

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 2024.

Financial highlights

- Revenue of £0.9m (H1 2023: £2.5m; FY 2023: £11.0m)
- Adjusted EBITDA loss £1,199,000 (H1 2023: £296,000; FY 2023: £15,000 *profit*)
- Cash balances of £6.05m (H1 2023: £5.02m; FY 2023: £7.75m) available to self-fund next growth phase
- Contingent VAT reclaim gain (net of associated costs) of c. £1.67m

Commercial and operational highlights

- Over 55,000 Wellness test sold to consumers YTD
- Confirmed orders received to date for the delivery of over 3m COVID tests during H2
- Wellness launch in online retailer Pharmacy2U
- Agreement to distribute PocDoc Healthy Heart Check to key retail customer
- ISO 13485 and ISO 27001 certifications achieved
- Investment in IT infrastructure to support customer journey of extensive range of blood and urine tests
- Cyber Essentials Plus renewed for digital security

Penny McCormick, Chief Executive Officer of MyHealthChecked PLC, said*"We have been pleased with the performance of Wellness sales in H1 and are working closely with Boots, our primary retailer, to build out awareness-building promotional activities.*

"COVID business continues to be seasonal, and the significant summer demand made good use of any surplus stock procured from MHC in 2023, and we enter the winter 2024 period with a confirmed order book delivering solid revenue in H2.

"Whilst we've focused on driving sales in the new Wellness category and securing ongoing COVID revenue, we've been committed in 2024 to self-funding compliance and IT infrastructure investments which will underpin our growth plan. We have in place exceptionally robust product development processes in line with ISO 13485, and an IT infrastructure that enables us to explore next-level strategic developments with retail.

"Post-period, we have expanded our range with PocDoc, a new heart check panel that connects with the NHS and is complementary to our existing portfolio. As this dynamic new category continues to evolve we will evaluate our portfolio on an ongoing basis and add in new technology where we can improve healthcare outcomes for customers at retail.

"We have also appointed Proactive Consultancy Group ("Proactive"), an award-winning medical industry VAT specialist, to review our VAT returns in relation to our B2C COVID testing. Proactive has been successful in recovering VAT for several COVID testing providers by demonstrating to HMRC that certain sales should have been VAT-exempt."

Investor presentation

A video presentation on the interim results and business outlook, delivered by the CEO, will be available to view on the Company's website later today: <https://investors.myhealthchecked.com/investors/presentations>

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Penny McCormick, Chief Executive Officer

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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 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 are made available through MHC online and through retail partners in-store and online.

The MyHealthChecked portfolio has been identified as part of a change in mindset as customers become more familiar with the concept of accessible healthcare and proactive wellness 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

The first half of 2024 has seen the Group deliver on a number of key compliance and operational projects to support its retail growth plans, whilst testing the market with retailer promotional activity and various marketing initiatives focussing on PR, digital marketing and direct customer communication. Following three years of commercial delivery centred around COVID test kits and the launch of our Wellness portfolio, we have taken essential time this year to evolve our compliance infrastructure to meet the rigor of ISO 13485 and enhance our digital platform to enable us to take to market a number of partnership initiatives from Q4 2024.

Financial performance

Sales for the six months ended 30 June 2024 fell to £0.9m (six months ended 30 June 2023: £2.5m; year ended 31 December 2023: £11.0m) due to the strong stock levels in our retail partner at 2023 year-end for COVID Lateral Flow Tests ("LFTs"). This positioned retail well for the unexpected summer spike that commenced in June 2024 and has meant that further 2024 COVID revenue will fall into H2.

Gross margin fell from a profit of £601,000 for the six months ended 30 June 2023 to a loss of £286,000, primarily due to reduced COVID revenue and the impact of the relatively fixed direct cost base associated with the extended range of wellness tests launched in May 2023. These tests are still in an early growth phase and will be key for us as we grow the category further. In addition, gross margin in the prior year included the release of surplus provisions of £685,000 (year ended 31 December 2023: £1,165,000) for the processing of COVID PCR nasal swab kits sold in earlier years which had time expired. Excluding the impact of the movement in provisions, and other fixed costs included in cost of sales, the margin achieved on sales was 20% (six months ended 30 June 2023: 23%; year ended 31 December 2023: 18%). Overall gross margin will improve as the sales volumes of the new wellness product range increases to cover the fixed cost base.

Total spend on the development and maintenance of IT infrastructure during the year amounted to £193,000 (six months ended 30 June 2023: £746,000; year ended 31 December 2023: £982,000) of which £47,000 (six months ended 30 June 2023: £374,000; year ended 31 December 2023: £521,000) has been capitalised. This investment has been in relation to the ongoing improvements and enhancements to the platform, and strengthening of the code base, to support our growth strategy and is a significant reduction against the 2023 spend required to enable the launch of the broad portfolio of new wellness tests.

Other overheads were broadly in line with the prior year due to the continued focus on tight cost control. Sales and

marketing costs increased from £230,000 to £272,000 during the period under review to support retail promotional activity and drive other initiatives to raise awareness of the value proposition and to drive growth in sales of wellness products.

Adjusted EBITDA is calculated as follows:

| | <i>Unaudited</i> 30 June 2024 £'000 | <i>Unaudited</i> 30 June 2023 £'000 | <i>Audited</i> 31 December 2023 £'000 |
|--|---|---|---|
| Operating loss | (1,348) | (404) | (361) |
| Depreciation, amortisation and (profit)/loss on disposal | 119 | 89 | 224 |
| Redundancy costs | - | - | 114 |
| Share based payments | 30 | 19 | 38 |
| Adjusted EBITDA | (1,199) | (296) | 15 |

At 30 June 2024 our cash amounted to £6,048,000 (six months ended 30 June 2023: £5,015,000; year ended 31 December 2023: £7,749,000).

Business Review

Our strategic focus continues to be the development of the business as a leading retail test and digital service provider of wellness health checks, whilst building retailer-centric strategic plans upon which we will deliver future growth.

The marketing plan to drive the adoption and growth of our multi-platform, multi-sample range of tests has delivered over 55,000 wellness tests into the market during the current year, and we continue to monitor key performance indicators around numbers of users, engagement time, and open rate of direct marketing.

Retail promotional activity in H1 enabled us to test the market and learn the impact of price promotions on this very new category, whilst monitoring performance when tests are promoted alongside complementary wellness products. This is providing us, and our retail partners, with intel upon which we can continuously make better commercial decisions as we learn more about our customers and how they purchase, and why. Our own direct marketing has told us very clearly that customers respond less to price-centric communications and engage far more effectively with content that is related specifically to health areas and outcomes. We have played a key role in a number of retail promotions this year including the Male Health activity and Boots' Health MOT initiative in Q1 2024, where our home heart tests featured in the communications around this free Boots health check.

As previously reported our product development is centred around enhancing our digital customer journeys, and this is where we have continued to focus our ongoing efforts. The time taken since launch has taught us which tests perform most effectively, and this, coupled with our increasing knowledge on customer needs and how messaging is responded to, is enabling us to explore product enhancements, how we group tests together and how we can best evolve our propositions. Nowhere provides a more robust customer testing-ground than the retail environment, and we are learning quickly how to enhance and evolve our portfolio.

We previously touched on the provision of phlebotomy services, and we are moving towards a point in the near future where we will be able to share firm plans regarding this enhanced service.

We ended last year having met the demands of the winter COVID season. The subsequent COVID spike came late and began increasing at the start of June 2024 and continued post-period end. We continue to work very closely with our retail partners and suppliers to ensure our channels to market are robust, compliant, and operating to exemplary standards which means that our service can continue unhindered by unplanned demand and unexpected market challenges. Delivering ongoing COVID business is a key priority for MHC, as we soon enter our fifth calendar year as a COVID test provider.

The securing of ISO 13485, a standard for Quality Management Systems that specifically relates to products and services with a health purpose, has strengthened our internal processes, along with our communication and a clear definition of functional requirements. We have worked hard to evolve our processes to meet requirements and provide a more robust infrastructure whilst remaining focused on operating as a lean and dynamic organisation. We have continued in 2024 without additional headcount or facilities and instead concentrated on developing our team and strengthening our internal processes to support delivery. Our supply chain has been another key area of focus, and the recent unexpected administration of our primary kit builder has resulted in some temporary supply issues which are being remedied as a priority.

As outlined in the Financial Performance overview, margin can be challenging and this is due to us delivering at the early stages of a category that is a) still new and, *ergo*, b) has volume growth potential ahead as it is still at the beginning of its growth journey. Our supplier relationships go from strength to strength, and together we will work towards better pricing alongside solid scale-up plans to strengthen our position. Managing the supply chain has been a key objective this year, and the ISO 13485 process places strong onus on us to control manufacturing processes and play an active role in ensuring standards. We have built stronger supplier relationships as a result.

Customer Care is ever important to us and we currently rank 4.4 on Trustpilot ('excellent') as we strive hard to deliver a great service and support our customers through their journey, to ensure they are satisfied with us and our products, and with the information our tests provide. We were further delighted to be shortlisted by Boots as 'Supplier of the Year' in July.

Current trading and outlook

In July we soft-launched our wellness product range in Pharmacy2U ('P2U'). P2U offers a range of at-home tests and is looking to grow its ecommerce presence having already built up a strong prescription customer base. We have also signed a 3-year contract with Vital Signs Solutions Limited to offer their PocDoc 9-minute lipid panel test direct to consumers and via health professionals. PocDoc is a fast and affordable heart check test, which is complementary to our portfolio, and is due to be marketed in early 2025. We look forward to sharing further details as our launch plan gets fully underway.

The Group has also appointed Proactive Consultancy Group ('Proactive'), an award-winning medical industry VAT specialist, to review our VAT returns in relation to sales of our B2C COVID test kits. Proactive has been successful in recovering VAT for several COVID testing providers by demonstrating to HMRC that certain sales should have been exempt from VAT. Proactive has filed a claim on behalf of the Group, which if successful would result in a repayment, after associated costs, of approximately £1.67m.

Demand for wellness tests continues to grow and we have secured firm orders for over 3m COVID LFTs deliverable during H2.

The Board is pleased with the progress the business has made in the current year as MHC continues to deliver against a well understood and consistent strategy. The cash position remains strong with funds carefully managed and utilised to strengthen the business and platform so that we can deliver ambitious workstreams on foundations that are robust, secure and compliant.

We also appreciate the efforts of our talented and committed staff team and thank them for their delivery to date this year, and we progress with confidence into H2 to deliver on key initiatives, for which we look forward to updating Shareholders.

Adam Reynolds
Chairman

Penny McCormick
Chief Executive Officer

25 September 2024

Consolidated statement of comprehensive income For the 6 months ended 30 June 2024

| | Notes | Unaudited 6 months ended 30 June 2024 £'000 | Unaudited 6 months ended 30 June 2023 £'000 | Audited Year ended 31 December 2023 £'000 |
|----------------------------------|-------|---|---|---|
| Revenue | 3 | 881 | 2,464 | 10,977 |
| Cost of sales | | (1,167) | (1,863) | (8,929) |
| Gross (loss)/profit | | (286) | 601 | 2,048 |
| Sales and marketing costs | | (272) | (230) | (621) |
| Other administrative expenses | | (760) | (756) | (1,636) |
| Redundancy costs | | - | - | (114) |
| Share based payments | | (30) | (19) | (38) |
| Administrative expenses | | (790) | (775) | (1,788) |
| Operating loss | | (1,348) | (404) | (361) |
| Finance payable | | (1) | (1) | (2) |

| | | | | |
|--|----------|----------------|----------------|----------------|
| Interest receivable | | 150 | 50 | 168 |
| Loss before income tax | 3 | (1,199) | (355) | (195) |
| Tax credit | | - | 36 | 36 |
| Loss for the period | | (1,199) | (319) | (159) |
| Attributable to owners of the parent: | | (1,199) | (319) | (159) |
| Loss per Ordinary Share - basic | 4 | (2.31)p | (0.61)p | (0.31)p |
| Fully diluted earnings per Ordinary Share | 4 | (2.31)p | (0.61)p | (0.31)p |

Consolidated statement of financial position As at 30 June 2024

| | Notes | Unaudited 30 June 2024 £'000 | Unaudited 30 June 2023 £'000 | Audited 31 December 2023 £'000 |
|--------------------------------------|-------|------------------------------------|------------------------------------|--------------------------------------|
| Non-current assets | | | | |
| Property, plant and equipment | | 66 | 118 | 79 |
| Right-of-use assets | | 37 | 63 | 50 |
| Intangible assets | | 1,420 | 1,397 | 1,462 |
| Total non-current assets | | 1,523 | 1,578 | 1,591 |
| Current assets | | | | |
| Inventories | | 339 | 3,004 | 342 |
| Trade and other receivables | | 161 | 537 | 3,660 |
| Cash and cash equivalents | | 6,048 | 5,015 | 7,749 |
| Total current assets | | 6,548 | 8,556 | 11,751 |
| Total assets | | 8,071 | 10,134 | 13,342 |
| Current liabilities | | | | |
| Trade and other payables | | 524 | 1,544 | 4,612 |
| Lease liabilities | | 12 | 28 | 26 |
| Total current liabilities | | 536 | 1,572 | 4,638 |
| Non-Current liabilities | | | | |
| Lease liabilities | | - | 12 | - |
| Total non-current liabilities | | - | 12 | - |
| Total liabilities | | 536 | 1,584 | 4,638 |
| Net assets | | 7,535 | 8,550 | 8,704 |
| Share capital | 6 | 780 | 780 | 780 |
| Employee Benefit Trust | | (25) | - | (25) |
| Reverse acquisition reserve | | (6,044) | (6,044) | (6,044) |
| Retained earnings | | 12,824 | 13,814 | 13,993 |
| Total equity | | 7,535 | 8,550 | 8,704 |

Consolidated statement of changes in equity For the 6 months ended 30 June 2024

| | Share capital | Employee Benefit Trust reserve | Deferred shares | Share Premium | Capital redemption reserve | Reverse acquisition reserve | Retained earnings | Total |
|--------------------------------------|---------------|--------------------------------|-----------------|---------------|----------------------------|-----------------------------|-------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Equity as at 1 January 2023 | 780 | - | 6,359 | 16,887 | 1,815 | (6,044) | (10,947) | 8,850 |
| Profit for the year | - | - | - | - | - | - | (159) | (159) |
| Total comprehensive loss | - | - | - | - | - | - | (159) | (159) |
| Capital reduction (note 6) | - | - | (6,359) | (16,887) | (1,815) | - | 25,061 | - |
| Employee Benefit Trust shares | - | (25) | - | - | - | - | - | (25) |
| Share-based payments | - | - | - | - | - | - | 38 | 38 |
| Equity as at 31 December 2023 | 780 | (25) | - | - | - | (6,044) | 13,993 | 8,704 |
| Loss for the year | - | - | - | - | - | - | (1,199) | (1,199) |
| Total comprehensive loss | - | - | - | - | - | - | (1,199) | (1,199) |
| Share-based payments | - | - | - | - | - | - | 30 | 30 |
| Equity as at 30 June 2024 | 780 | (25) | - | - | - | (6,044) | 12,824 | 7,535 |

Consolidated statement of cash flows

For the 6 months ended 30 June 2024

| | Unaudited 6 months ended 30 June 2024 £'000 | Unaudited 6 months ended 30 June 2023 £'000 | Audited Year ended 31 December 2023 £'000 |
|--|---|---|---|
| Cash flows from operating activities | | | |
| Loss before taxation | (1,199) | (355) | (195) |
| Adjustments for: | | | |
| Non-cash movement in provisions and accruals | - | (760) | (1,165) |
| Depreciation and amortization | 124 | 89 | 223 |
| Profit/(loss) on sale of assets | (5) | - | 1 |
| Finance income | (150) | (50) | (168) |
| Finance expenses | 1 | 1 | 2 |
| Share-based payments | 30 | 19 | 38 |
| Adjusted operating loss before changes in working capital | (1,199) | (1,056) | (1,264) |
| Changes in working capital | | | |
| Decrease/(increase) in inventory | 3 | (1,720) | 942 |
| Decrease/(increase) in trade and other receivables | 3,499 | 751 | (2,366) |
| (Decrease)/increase in trade and other payables | (4,088) | (221) | 3,252 |
| Cash (used)/generated in operations | (1,785) | (2,246) | 564 |
| Bank interest received | 149 | 49 | 160 |
| Net cash (outflow)/inflow from operating activities | (1,636) | (2,197) | 724 |
| Investing activities | | | |
| Proceeds from sale of fixed assets | 10 | - | - |
| Purchase of office equipment | (14) | (45) | (46) |
| Purchase of intangible assets | (47) | (374) | (521) |
| Net cash flows used in investing activities | (51) | (419) | (567) |
| Taxation | | | |
| Research and development tax credit | - | 36 | 36 |
| Cash inflow from taxation | - | 36 | 36 |
| Financing activities | | | |
| Purchase of Employee Trust Shares | - | - | (25) |
| Repayment of lease liability | (14) | (13) | (27) |
| Cash outflows from financing activities | (14) | (13) | (52) |
| Net change in cash and cash equivalents | (1,701) | (2,593) | 141 |

| | | | |
|---|--------------|-------|-------|
| Cash and cash equivalents at the beginning of the period | 7,749 | 7,608 | 7,608 |
| Cash and cash equivalents at the end of the period | 6,048 | 5,015 | 7,749 |

Notes to the unaudited interim financial information for the 6 months ended 30 June 2024

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 2024, which was approved by the Board of Directors on 25 September 2024, 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 2023 and expected to be adopted in the financial year ending 31 December 2024.

The interim financial information includes unaudited comparative figures for the unaudited 6 months to 30 June 2023 and comparatives for the year ended 31 December 2023 that have been extracted from the audited financial statements for that year. The financial statements for the year ended 31 December 2023 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 2024 £'000 | Unaudited 30 June 2023 £'000 | Audited 31 December 2023 £'000 |
|--|------------------------------------|------------------------------------|--------------------------------------|
| COVID related products | 572 | 2,342 | 10,633 |
| Other | 309 | 122 | 344 |
| Revenue from the provision of diagnostic healthcare products | 881 | 2,464 | 10,977 |
| (Loss)/profit from the provision of diagnostic healthcare products | (1,073) | (105) | 275 |
| Corporate costs | (275) | (299) | (636) |
| Net finance income | 149 | 49 | 166 |
| Group loss before tax | (1,199) | (355) | (195) |
| Cash | 6,048 | 5,015 | 7,749 |
| Segment assets | 1,961 | 5,066 | 5,566 |
| Corporate assets | 62 | 53 | 27 |

| Corporate assets | 2024 | 2023 | 2022 |
|-----------------------|-------|--------|--------|
| Total assets | 8,071 | 10,134 | 13,342 |
| Segment liabilities | 475 | 1,444 | 4,402 |
| Corporate liabilities | 61 | 140 | 236 |
| Total liabilities | 536 | 1,584 | 4,638 |

4. Loss per Ordinary Share

| | Unaudited 30 June 2024 | Unaudited 30 June 2023 | Audited 31 December 2023 |
|---|---------------------------|---------------------------|-----------------------------|
| Basic and diluted loss per Ordinary Share | | | |
| Loss for the period | £1,199,000 | £319,000 | £159,000 |
| Weighted average number of shares - basic | 52,005,932 | 52,005,932 | 52,005,932 |
| Less shares held by Employee Benefit Trust (weighted) | (184,111) | - | (34,804) |
| Weighted average no of shares | 51,821,821 | 52,005,932 | 51,971,128 |
| Weighted average number of shares - fully diluted | 51,821,821 | 52,005,932 | 51,971,128 |
| Loss per share - basic | 2.31p | 0.61p | 0.31p |
| Fully diluted loss per share | 2.31p | 0.61p | 0.31p |

Basic loss 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 period. Due to the loss in the six-month period ended 30 June 2024 the effect of the share options was considered anti-dilutive.

5. Contingent gain

On 27 August 2024 Proactive Consultancy Group (a specialist VAT advisory firm) submitted a claim to HMRC, on behalf of the Group, for the repayment of VAT levied on certain COVID PCR tests sold in earlier years on a success fee basis. If the claim is successful, the Group will receive approximately £1.67m after associated costs.

6. 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.

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/>.

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