI options were exercised during the year at a price of 0.8p per share and 500,000 shares were issued to Ms McCormick at a price of 3.5p in part settlement of her performance related pay.

On 25 March 2022, 24,000,000 new ordinary shares of 0.1p were issued to settle the deferred consideration payable on the acquisition of The Genome Store Limited of £240,000 after all performance milestones were met.

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/>.