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MyHealthChecked PLC
("MyHealthChecked" or the "Company")

Preliminary Results
Year Ended 31 December 2021

MyHealthChecked PLC (AIM: MHC), the consumer home-testing healthcare company, announces its preliminary results for the year ended 31 December 2021.

2021 Highlights

Commercial

- Significant revenue growth over the prior year, up from £50,000 to £16.4m
- Secured agreements with the two top retail high street pharmacy chains and successfully launched and delivered into a new and unknown category
- MyHealthChecked brand successfully launched and established
- Over 30,000 new direct customers
- Over 5,000 Trustpilot reviews to achieve a 4.3 rating at the year end

Portfolio and accreditation

- Fast track onboarding of The Genome Store in preparation for peak COVID activity
- Achieved listing on Government website/gov.uk for the COVID-19 private testing providers for general Testing and Test to Release
- Acquisition of Nell Health in July 2021
- UKAS stage 2 passed in January 2021 with full ISO 15189:2012 accreditation announced in September 2021

Operational

- Migration across to new digital platform following Nell Health acquisition
- Secure supply chain established successfully underpinning category volatility
- Management of lean overheads

Financial

- Adjusted EBITDA of £2.7m compared to a £2.7m loss in the prior year
- Oversubscribed £3.4m (gross) share placing @ 1.75p in February 2021 which included further reinvestment by Mercia's investment funds
- Cash generative for the first time with year-end cash balances of £6.4m

The full Group Annual Report and Financial Statements will be available shortly at www.myhealthcheckedplc.com.

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.

MyHealthChecked is the umbrella brand of a range of at-home DNA and RNA tests, now in development following the acquisition of The Genome Store in November 2020. The tests will be made available online, and would 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'S STATEMENT

2021 was a year that delivered record revenue of £16.4m and an adjusted EBITDA of £2.7m, with net cash being £6.4m at the year end.

Our key focus for 2022 will be the introduction and launch of our DNA wellbeing products in the first half of 2022. This portfolio will grow as we enter Q3 and Q4 and will be channelled initially through our Direct-to-Consumer model.

I would like to take this opportunity to thank all our employees who worked tirelessly during 2021 to deliver an outstanding result, not only financially but also in the quality and care of service.

We look forward to delivering further growth and value to shareholders in 2022 and beyond.

Adam Reynolds

Non-Executive Chairman

CHIEF EXECUTIVE'S REPORT AND REVIEW

Last year, in my first CEO review in my new role, I talked about how we had reshaped the business to deliver against an ambitious growth plan with a clear runway ahead to revenue achievement. I am proud to say that during 2021 we have delivered against this aim at every stage. MyHealthChecked has again evolved significantly over the last year, and we are well-positioned to deliver further shareholder value in 2022 as we continue to grow the business.

I must give due credit to our fantastic team at MyHealthChecked whose commitment and professionalism has been outstanding during an incredibly challenging time for everyone. The team adapted our business model to create a new retail product line in response to the COVID pandemic and delivered a phenomenal ramp-up of testing volume through challenging supply chain conditions. We also successfully integrated The Genome Store business during the year and acquired Nell Health Limited ("Nell Health") in July 2021. The team has delivered to an incredibly high standard, and this has been reflected in the thousands of positive customer reviews we have received, and the continuing relationships that we have established with the UK's top pharmacy retailers.

We have moved into 2022 in a position of strength financially, operationally and with a quickly established reputation for responsive, commercial delivery. We have exciting longer-term prospects based on a pipeline of new product introductions, whilst we continue to provide COVID testing services to our key partners, and I am delighted to update shareholders on our strong performance over the last year.

Successful commercial delivery – executing on our strategy for growth

The financial performance of the business is the strongest indicator of the significant step-change that we have delivered over the last year. In 2021 we recorded revenues of £16.4m (2020: £50k) and delivered an adjusted EBITDA profit of £2.7m, reversing the £2.7m adjusted EBITDA loss seen in 2020. The business has been cash generative for the first time in its history and cash balances at the year-end were £6.39m (2020: £0.47m), which reflected both good working capital management and stronger than expected cash conversion in the final quarter.

The main driver of commercial success was the roll-out of our new COVID-19 PCR nasal swab test kit for at-home use which was adopted by the UK's top two high street pharmacy retailers. The strong Q4 performance was also supported by the launch of our COVID-19 rapid antigen test and verification service which saw us become a distributor of FlowFlex lateral flow assays, adapting neatly with changing market needs and demonstrating our ability to successfully integrate third party products alongside our own brand.

Our team also supported a number of smaller travel and institutional Business-to-Business ("B2B") customers, however it is the opening up of our own Direct-to-Consumer sales channel which, supported by our investment in digital marketing and excellent customer service provision, grew to contribute approximately £2.4m to overall revenues. As the Company has grown, we have focused on the establishment of our reputable brand with a customer-first approach to both retail partners and directly with consumers. Our Care Team has worked tirelessly to ensure that our service excellence is captured, securing over 5,000 reviews on Trustpilot in 2021 and currently standing at over 7,000 at the time of writing. Our marketing strategy has been focussed on effective referral channels and pricing strategies, ensuring that we always deliver customer value.

Careful cost control and operational excellence

Whilst transforming the operational and commercial capacity of the business to meet market demands we have kept a tight control of our cost base and have maximised efficiencies by working closely with key suppliers and maintaining a flexible and lean team that has delivered extraordinary growth over the last 12 months.

We have continued to ensure that our operational footprint matches our clients' demands as well as providing the flexibility to expand for future growth as required. The flexible arrangements at our Cardiff Head office have allowed us to scale up and scale down through the year without any detriment to the provision of customer care and dispatch. Our Manchester laboratory operation, combined with third-party supply from Yourgene Health PLC ("Yourgene"), allowed us to maintain a reputation for quality of service with reliable turnaround times that consistently met the requirements of our customers. It is a mark of the quality of the team that we were able to achieve ISO 15189 standards within six months of opening the laboratory, and we consistently achieved 100% for the reliability of patient results and accuracy of reporting in the SARS CoV-2 External Quality Assurance Programme. Our facilities were subject to ongoing review by our retail partners, and I am proud that the team have consistently met their exacting requirements. As part of an internal review however, in response to a significant downturn in COVID PCR testing and our drive to remain cost efficient, our laboratory operations will close in the current quarter whilst we continue to utilise Yourgene's laboratories, in conjunction with our in-house expertise, to continue building our scientific and digital portfolio.

Preparation for the launch of a portfolio of personalised wellness tests in H1 2022

Whilst we are still benefitting from our pivot into the provision of COVID-19 rapid antigen tests, a key focus of our business as we have moved into the new financial year has been on re-investing 2021 earnings into our new product pipeline of at-home wellness tests and building digital healthcare-centric technology that is scalable.

The effective integration of Nell Health, acquired in July 2021, has enabled the migration of our Laboratory Information Management System ('LIMS') onto the digital platform that will underpin the future business as it expands. Nell Health provided access to innovative technology in-house, that is secure, adaptable, and robust for future product and service developments.

This new scalable customer facing e-commerce platform enables connection from customer through to the lab and facilitates Government required reporting for COVID testing and has been further enhanced in readiness for the launch of future tests. We continue to focus on cyber security, and work closely with our Data Protection Officer to ensure that our systems are robust as we launch our new app technology that will provide actionable health and nutritional guidance, tailored to the customer. Our realignment of the goals and strategy of the business has included the mapping-out of a range of accessible family healthcare tests, with the aim of helping our customers to take control of their own healthcare, whilst providing a positive customer experience.

We remain on track to launch five new at-home wellness tests this month, focussing on the areas of weight management, vitamin deficiency, food intolerances, heart health and blood glucose. We will be announcing further portfolio developments through the course of the year to support our clear business development strategy across Direct-to-Consumer, retail, and B2B channels and I look forward to updating shareholders on this in due course.

We will continue to explore additional third-party technology options that can enhance the customer journey and the value of our products, and which can be integrated by our in-house talent. We also maintain our efforts to identify and assess complementary earnings-enhancing partnerships with organisations that demonstrate potential value-add and are a complementary and strategic fit to our core business.

Whilst COVID-19 was the number one priority for 2021, and portfolio growth is key to our long-term growth strategy, we will continue to reinforce our strong reputation in the COVID-19 testing space, providing a high-quality product and service to our key partners. We will do so whilst consistently evaluating the cost effectiveness of our operations.

Summary and outlook

Last year I commented that we had ended 2020 and commenced 2021 as a very different organisation to that of the previous January, and that we were poised to meet the needs of the market in 2021. I am delighted that we absolutely met the needs of the market this past year, and I am confident echoing those comments this year: that we have grown to be a very different organisation to that of January 2021, commencing 2022 in a stronger position.

Having pivoted the original Concepta business plan, our first year of commercial delivery has demonstrated that this was the right decision, and we have delivered a successful start in our journey to an exciting future. Whilst we did deliberately delay the launch of the wider portfolio of wellness products until the COVID market stabilised, we have in the meantime demonstrated our ability to effectively identify the right tests for the market, secure supplier and customer relationships, and manage challenging supply chains effectively, whilst remaining competitive on price, and excelling in customer service and delivery.

We have in place a secure digital platform, a customer base opening up to the new idea of home-testing, and an existing customer base to whom we can share our new product information.

2022 will be another exciting year for the business as we launch our initial portfolio of new tests and build upon our sophisticated digital platform, which presents a fantastic opportunity for us to grow and create value for our shareholders. This will be supported by positive trading in the COVID space, as over the counter consumer demand continues into 2022.

Penny McCormick
Chief Executive Officer

FINANCIAL REVIEW

Income statement

Following the acquisition of The Genome Store in November 2020, the Group was able to launch the COVID-19 PCR nasal swab test kit for at-home use in December 2020 which enabled revenues to increase from £50,000 in 2020 to £16,376,000 with a gross profit margin of 31.3% in the year under review. Further details are set out in the Chief Executive's Report and Strategic Review.

Administration costs amounted to £3,079,000 compared to £3,118,000 in the prior year after expensed research and development expenditure of £175,000 (2020: £487,000). An impairment provision of £414,000 has also been taken in 2021 against the know-how and goodwill arising on the acquisition of The Genome Store as all testing is now sub-contracted to third parties and the testing laboratory is being closed. In 2020 the charge was £622,000.

Adjusted EBITDA is calculated as follows:

	2021	2020
	£'000	£'000
Operating profit/(loss)	2,046	(3,758)
Depreciation and amortisation	157	157
Impairment provision (net of DT credit)	414	622
Share based payments	112	103
Loss on disposal of intangible assets	-	180
Adjusted EBITDA	2,729	(2,696)

The Group's profit before after taxation was £2,004,000 (2020: £3,763,000 loss) giving a basic earnings per share of 0.28p (2020: loss 0.89p) and fully diluted earnings per share of 0.27p.

Financial position

The Group's net assets at 31 December 2021 amounted to £7,113,000 (2020: £530,000). This comprised total assets of £11,668,000 (2020: £1,336,000) and total liabilities of £4,555,000 (2020: £806,000). The total assets included property, plant and equipment of £163,000 (2020: £56,000) and intangible assets, being development costs, know-how, goodwill and patent costs, of £2,289,000 (2020: £616,000). The significant additions during the year relate to the goodwill and digital platform acquired on the acquisition of Nell Health. As noted above an impairment provision was made against the know-how and goodwill arising on the acquisition of The Genome Store which was acquired last year.

Cashflow

The Group's cash balance at the year-end was £6,387,000 (2020: £466,000). The net inflow from operating activities amounted to £3,014,000 (2020: £2,072,000 outflow) with a further £3,206,000 (2020: £1,960,000) net of expenses raised through financing activities, whilst the cash outflows from investing activities amounted to £299,000 (2020: £38,000).

Capital management

The Board's objective is to maintain a balance sheet that is both efficient and delivers long term shareholder value. The Board continues to monitor the balance sheet to ensure it has an adequate capital structure.

Events after the reporting year

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

Nicholas Edwards

Chief Financial Officer

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For The Year Ended 31 December 2021

	2021 £'000	2020 £'000
Revenue from contracts with customers	16,376	50
Cost of sales	(11,251)	(690)
Gross profit/(loss)	5,125	(640)
Other administrative expenses	(2,553)	(2,213)
Impairment of intangible assets	(414)	(622)
Share based payments	(112)	(103)
Loss on disposal of tangible assets	-	(180)
Administrative expenses	(3,079)	(3,118)
Operating profit/(loss)	2,046	(3,758)
Finance expenses	(2)	(5)
Additional consideration payable on the acquisition of The Genome Store Limited	(40)	-
Profit/(loss) before income tax	2,004	(3,763)
Tax charge	-	-
Profit/(loss) for the year	2,004	(3,763)
Other comprehensive income	-	-
Total comprehensive Profit/(loss) for the year	2,004	(3,763)
Attributable to owners of the parent:	2,004	(3,763)
Earnings/(loss) per ordinary share - basic	0.28p	(0.89p)
Fully diluted earnings per ordinary share	0.27p	-

All activities relate to continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 31 December 2021

	2021	2020
	£'000	£'000
Non-current assets		
Property, plant and equipment	163	56
Intangible assets	2,289	616
Total non-current assets	2,452	672
Current assets		
Inventories	497	3
Trade and other receivables	2,332	195
Cash and cash equivalents	6,387	466
Total current assets	9,216	664
Total assets	11,668	1,336
Current liabilities		
Trade and other payables	3,315	384
Deferred tax liability	-	87
Lease liabilities	-	5
Deferred consideration	1,240	200
Other provisions	-	26
Total current liabilities	4,555	702
Non-current liabilities		
Loans and borrowings	-	104
Total non-current liabilities	-	104
Total liabilities	4,555	806
Net assets	7,113	530
Share capital	756	518
Deferred shares	6,359	6,359
Share premium account	16,671	12,442
Share-based payment reserve	-	916
Capital redemption reserve	1,815	1,815
Reverse acquisition reserve	(6,044)	(6,044)
Retained earnings	(12,444)	(15,476)
Total equity	7,113	530

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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 2020	6,624	-	10,740	813	1,815	(6,044)	(11,713)	2,235
Loss for the year	-	-	-	-	-	-	(3,763)	(3,763)
Total comprehensive loss	-	-	-	-	-	-	(3,763)	(3,763)
Issue of shares net of expenses	253	-	1,702	-	-	-	-	1,955
Share-based payments	-	-	-	103	-	-	-	103
Sub-division of ordinary shares to deferred shares	(6,359)	6,359	-	-	-	-	-	-
Equity as at 31 December 2020	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

CONSOLIDATED STATEMENT OF CASH FLOWS
For The Year Ended 31 December 2021

	2021	2020
	£'000	£'000
Cash flows from operating activities		
Profit/(loss) before taxation	2,004	(3,763)
Adjustments for:		
Deferred consideration	40	-
(Decrease)/increase in provisions	(26)	26
Depreciation and amortization	157	157
Impairment of intangible assets	414	622
Finance expenses	2	5
Share-based payments	112	103
Loss on sale of asset	-	180
Adjusted operating profit/(loss) before changes in working capital	2,703	(2,670)
Changes in working capital		
(Increase)/decrease in inventory	(494)	381
Increase in trade and other receivables	(2,124)	(72)
Increase in trade and other payables	2,931	116
Cash generated/(used) in operations	3,016	(2,245)
Tax received	-	178
Other interest	(2)	(5)
Net cash inflow/(outflow) from operating activities	3,014	(2,072)
Investing activities		
Acquisition of Nell Health Limited	(50)	-
Purchase of property, plant and equipment	(147)	(35)
Purchase of intangible assets	(102)	(3)
Net cash flows used in investing activities	(299)	(38)
Financing activities		
Issue of ordinary shares (net of issue expenses)	3,211	1,675
Convertible loan note	-	101
Sale of assets	-	285
Repayment of lease liability	(5)	(101)
Net cash flows from financing activities	3,206	1,960
Net change in cash and cash equivalents	5,921	(150)
Cash and cash equivalents at the beginning of the year	466	616
Cash and cash equivalents at the end of the year	6,387	466

NOTES TO THE FINANCIAL STATEMENTS

The notes to the Financial Statement are available in full in the Group Annual Report and Financial Statements which will be available shortly on the Company website: www.myhealthcheckedplc.com

Basis of preparation

The financial statements have been prepared in accordance with UK adopted international accounting standards (IFRS), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS

Earnings/(loss) per share

	2021	2020
Basic and diluted		
Profit/(loss) for the year and earnings used in basic & diluted EPS	£2,004,000	(£3,763,000)
Weighted average number of shares - basic	710,852,000	420,757,000
Weighted average number of shares – fully diluted	744,056,000	-
Earnings/(loss) per share	0.28p	(0.89p)
Fully diluted earnings per share	0.27p	-

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. Due to the loss in the prior year the effect of the share options was considered anti-dilutive and hence no diluted loss per share information has been provided.

Events after the reporting date

On 25 March 2022 24,00,000 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.