

# Oneview Healthcare PLC and Subsidiaries

## Corporate Information

|                            |  |   |
|----------------------------|--|---|
| <b>Directors</b>           | Joseph Patrick Rooney (Chairman - Irish)<br>Mark McCloskey (Irish)<br>James Fitter (Australian)<br>John Kelly (Irish)<br>Mark Cullen (Australian)<br>Daniel Petre (Australian)<br>James William Vicars (Australian) (Resigned 22 August 2018)<br>Christina Boyce (Australian)<br>Dr. Lyle Berkowitz (American)<br>Michael Kaminski (American) (Appointed 22 August 2018) |   |
| <b>Company secretary</b>   | Patrick Masterson (Irish)<br>Nicholas Brown (British)  |   |
| <b>Registered office</b>   | Block 1<br>Blackrock Business Park<br>Carysfort Avenue<br>Blackrock<br>Co. Dublin<br>Ireland   |   |
| <b>Independent auditor</b> | KPMG<br>Chartered Accountants<br>1 Stokes Place<br>St. Stephen's Green<br>Dublin 2<br>Ireland  |   |
| <b>Solicitors</b>          | <u>Ireland</u><br>A&L Goodbody<br>25-28 North Wall Quay<br>Dublin 1<br>Ireland   | <u>Australia</u><br>Clayton Utz<br>Level 15<br>1 Bligh Street<br>Sydney NSW 2000<br>Australia |
| <b>Share registrar</b>     | Computershare Investor Services Pty Ltd<br>Level 4<br>60 Carrington Street<br>Sydney<br>NSW 2001<br>Australia  |   |
| <b>Company number</b>      | 513842   |   |
| <b>ARBN</b>                | 610 611 768  |   |

# Oneview Healthcare PLC and Subsidiaries

## Directors' Report

The directors present their report and the condensed consolidated interim financial statements of Oneview Healthcare PLC and Subsidiaries' (the "Group") for the 6 month period ended 30 June 2018.

### Principal activity, business review and future developments

The principal activity of the Group is the development and sale of software for the healthcare sector along with the provision of related consultancy services.

As at 30 June 2018, the Oneview system was live in 5,228 beds (30 June 2017: 3,000) with a further 5,155 beds contracted but not yet installed (30 June 2017: 3,812). There were a further 3,118 beds in contract negotiation (30 June 2017: 5,633) and 14,047 in tender process (30 June 2017: 11,466).

During the period, Oneview announced a number of contract successes:

- Oneview signed a 5 year contract with Mater Misericordiae Limited, a network of hospitals and healthcare facilities throughout Brisbane, Redland and Springfield, Australia, to deploy the Oneview patient engagement and clinical workflow solution in 904 beds across 9 facilities.
- Oneview has expanded its global footprint with the signing of a new contract with Bumrungrad International Hospital ("Bumrungrad") in Bangkok, Thailand. This is our first entry into the medical tourism market in South East Asia and was one of our strategic priorities announced at the time of our initial public offering. This win also reaffirms the global appeal of the Oneview platform. The new three-year contract involves deploying the Oneview solution in 497 beds and 110 digital signage locations at Bumrungrad's flagship hospital at Sukhumvit 3 in Bangkok.
- An existing Oneview customer, Mediclinic Middle East in the UAE (part of Mediclinic International PLC, a private healthcare company with operations in Southern Africa, Switzerland and the United Arab Emirates), has signed an extension agreement to deploy the Oneview inpatient solution at their new Mediclinic Parkview. The Oneview solution will be deployed across 168 patient rooms and 144 digital signage locations in H2 2018.
- Terms were agreed with NYU Langone in New York City to expand the scope of the Oneview implementation to include an additional 124 beds.

The business is expecting a busy deployment schedule for H2 and into 2019 with these new wins and expansions across 6 existing and 2 new customers.

Oneview completed quality assurance testing of the first 1,500 units of Android hardware. This hardware is currently in transit to customers in Australia and the United States with plans for installation in H2 2018 and early 2019. These material purchase orders validate our expectation that lower hardware pricing would act as an accelerant to sales.

# Oneview Healthcare PLC and Subsidiaries

## Directors' Report (continued)

Oneview, along with the Sydney Children's Hospital Network, were jointly announced as winners of the Microsoft 2018 Health Innovation Award for "Engage Your Patients". This award recognises health organisations and their technology solution partners who use Microsoft's Azure technology in innovative ways to help engage patients, empower care teams, optimize clinical and operational effectiveness, and transform health. Oneview's Connect product was also recognised at Australian Healthcare Week as the runner-up for "Best Digital Transformation Project".

Oneview continues to grow its pipeline of new business opportunities across the territories in which the Group currently operates.

Revenue for the period amounted to €3,711,104 (30 June 2017: €2,228,975). Recurring revenue for the period amounted to €1,425,327 (30 June 2017: €1,278,254) an increase of 12% and continues to grow as the company deploys across its increasing customer base. Non-recurring revenue for the period was €2,285,777 (30 June 2017: €950,721) an increase of 140%.

The Group continues to aggressively manage its cost base. Full time headcount at 30 June 2018 was 150 (June 2017: 178).

## Results and dividends

The loss for the six month period to 30 June 2018 from continuing operations amounted to €10,726,600 (30 June 2017: loss of €14,251,946). The directors do not recommend payment of an interim dividend.

## Directors

The current directors are as set out on page 1. The directors' interests held at 30 June 2018 are disclosed in note 15.

## Post balance sheet events

There are no post balance sheet events that would require disclosure in or adjustment to the financial statements.

On behalf of the board



James Fitter  
Director



John Kelly  
Director

27 August 2018

# Oneview Healthcare PLC and Subsidiaries

## Condensed Consolidated Interim Statement of Comprehensive Income

For the six month period ended 30 June 2018

|  |             | 6 Months ended<br>30 June 2018<br>Unaudited<br>€ | 6 Months ended<br>30 June 2017<br>Unaudited<br>€ |
|--|-------------|--|--|
| <b>Revenue</b>   | <b>Note</b> |  |  |
| Revenue  | 3           | 3,711,104  | 2,228,975  |
| Cost of sales  |             | (1,770,704)                                      | (854,189)  |
| <b>Gross profit</b>  |             | <b>1,940,400</b>                                 | <b>1,374,786</b>                                 |
| Sales and marketing expenses   | 4           | (4,227,592)                                      | (4,829,590)                                      |
| Product development and delivery expenses                                      | 4           | (6,506,554)                                      | (6,721,098)                                      |
| General and administrative expenses  | 4           | (2,038,158)                                      | (2,687,492)                                      |
| <b>Operating loss</b>  |             | <b>(10,831,904)</b>                              | <b>(12,863,394)</b>                              |
| Finance charges  | 7           | (14,461)   | (1,292,805)                                      |
| Finance income   | 7           | 167,479  | 95   |
| <b>Loss before tax</b>   |             | <b>(10,678,886)</b>                              | <b>(14,156,104)</b>                              |
| Income tax   | 6           | (47,714)   | (95,842)   |
| <b>Loss for the period</b>   |             | <b>(10,726,600)</b>                              | <b>(14,251,946)</b>                              |
| <b>Other comprehensive (loss) / income</b>                                     |             |  |  |
| <b>Items that are or may be reclassified subsequently to profit or loss</b>    |             |  |  |
| Foreign currency translation differences on foreign operations (no tax impact) |             | (96,005)   | 203,949  |
| Other comprehensive (loss)/gain, net of tax                                    |             | (96,005)   | 203,949  |
| <b>Total comprehensive loss for the period</b>                                 |             | <b>(10,822,605)</b>                              | <b>(14,047,997)</b>                              |
| <b>Earnings / (loss) per share</b>   |             |  |  |
| Basic  |             | (0.15)   | (0.26)   |
| Diluted  |             | (0.15)   | (0.26)   |

The notes on pages 8 to 28 are an integral part of these condensed consolidated interim financial statements.

# Oneview Healthcare PLC and Subsidiaries

## Condensed Consolidated Interim Statement of Financial Position

As at 30 June 2018

|                                      |      | 30 June 2018     | 31 Dec 2017      |
|--------------------------------------|------|------------------|------------------|
|                                      |      | Unaudited        | Audited          |
|                                      | Note | €                | €                |
| <b>Non-current assets</b>            |      |                  |                  |
| Intangible assets                    | 8    | 1,076,075        | 1,029,039        |
| Property, plant and equipment        | 9    | 785,297          | 887,653          |
| Directors' loans                     | 15   | 252,469          | 252,469          |
| Research and development tax credit  | 10   | 334,609          | 353,014          |
|                                      |      | <hr/> 2,448,450  | <hr/> 2,522,175  |
| <b>Current assets</b>                |      |                  |                  |
| Trade and other receivables          | 10   | 6,740,417        | 4,264,774        |
| Cash and cash equivalents            |      | 17,468,255       | 28,610,543       |
| <b>Total current assets</b>          |      | <hr/> 24,208,672 | <hr/> 32,875,317 |
| <b>Total assets</b>                  |      | <hr/> 26,657,122 | <hr/> 35,397,492 |
| <b>Equity</b>                        |      |                  |                  |
| Issued share capital                 | 12   | 69,446           | 69,406           |
| Share premium                        | 12   | 85,828,481       | 85,825,987       |
| Treasury reserve                     | 12   | (2,586)          | (2,586)          |
| Other undenominated capital          | 12   | 4,200            | 4,200            |
| Translation reserve                  | 12   | 154,010          | 250,015          |
| Reorganisation reserve               | 12   | (1,351,842)      | (1,351,842)      |
| Share based payments reserve         | 13   | 6,146,555        | 5,938,703        |
| Retained earnings                    |      | (71,329,564)     | (60,511,709)     |
| <b>Total equity</b>                  |      | <hr/> 19,518,700 | <hr/> 30,222,174 |
| <b>Non-current liabilities</b>       |      |                  |                  |
| Deferred income                      |      | 1,041,758        | 630,531          |
| <b>Total non-current liabilities</b> |      | <hr/> 1,041,758  | <hr/> 630,531    |
| <b>Current liabilities</b>           |      |                  |                  |
| Trade and other payables             | 11   | 4,247,503        | 3,453,610        |
| Deferred income                      |      | 1,849,161        | 1,091,177        |
| <b>Total current liabilities</b>     |      | <hr/> 6,096,664  | <hr/> 4,544,787  |
| <b>Total liabilities</b>             |      | <hr/> 7,138,422  | <hr/> 5,175,318  |
| <b>Total equity and liabilities</b>  |      | <hr/> 26,657,122 | <hr/> 35,397,492 |

The notes on pages 8 to 28 are an integral part of these condensed consolidated interim financial statements.

# Oneview Healthcare PLC and Subsidiaries

## Condensed Consolidated Interim Statement of Changes in Equity

For the six month period ended 30 June 2018

|   | Share capital | Share premium     | Treasury reserve | Other undenominated capital | Reorganisation reserve | Shared based payment reserve | Translation reserve | Retained loss       | Total equity      |
|---|---------------|-------------------|------------------|-----------------------------|------------------------|------------------------------|---------------------|---------------------|-------------------|
|   | €             | €                 | €                | €                           | €                      | €                            | €                   | €                   | €                 |
| <b>Balance at 1 January 2017</b>                                  | <b>54,297</b> | <b>66,633,057</b> | <b>(2,586)</b>   | <b>4,200</b>                | <b>(1,351,842)</b>     | <b>3,846,915</b>             | <b>(13,676)</b>     | <b>(33,316,104)</b> | <b>35,854,261</b> |
| Loss for the period   | -             | -                 | -                | -                           | -                      | -                            | -                   | (14,251,946)        | (14,251,946)      |
| Foreign currency translation                                      | -             | -                 | -                | -                           | -                      | -                            | 203,949             | -                   | 203,949           |
| <i>Transactions with shareholders</i>                             |               |                   |                  |                             |                        |                              |                     |                     |                   |
| Share based payment compensation                                  | -             | -                 | -                | -                           | -                      | 1,383,432                    | -                   | -                   | 1,383,432         |
| Issue of ordinary shares  | 10            | 7,490             | -                | -                           | -                      | -                            | -                   | -                   | 7,500             |
| <b>Balance at 30 June 2017 (unaudited)</b>                        | <b>54,307</b> | <b>66,640,547</b> | <b>(2,586)</b>   | <b>4,200</b>                | <b>(1,351,842)</b>     | <b>5,230,347</b>             | <b>190,273</b>      | <b>(47,568,050)</b> | <b>23,197,196</b> |
| <b>Balance at 1 January 2017</b>                                  | <b>54,297</b> | <b>66,633,057</b> | <b>(2,586)</b>   | <b>4,200</b>                | <b>(1,351,842)</b>     | <b>3,846,915</b>             | <b>(13,676)</b>     | <b>(33,316,104)</b> | <b>35,854,261</b> |
| Loss for the year   | -             | -                 | -                | -                           | -                      | -                            | -                   | (25,901,148)        | (25,901,148)      |
| Foreign currency translation                                      | -             | -                 | -                | -                           | -                      | -                            | 263,691             | -                   | 263,691           |
| <i>Transactions with shareholders</i>                             |               |                   |                  |                             |                        |                              |                     |                     |                   |
| Share based payment compensation                                  | -             | -                 | -                | -                           | -                      | 2,191,143                    | -                   | -                   | 2,191,143         |
| Exercise of share options   | 103           | 18,732            | -                | -                           | -                      | (99,355)                     | -                   | 99,355              | 18,835            |
| Issue of ordinary shares  | 15,006        | 19,174,198        | -                | -                           | -                      | -                            | -                   | (1,393,812)         | 17,795,392        |
| <b>Balance at 31 December 2017 (audited)</b>                      | <b>69,406</b> | <b>85,825,987</b> | <b>(2,586)</b>   | <b>4,200</b>                | <b>(1,351,842)</b>     | <b>5,938,703</b>             | <b>250,015</b>      | <b>(60,511,709)</b> | <b>30,222,174</b> |
| <b>Adjustment on initial application of IFRS 15, gross of tax</b> | <b>-</b>      | <b>-</b>          | <b>-</b>         | <b>-</b>                    | <b>-</b>               | <b>-</b>                     | <b>-</b>            | <b>(138,166)</b>    | <b>(138,166)</b>  |
| <b>Adjusted Balance at 1 January 2018</b>                         | <b>69,406</b> | <b>85,825,987</b> | <b>(2,586)</b>   | <b>4,200</b>                | <b>(1,351,842)</b>     | <b>5,938,703</b>             | <b>250,015</b>      | <b>(60,649,875)</b> | <b>30,084,008</b> |
| Loss for the period   | -             | -                 | -                | -                           | -                      | -                            | -                   | (10,726,600)        | (10,726,600)      |
| Foreign currency translation                                      | -             | -                 | -                | -                           | -                      | -                            | (96,005)            | -                   | (96,005)          |
| <i>Transactions with shareholders</i>                             |               |                   |                  |                             |                        |                              |                     |                     |                   |
| Share based payment compensation                                  | -             | -                 | -                | -                           | -                      | 254,763                      | -                   | -                   | 254,763           |
| Exercise of share options   | 40            | 2,494             | -                | -                           | -                      | (46,911)                     | -                   | 46,911              | 2,534             |
| <b>Balance as at 30 June 2018 (unaudited)</b>                     | <b>69,446</b> | <b>85,828,481</b> | <b>(2,586)</b>   | <b>4,200</b>                | <b>(1,351,842)</b>     | <b>6,146,555</b>             | <b>154,010</b>      | <b>(71,329,564)</b> | <b>19,518,700</b> |

The notes on pages 8 to 28 are an integral part of these condensed consolidated interim financial statements.

# Oneview Healthcare PLC and Subsidiaries

## Condensed Consolidated Interim Statement of Cash Flows

*For the six month period ended 30 June 2018*

|   |      | 6 months ended |                |
|---|------|----------------|----------------|
|   |      | 30 June 2018   | 30 June 2017   |
|   | Note | Unaudited<br>€ | Unaudited<br>€ |
| <b>Cash flows from/(used in) operating activities</b>       |      |                |                |
| Receipts from customers                                     |      | 3,815,868      | 4,098,254      |
| Payments to suppliers and employees                         |      | (14,571,166)   | (14,322,820)   |
| Finance charges   |      | (13,972)       | (15,330)       |
| Income tax paid   |      | (30,415)       | (83,945)       |
|   |      | <hr/>          | <hr/>          |
| <b>Net cash used in operating activities</b>                | 14   | (10,799,685)   | (10,323,841)   |
|   |      | <hr/>          | <hr/>          |
| <b>Cash flows used in investing activities</b>              |      |                |                |
| Purchase of property, plant and equipment                   |      | (60,708)       | (444,525)      |
| Acquisition of intangible assets                            |      | (254,413)      | (374,763)      |
|   |      | <hr/>          | <hr/>          |
| <b>Net cash used in investing activities</b>                |      | (315,121)      | (819,288)      |
|   |      | <hr/>          | <hr/>          |
| <b>Cash flows from financing activities</b>                 |      |                |                |
| Proceeds from issue of shares                               |      | 2,534          | 7,500          |
|   |      | <hr/>          | <hr/>          |
| <b>Net cash flows from financing activities</b>             |      | 2,534          | 7,500          |
|   |      | <hr/>          | <hr/>          |
| Net decrease in cash held                                   |      | (11,112,272)   | (11,135,629)   |
| Foreign exchange impact on cash and cash equivalents        |      | (30,016)       | (1,313,170)    |
| Cash and cash equivalents at beginning of financial period  |      | 28,610,543     | 35,087,776     |
|   |      | <hr/>          | <hr/>          |
| <b>Cash and cash equivalents at end of financial period</b> |      | 17,468,255     | 22,638,977     |
|   |      | <hr/>          | <hr/>          |

The notes on pages 8 to 28 are an integral part of these condensed consolidated interim financial statements.

# Oneview Healthcare PLC and Subsidiaries

## Notes to the Condensed Consolidated Interim Financial Statements

### 1. Reporting entity

Oneview Healthcare PLC (“OHP”) is domiciled in Ireland with its registered office at Block 1, Blackrock Business Park, Blackrock, County Dublin (company registration number 513842). The condensed consolidated interim financial statements as at and for the six-month period ended 30 June 2018 comprise OHP and its subsidiary undertakings (together referred to as the “Group”).

### 2. Accounting policies

#### *Basis of Accounting*

These unaudited condensed interim consolidated financial statements and the information set out in this report cover the six month period ended 30 June 2018 and have been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the European Union.

The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements prepared in accordance with IFRS as adopted by the European Union. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since 31 December 2017. They should be read in conjunction with the statutory consolidated financial statements of the Group, which were prepared in accordance with IFRS as adopted by the European Union, as at and for the year ended 31 December 2017. Those statutory financial statements have been filed with the Registrar of Companies and are available at [www.oneviewhealthcare.com](http://www.oneviewhealthcare.com). The audit opinion on those statutory financial statements was unqualified and did not contain any matters to which attention was drawn by way of emphasis.

#### *Judgements and estimates*

The preparation of these condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing this interim financial report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2017, except for new significant judgements and key sources of estimation uncertainty related to the application of IFRS 15, which are described below.

These interim financial statements were authorised for issue by the Company’s Board of Directors on 27 August 2018.

#### *Going concern*

The Group meets its day-to-day working capital requirements through its cash reserves, which stood at €17.5 million at 30 June 2018. The Group’s forecasts and projections, taking account of reasonable possible changes in trading performance, and the Group’s management of its principal risks and uncertainties, indicate that the Group should be able to operate within the level of its current resources for a period of at least twelve months from when the financial statements are authorised for issue.



# Oneview Healthcare PLC and Subsidiaries

## Notes *(continued)*

### 2. Accounting policies *(continued)*

#### *New and upcoming standards*

The accounting policies applied by the Group in the consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2017, except for the adoption of new standards or interpretations. Comparative figures have not been re-stated for the adoption of new standards.

The adoption of new IFRS or IRFIC interpretations that are effective for the first time for the financial period beginning on or after 1 January 2018 did not have a material impact on the Group, except for IFRS 15, as explained below.

A number of new standards, amendments to standards and interpretations are effective for financial periods beginning on various dates after 1 January 2018 and have not been adopted early in preparing these interim financial information as at 30 June 2018. The potential impact of these standards on the Group is under review.

#### *Standards not adopted yet*

##### **IFRS 16 'Leases'**

IFRS 16 'Leases', issued in January 2016 by the IASB, replaces IAS 17 'Leases and related interpretations'. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and the lessor. For lessees, IFRS 16 eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model whereby all leases are accounted for as finance leases, with some exemptions. For lessors, IFRS 16 substantially carried forward the accounting requirement in IAS 17. IFRS 16, which has been endorsed by the EU, is effective for annual periods beginning on or after 1 January 2019 and the Group will apply IFRS 16 from its effective date. The Group is currently assessing the impact of IFRS 16 in respect of its operating leases which are more than a year in duration and which relate mainly to its leased office premises.

Other new standards, amendments and interpretations which have been currently issued, are either not expected to have a material effect on the Consolidated Financial Statements or are not currently relevant for the Group.

#### *New standards adopted*

##### **IFRS 15 'Revenue from Contracts with Customers'**

As of 1 January 2018, the Group changed its accounting policies to adopt IFRS 15 'Revenue from contracts with Customers'.

## Oneview Healthcare PLC and Subsidiaries

### Notes *(continued)*

#### 2. Accounting policies *(continued)*

##### **IFRS 15 'Revenue from Contracts with Customers' (continued)**

###### **Basis for Revenue Recognition**

IFRS 15 establishes a new control-based revenue recognition model (as opposed to the risk and reward model of IAS 18 'Revenue') and changes the criteria for determining whether revenue is recognised at a point in time or over time. Following this change in revenue recognition criteria, the Group has assessed its current revenue recognition policy, applying the five-step framework included in IFRS 15. The nature of the Group's business is such that the customer benefits from the platform only in conjunction with other services. The customer expects that we will continue to provide those other services so as to ensure the continued functionality of the product. As such, the consumption of the software services is deemed to be a software-as-a-service model (SaaS).

The cornerstone of the IFRS 15 model is the fact that revenue is recognised upon satisfaction of 'distinct' performance obligations, rather than the contract as a whole. A promised good or service is 'distinct' if both:

- the customer benefits from the item on its own or along with other readily available resources; and
- it is "separately identifiable", e.g. the supplier does not provide a significant service integrating, modifying or customising the various performance obligations.

In complying with this principle, the Group is now recognising integration and configuration revenue over the life of the contract. Under IAS 18, the majority of this revenue was recognised rateably, as standard integration revenue was included as part of the per diem or software licence, whilst, non-standard integration revenue was recognised on 'a point in time' basis where additional professional services were being provided. It is this revenue that is driving the adjustment under IFRS 15. The table below details the current revenue recognition policies under IAS 18 and the change under IFRS 15.

# Oneview Healthcare PLC and Subsidiaries

## Notes (continued)

### 2. Accounting policies (continued)

#### IFRS 15 'Revenue from Contracts with Customers' (continued)

| Revenue Stream         | Revenue Recognition under IAS 18  | Nature of change in accounting policy   |
|------------------------|---|---|
| Hardware               | On delivery   | No change   |
| Hardware Installation  | On installation   | No change   |
| Software Licence       | Recognised monthly for the duration of contract once User Acceptance Testing ("UAT") has been obtained and starting at the point at which beds go live.   | While software licence and software support have always been recognised rateably over the life of the contract, configuration and integration services are now being explicitly included as part of the single performance obligation. The majority of integration revenue has been incorporated within the per diem software licence. Any additional integration works which would be separately identified in customer contracts will now also be spread over the life of the agreement instead of being recognised at a point in time. |
| Configuration          | Where this service is bundled as part of the licence fee, recognised monthly for the duration of the contract once UAT has been obtained.<br><br>Where a separate amount was quoted in the contract for bespoke configuration, this was recognised upon successful UAT. |   |
| Software Support       | Recognised rateably over the term of the contract.  |   |
| Software customisation | At time of UAT being completed (at the latest) on customisation element of contract.  | No change   |
| Project Management     | Recognised rateably for the duration that project manager is engaged for.   | No change   |
| Client Services        | Revenue is recognised evenly over the period that the services are contracted to be provided for.   | No change   |
| Connect                | Over term of contract, commencing upon UAT completion and then rateably with patient registrations.   | No change   |
| Content                | Over term of contract   | No change   |
| Hardware Support       | Over term of contract as service is consumed.   | No change   |

#### Impact

The impact on the Condensed Consolidated Interim Statement of Comprehensive Income is not material.

# Oneview Healthcare PLC and Subsidiaries

## Notes (continued)

### 2. Accounting policies (continued)

#### IFRS 15 'Revenue from Contracts with Customers' (continued)

##### Impact on the Statement of Financial Position

|                                      | As Reported<br>€ | Adjustments<br>€ | Amounts without<br>adoption of IFRS 15<br>€ |
|--------------------------------------|------------------|------------------|---|
| <b>Non-current assets</b>            | 2,448,450        | -                | 2,448,450                                   |
| <b>Current assets</b>                |                  |                  |   |
| Trade and other receivables          | 6,740,417        | -                | 6,740,417                                   |
| Cash and cash equivalents            | 17,468,255       | -                | 17,468,255                                  |
| <b>Total current assets</b>          | 24,208,672       | -                | 24,208,672                                  |
| <b>Total assets</b>                  | 26,657,122       | -                | 26,657,122                                  |
| <b>Equity</b>                        |                  |                  |   |
| Issued share capital                 | 69,446           | -                | 69,446                                      |
| Share premium                        | 85,828,481       | -                | 85,828,481                                  |
| Treasury reserve                     | (2,586)          | -                | (2,586)                                     |
| Other undenominated capital          | 4,200            | -                | 4,200                                       |
| Translation reserve                  | 154,010          | -                | 154,010                                     |
| Reorganisation reserve               | (1,351,842)      | -                | (1,351,842)                                 |
| Share based payments reserve         | 6,146,555        | -                | 6,146,555                                   |
| Retained Earnings                    | (71,329,564)     | 138,166          | (71,191,398)                                |
| <b>Total equity</b>                  | 19,518,700       | 138,166          | 19,656,866                                  |
| <b>Non-current liabilities</b>       |                  |                  |   |
| Deferred Income                      | 1,041,758        | (99,039)         | 942,719                                     |
| <b>Total non-current liabilities</b> | 1,041,758        | (99,039)         | 942,719                                     |
| <b>Current liabilities</b>           |                  |                  |   |
| Trade and other payables             | 4,247,503        | -                | 4,247,503                                   |
| Deferred income                      | 1,849,161        | (39,127)         | 1,810,034                                   |
| <b>Total current liabilities</b>     | 6,096,664        | (39,127)         | 6,057,537                                   |
| <b>Total liabilities</b>             | 7,138,422        | (138,166)        | 7,000,256                                   |
| <b>Total equity and liabilities</b>  | 26,657,122       | -                | 26,657,122                                  |

# Oneview Healthcare PLC and Subsidiaries

## Notes *(continued)*

### 2. Accounting policies *(continued)*

#### IFRS 15 'Revenue from Contracts with Customers' *(continued)*

##### **Revised Revenue Accounting Policy**

The Group's revenue consists primarily of revenues from its customer contracts with healthcare providers for the provision and support of the Oneview Solution. Revenue comprises the fair value of the consideration received or receivable for the sale of products and services in the ordinary course of the Group's activities. Revenue is shown net of value-added-tax (VAT) and discounts. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below.

##### *i. Software usage and content revenue*

Software usage and content revenue is earned from the use of the Group's solution by our customers. Revenue is earned by charging a fee based on the number of beds for which the Oneview Solution is installed, and is charged on a daily basis. The daily charge may vary depending on the level of functionality and content provided.

Contracts for the use of the Oneview Solution are typically five years in duration with fees typically billable annually in advance. Software usage and content revenue are recognised on a daily basis.

Revenue recognition commences following completion of user acceptance testing (UAT) by the customer.

##### *ii. Support services*

Support services relates to email and phone support, bug fixes and unspecified software updates and upgrades released during the maintenance term. Support services for hardware relates to phone and/or onsite support. The level of support varies depending on the contract.

The Company receives an annual fee, payable in advance, for hardware and software support services and is recognised on a daily basis over the term. The fee is based on the number of devices on which the Oneview Solution is installed.

##### *iii. License fees*

License fees represent an upfront access license fee, payable in advance. The fee is based on the number of devices for which the Oneview Solution is installed. The license fee is recognised over the life of the original contract term, typically five years, as the upfront delivery of the license does not have stand-alone value to the customer. There is no stand-alone value as the licence cannot be used on its own without customisation or implementation. The licence is a right to access and future upgrades are necessary for the customer to retain continued functionality of the software.

# Oneview Healthcare PLC and Subsidiaries

## Notes (continued)

### 2. Accounting policies (continued)

#### IFRS 15 'Revenue from Contracts with Customers' (continued)

##### *iv. Configuration and integration services*

Configuration and integration services are a single performance obligation and are recognised over the term of the contract. The software cannot be used without configuration and integration and therefore both are assumed to be part of the same performance obligation.

##### *v. Hardware*

Hardware revenue is earned from fees charged to customers for the hardware supplied to operate the Oneview Solution. Where the Company acts as the principal in the supply of hardware, hardware revenue is recognised gross upon delivery of the hardware to the customer. Where the Company acts as an agent in the supply of hardware, the fee paid to the Company is recognised when earned per the terms of the contract. Revenue from hardware in the years presented in the financial statements is recognised on a gross basis because the Company has acted as the principal.

##### *vi. Services income*

Installation and integration services revenue is earned from fees charged to deploy the Oneview Solution and install hardware at customer sites. If the service is on a contracted time and material basis, then the revenue is recognised as and when the services are performed. If it is a fixed fee, then the professional services revenue is recognised by reference to the stage of completion accounting method. The Group measures percentage of completion based on labour hours incurred to date as a proportion of total hours allocated to the contract, or for installation of hardware based on units installed as a proportion of the total units to install. If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in the period in which the circumstances that give rise to the revision become known by management.

##### *vii. Other income*

Other income includes incidental recharge of costs of employees to customers. Revenue is recognised when there is persuasive evidence of an arrangement, the product or service is delivered, the fee is considered fixed or determinable and collection of the related receivable is considered probable.

# Oneview Healthcare PLC and Subsidiaries

## Notes (continued)

### 3. Segment Information

The Group is managed as a single business unit engaged in the provision of interactive patient care and operates in one reportable segment which provides a patient engagement solution for the healthcare sector.

The operating segment is reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM has been identified as the executive management team. The executive management team is comprised of the Company President, CEO, CFO and CCO. The CODM assesses the performance of the business and allocates resources based on the consolidated results of the Group.

Revenue by type and geographical region is as follows:

|  | 30 June 2018     | 30 June 2017     |
|--|------------------|------------------|
|  | €                | €                |
| <b>Revenue by type:</b>                    |                  |                  |
| <b>Contracted subscription revenue</b>     |                  |                  |
| Software usage and content                 | 923,321          | 658,073          |
| Support income                             | 400,995          | 430,733          |
| Licence fee                                | 101,011          | 189,448          |
|  | <u>1,425,327</u> | <u>1,278,254</u> |
| <b>Hardware, services and other income</b> |                  |                  |
| Hardware                                   | 1,471,315        | 334,709          |
| Services income                            | 814,462          | 616,012          |
|  | <u>2,285,777</u> | <u>950,721</u>   |
|  | <u>3,711,104</u> | <u>2,228,975</u> |
| <b>Revenue by geographic region:</b>       |                  |                  |
| Ireland                                    | 2,329            | 2,330            |
| United States                              | 1,645,808        | 1,034,234        |
| Australia                                  | 1,957,576        | 1,141,928        |
| Middle East and North Africa               | 105,391          | 50,483           |
|  | <u>3,711,104</u> | <u>2,228,975</u> |

#### Major customer

Revenues from customer A, B and C represented 15% (June 2017: 31%), 14% (June 2017: 21%) and 7% (June 2017: 14%) respectively, of the Group's total revenues in the six month period.

# Oneview Healthcare PLC and Subsidiaries

## Notes (continued)

### 3. Segment Information (continued)

| <b>Non-current assets by geographic region:</b> | <b>30 June 2018</b> | <b>31 December 2017</b> |
|---|---------------------|-------------------------|
|   | €                   | €                       |
| Ireland   | 2,081,868           | 2,104,812               |
| United States                                   | 183,963             | 209,245                 |
| Australia                                       | 178,398             | 202,659                 |
| Middle East and North Africa                    | 4,221               | 5,459                   |
|   | <hr/>               | <hr/>                   |
|   | 2,448,450           | 2,522,175               |
|   | <hr/>               | <hr/>                   |

### 4. Expenses by Nature

|   |      | <b>30 June 2018</b> | <b>30 June 2017</b> |
|---|------|---------------------|---------------------|
|   | Note | €                   | €                   |
| Employee benefit expenses, net of capitalised development costs | 5    | 8,215,558           | 10,111,634          |
| Consultants and contractors' costs                              |      | 865,268             | 240,186             |
| Depreciation  | 9    | 163,064             | 127,246             |
| Amortisation – Development costs                                | 8    | 188,067             | 195,692             |
| Amortisation – Software   | 8    | 19,310              | 13,548              |
| Establishment costs   |      | 570,605             | 512,251             |
| Professional fees   |      | 374,307             | 240,131             |
| Travel  |      | 977,439             | 1,257,389           |
| Communication   |      | 92,277              | 92,852              |
| Marketing   |      | 439,088             | 560,392             |
| Other   |      | 867,321             | 886,859             |
|   |      | <hr/>               | <hr/>               |
|   |      | 12,772,304          | 14,238,180          |
|   |      | <hr/>               | <hr/>               |
| <u>Disclosed as:</u>  |      |                     |                     |
| Sales and marketing expenses                                    |      | 4,227,592           | 4,829,590           |
| Product development and delivery expenses                       |      | 6,506,554           | 6,721,098           |
| General and administrative expenses                             |      | 2,038,158           | 2,687,492           |
|   |      | <hr/>               | <hr/>               |
|   |      | 12,772,304          | 14,238,180          |
|   |      | <hr/>               | <hr/>               |



# Oneview Healthcare PLC and Subsidiaries

## Notes (continued)

### 5. Employee benefits expense

|  | 30 June 2018<br>€ | 30 June 2017<br>€ |
|--|-------------------|-------------------|
| The staff costs (inclusive of directors' salaries) comprise: |                   |                   |
| Wages and salaries   | 7,145,542         | 7,850,002         |
| Social welfare costs   | 757,441           | 835,753           |
| Pension costs  | 301,812           | 254,758           |
| Share based payments   | 254,763           | 1,383,432         |
|  | <hr/>             | <hr/>             |
|  | 8,459,558         | 10,323,945        |
| Less capitalised development costs                           | (244,000)         | (212,311)         |
|  | <hr/>             | <hr/>             |
|  | 8,215,558         | 10,111,634        |
|  | <hr/>             | <hr/>             |

The number of permanent full-time persons (including executive directors) employed by the Group at the end of the period was 150 (2017: 178).

|                                  | 30 June 2018<br>Number | 30 June 2017<br>Number |
|----------------------------------|------------------------|------------------------|
| Administrative                   | 19                     | 19                     |
| Product development and delivery | 110                    | 132                    |
| Sales and marketing              | 21                     | 27                     |
|                                  | <hr/>                  | <hr/>                  |
|                                  | 150                    | 178                    |
|                                  | <hr/>                  | <hr/>                  |

### 6. Income tax

The components of the current tax charge are as follows:

|                                      | 30 June 2018<br>€ | 30 June 2017<br>€ |
|--------------------------------------|-------------------|-------------------|
| <b>Current tax charge</b>            |                   |                   |
| Foreign tax for the period           | 6,869             | 95,842            |
| Prior period adjustment              | 40,845            | -                 |
|                                      | <hr/>             | <hr/>             |
| Total tax charge in income statement | 47,714            | 95,842            |
|                                      | <hr/>             | <hr/>             |

## Oneview Healthcare PLC and Subsidiaries

### Notes (continued)

#### 6. Income tax (continued)

The Group has an unrecognised deferred tax asset carried forward of €7,851,074 (31 December 2017: €6,531,955). As the relevant group companies have a history of losses, a deferred tax asset will not be recognised until the company can predict future taxable profits with sufficient certainty.

#### 7. Finance income/(charges)

|                       | 30 June 2018    | 30 June 2017       |
|-----------------------|-----------------|--------------------|
| Finance income        | €               | €                  |
| Foreign exchange gain | 166,990         | -                  |
| Interest income       | 489             | 95                 |
| Finance income        | <u>167,479</u>  | <u>95</u>          |
| Finance charges       |                 |                    |
| Bank charges          | (14,461)        | (15,425)           |
| Foreign exchange loss | -               | (1,277,380)        |
| Finance charges       | <u>(14,461)</u> | <u>(1,292,805)</u> |

# Oneview Healthcare PLC and Subsidiaries

## Notes (continued)

### 8. Intangible assets

|                        | Software<br>€  | Development Costs<br>€ | Total<br>€       |
|------------------------|----------------|------------------------|------------------|
| <b>Cost</b>            |                |                        |                  |
| At 1 January 2018      | 200,342        | 4,049,450              | 4,249,792        |
| Additions              | 6,930          | 247,483                | 254,413          |
|                        | <hr/>          | <hr/>                  | <hr/>            |
| <b>At 30 June 2018</b> | <b>207,272</b> | <b>4,296,933</b>       | <b>4,504,205</b> |
|                        | <hr/>          | <hr/>                  | <hr/>            |
| <b>Amortisation</b>    |                |                        |                  |
| At 1 January 2018      | 73,929         | 3,146,824              | 3,220,753        |
| Amortisation           | 19,310         | 188,067                | 207,377          |
|                        | <hr/>          | <hr/>                  | <hr/>            |
| <b>At 30 June 2018</b> | <b>93,239</b>  | <b>3,334,891</b>       | <b>3,428,130</b> |
|                        | <hr/>          | <hr/>                  | <hr/>            |
| <b>Carrying amount</b> |                |                        |                  |
| <b>At 30 June 2018</b> | <b>114,033</b> | <b>962,042</b>         | <b>1,076,075</b> |
|                        | <hr/>          | <hr/>                  | <hr/>            |
| At 31 December 2017    | 126,413        | 902,626                | 1,029,039        |
|                        | <hr/>          | <hr/>                  | <hr/>            |

# Oneview Healthcare PLC and Subsidiaries

## Notes (continued)

### 9. Property, plant and equipment

|                        | Fixtures, fittings and<br>equipment<br>€ | Total<br>€       |
|------------------------|--|------------------|
| <b>Cost</b>            |  |                  |
| At 1 January 2018      | 1,412,649                                | 1,412,649        |
| Additions              | 60,708                                   | 60,708           |
|                        | <hr/>                                    | <hr/>            |
| <b>At 30 June 2018</b> | <b>1,473,357</b>                         | <b>1,473,357</b> |
|                        | <hr/>                                    | <hr/>            |
| <b>Depreciation</b>    |  |                  |
| At 1 January 2018      | 524,996                                  | 524,996          |
| Charge for the period  | 163,064                                  | 163,064          |
|                        | <hr/>                                    | <hr/>            |
| <b>At 30 June 2018</b> | <b>688,060</b>                           | <b>688,060</b>   |
|                        | <hr/>                                    | <hr/>            |
| <b>Net book value</b>  |  |                  |
| <b>At 30 June 2018</b> | <b>785,297</b>                           | <b>785,297</b>   |
|                        | <hr/>                                    | <hr/>            |
| At 31 December 2017    | 887,653                                  | 887,653          |
|                        | <hr/>                                    | <hr/>            |

### 10. Trade receivables and other receivables

|   | 30 June 2018<br>€ | 31 Dec 2017<br>€ |
|---|-------------------|------------------|
| <i>Amounts falling due within one year:</i> |                   |                  |
| Trade receivables                           | 2,850,151         | 1,583,458        |
| Accrued revenue                             | 1,241,836         | 922,024          |
| Prepaid expenses and other current assets   | 1,535,508         | 1,069,801        |
| Corporation tax receivable                  | -                 | 16,668           |
| Research and development tax credit         | 606,255           | 238,534          |
| Sales tax recoverable                       | 506,667           | 434,289          |
|   | <hr/>             | <hr/>            |
|   | <b>6,740,417</b>  | <b>4,264,774</b> |
|   | <hr/>             | <hr/>            |

# Oneview Healthcare PLC and Subsidiaries

## Notes (continued)

### 10. Trade receivables and other receivables (continued)

*Amounts falling due after more than one year:*

|  |         |         |
|--|---------|---------|
| Research and development tax credit receivable | 334,609 | 353,014 |
|--|---------|---------|

The fair value of trade receivables approximates to the carrying value. The maximum exposure to credit risk at the reporting date on these assets is the carrying value of each class of receivable mentioned above.

The euro equivalent amount of the Group's trade receivables is denominated in the following currencies:

| <i>Trade receivables</i> | 30 June 2018 | 31 Dec 2017 |
|--------------------------|--------------|-------------|
|                          | €            | €           |
| US Dollar                | 1,118,396    | 1,250,905   |
| Australian Dollar        | 1,693,837    | 326,822     |
| AED                      | 3,525        | -           |
| Euro                     | 395          | 5,731       |
| GBP                      | 33,998       | -           |
|                          | <hr/>        | <hr/>       |
|                          | 2,850,151    | 1,583,458   |
|                          | <hr/>        | <hr/>       |

### 11. Trade and other payables (current)

*Amounts falling due within one year*

|  | 30 June 2018 | 31 Dec 2017 |
|--|--------------|-------------|
|  | €            | €           |
| Trade payables                         | 2,733,982    | 1,500,522   |
| Payroll related taxes                  | 364,309      | 348,680     |
| Superannuation/pension                 | 44,082       | 21,330      |
| Other payables and accruals            | 918,818      | 1,423,638   |
| Corporation tax                        | 6,869        | 6,238       |
| R&D tax credit – deferred grant income | 179,443      | 153,202     |
|  | <hr/>        | <hr/>       |
|  | 4,247,503    | 3,453,610   |
|  | <hr/>        | <hr/>       |

# Oneview Healthcare PLC and Subsidiaries

## Notes (continued)

### 12. Share capital and other reserves

|                                       | 30 June 2018 | 31 Dec 2017 |
|---------------------------------------|--------------|-------------|
| <b>Authorised Share Capital</b>       |              |             |
| Ordinary shares                       |              |             |
| No. of shares                         | 100,000,000  | 100,000,000 |
| Nominal value                         | €0.001       | €0.001      |
| “B” Ordinary shares                   |              |             |
| No. of shares                         | 420,000      | 420,000     |
| Nominal value                         | €0.01        | €0.01       |
|                                       | €            | €           |
| Authorised Ordinary Share Capital     | 100,000      | 100,000     |
| Authorised “B” Ordinary Share Capital | 4,200        | 4,200       |
|                                       | <hr/>        | <hr/>       |
| Authorised Share Capital              | 104,200      | 104,200     |
|                                       | <hr/>        | <hr/>       |

|                                   | No of shares      | Nominal Value | Share Capital | Share Premium     | Total             |
|-----------------------------------|-------------------|---------------|---------------|-------------------|-------------------|
|                                   |                   |               | €             | €                 | €                 |
| <b>Issued Share Capital</b>       |                   |               |               |                   |                   |
| <b>Balance - 1 Jan 2017</b>       | <b>54,296,700</b> | <b>€0.001</b> | <b>54,297</b> | <b>66,633,057</b> | <b>66,687,354</b> |
| Exercise of options - 27 Jun 2017 | 10,000            | €0.001        | 10            | 7,490             | 7,500             |
| Exercise of options – 9 Aug 2017  | 10,000            | €0.001        | 10            | 7,490             | 7,500             |
| Exercise of options – 1 Nov 2017  | 83,360            | €0.001        | 83            | 3,752             | 3,835             |
| Share issue – 29 Nov 2017         | 10,877,705        | €0.001        | 10,878        | 13,905,282        | 13,916,160        |
| Share issue – 11 Dec 2017         | 4,127,818         | €0.001        | 4,128         | 5,268,916         | 5,273,044         |
|                                   | <hr/>             | <hr/>         | <hr/>         | <hr/>             | <hr/>             |
| <b>Balance - 31 Dec 2017</b>      | <b>69,405,583</b> | <b>€0.001</b> | <b>69,406</b> | <b>85,825,987</b> | <b>85,895,393</b> |
| Exercise of options – 2 Mar 2018  | 39,980            | €0.001        | 40            | 2,494             | 2,534             |
|                                   | <hr/>             | <hr/>         | <hr/>         | <hr/>             | <hr/>             |
| <b>Balance - 30 June 2018</b>     | <b>69,445,563</b> | <b>€0.001</b> | <b>69,446</b> | <b>85,828,481</b> | <b>85,897,927</b> |
|                                   | <hr/>             | <hr/>         | <hr/>         | <hr/>             | <hr/>             |

## Oneview Healthcare PLC and Subsidiaries

### Notes (continued)

#### 12. Share capital and other reserves (continued)

On 27 June 2017, 10,000 ordinary shares were issued in respect of 10,000 outstanding share options that were exercised as at that date at a strike price of €0.75 per share.

On 9 August 2017, 10,000 ordinary shares were issued in respect of 10,000 outstanding share options that were exercised as at that date at a strike price of €0.75 per share.

On 1 November 2017, 78,350 ordinary shares were issued in respect of 78,350 outstanding share options that were exercised as at that date at a strike price of €0.001 per share. On the same day, 5,010 ordinary shares were issued in respect of 5,010 outstanding share options that were exercised as at that date at a strike price of €0.75 per share.

On 17 November 2017, the company announced to the ASX its intention to raise approximately A\$30 million (equivalent to approximately €19.2 million), before costs, comprising a 1 ordinary share for 4.35 ordinary share accelerated pro rata non-renounceable entitlement offer and an institutional placement. Pursuant to this announcement, on 29 November 2017, the company issued 10,877,705 new shares of €0.01 each at a price per share of A\$2.00 (equivalent to €1.28) comprising 8,377,705 shares under the institutional component of the entitlement offer and 2,500,000 new shares under the institutional placement. On 11 December 2017, the company issued a further 4,127,818 new shares of €0.01 each at a price per share of A\$2.00 (equivalent to €1.28) under the retail component of the accelerated non-renounceable entitlement offer. The company incurred costs of €1,393,812 associated with the raising of these funds, which has been recorded against retained earnings. The proceeds of these issues will be used to support the development and sale of the Company's software and for general corporate purposes.

On 2 March 2018, 36,650 ordinary shares were issued in respect of 36,650 outstanding share options that were exercised as at that date at a strike price of €0.001 per share. On the same date, 3,330 ordinary shares were issued in respect of 3,330 outstanding share options that were exercised as at that date at a strike price of €0.75 per share.

#### *Ordinary shares*

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. On winding up, the holders of ordinary shares shall be entitled to receive the nominal value in respect of each ordinary share held, together with any residual value of the entity.

The holders of B ordinary shares are not entitled to receive dividends as declared and are not entitled to vote at meetings of the Company; however, they are entitled to attend all meetings. On winding up, the holders of B ordinary shares shall be entitled to receive the nominal value in respect of each B ordinary share held.

#### *Treasury reserve*

The reserve for the Company's shares comprises the cost of the Company's shares held by the Group. At 30 June 2018, the Group held 2,585,560 (31 December 2017: 2,585,560) of the Company's shares.

## Oneview Healthcare PLC and Subsidiaries

### Notes (continued)

#### 12. Share capital and other reserves (continued)

##### *Translation reserve*

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

##### *Reorganisation reserve*

During 2012, Oneview Healthcare PLC ("OHP") was incorporated for the purpose of implementing a holding company structure. This resulted in a group reorganisation with OHP becoming the new parent company of Oneview Limited ("OL") by way of share for share swap with the existing shareholders of OL. This has been accounted for as a continuation of the original OL business via the new OHP entity resulting in the creation of a reorganisation reserve in the consolidated financial statements in the amount of €1,347,642, (increased by €4,200 to €1,351,842 in 2013 due to the issue of B shares). No reorganisation reserve was created at OHP company level as the fair value was equal to the carrying value on the date of the reorganisation.

#### 13. Share based payments

At 30 June 2018, the Group had the following share based payment arrangements:

##### ***Employee Share Option Plan***

In July 2013, the Company established a share option program that entitles certain employees to purchase shares in the Company. Options vest over a service period and are settled in shares. The key terms and conditions related to grants under this programme are as follows:

| Grant date                                  | Weighted average exercise price | Number of instruments |
|---|---------------------------------|-----------------------|
| <b>Outstanding Options – 1 January 2017</b> | <b>€0.965</b>                   | <b>4,956,330</b>      |
| Forfeited during the year                   | €2.492                          | (755,740)             |
| Granted during the year                     | €2.969                          | 943,750               |
| Exercised during the year                   | €0.182                          | (103,360)             |
| <b>Outstanding Options – 1 January 2018</b> | <b>€1.128</b>                   | <b>5,040,980</b>      |
| Forfeited during the period                 | €3.857                          | (390,760)             |
| Granted during the period                   | €1.296                          | 65,000                |
| Exercised during the period                 | €0.754                          | (39,980)              |
| <b>Outstanding Options – 30 June 2018</b>   | <b>€1.030</b>                   | <b>4,675,240</b>      |



## Oneview Healthcare PLC and Subsidiaries

### Notes (continued)

#### 13. Share based payments (continued)

The options granted on or after October 2016 have a vesting period of 25% in year one and 6.25% per quarter year thereafter. The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using the Black-Scholes model.

##### **Restricted Stock Share Plan**

On 16 March 2016, the Company adopted the Restricted Share Unit Plan pursuant to which the Remuneration Committee of the Company's Board of Directors may make an award under the plan to certain executive directors. On 16 March 2016, an aggregate of 2,585,560 new shares of €0.001 each were issued to Goodbody Trustees Ltd as restricted stock units on behalf of certain directors, with a range of performance conditions attaching to their vesting. The shares were awarded at a price of €0.001 and vest over a service period as follows: -

| <b>Award Date</b>              | <b>Number of instruments</b> | <b>Vesting Term</b> | <b>Vesting condition</b>         |
|--------------------------------|------------------------------|---------------------|----------------------------------|
| 16 March 2016                  | 500,000                      | 3 Years             | Continued employment             |
| 16 March 2016                  | 187,280                      | 3 Years             | Compliance with listing rules    |
| 16 March 2016                  | 525,510                      | 5 Years             | CAGR in TSR*                     |
| 16 March 2016                  | 411,820                      | 3 Years             | CAGR in TSR*                     |
| 16 March 2016                  | 549,120                      | 3 Years             | Recurring revenue growth targets |
| 16 March 2016                  | 205,920                      | 3 Years             | Hospital beds targets            |
| 16 March 2016                  | 205,910                      | 3 Years             | Assisted living beds targets     |
| <b>Total outstanding RSU's</b> |                              | <b>2,585,560</b>    |                                  |

\* Compound Annual Growth Rate in Total Shareholder Return

The fair value of the CAGR on TSR awards is based on a Monte Carlo model using the following key assumptions: -

- No dividends will be paid over the expected life of the restricted stock units.
- The expected life is 3 and 5 years.
- Threshold testing levels are set by the Remuneration Committee on or around 31 December each year for the following year. For the period to 31 December 2018, these were set on 22 January 2018, and it is assumed that these threshold testing levels shall remain constant for all future testing dates during the vesting period. When threshold testing levels are set, the value of unvested grants will be revised.

# Oneview Healthcare PLC and Subsidiaries

## Notes (continued)

### 13. Share based payments (continued)

- A historic volatility approach has been assumed using comparable companies of 33.3% for the three-year TSR rewards and 33.9% for the five-year TSR rewards.
- The risk-free rate has been sourced from the AUD swap rate curve, 3 years, 2.06% and for 5 years, 2.13%.
- The model has run 10,000 simulations.

The fair value of non-market performance conditions is based on the share price at the date of grant. The accounting charge is adjusted at each reporting period to reflect management's estimate of the achievement of the relevant targets.

### 14. Cash flow reconciliation for the period

|  | 30 June 2018<br>€   | 30 June 2017<br>€   |
|--|---------------------|---------------------|
| <b>Reconciliation of net cash used in operating activities with loss for the period after income tax</b> | (10,726,600)        | (14,251,946)        |
| <i>Non-cash items</i>  |                     |                     |
| Depreciation   | 163,064             | 127,246             |
| Amortisation   | 207,377             | 209,240             |
| Share based payment expense  | 254,763             | 1,383,432           |
| Taxation   | 47,714              | 95,842              |
| Net finance costs  | 13,972              | 15,330              |
| R&D credit recognised  | (323,075)           | 18,050              |
| Foreign exchange (gain)/loss   | (166,990)           | 1,277,380           |
| <b>Changes in assets and liabilities</b>   |                     |                     |
| (Increase)/decrease in trade and other receivables   | (2,113,324)         | 1,724,882           |
| Increase/(decrease) in deferred income   | 1,169,211           | (522,464)           |
| Increase/(decrease) in trade and other payables  | 718,590             | (301,558)           |
| <b>Cash used in operating activities</b>   | <b>(10,755,298)</b> | <b>(10,224,566)</b> |
| Finance costs paid, net  | (13,972)            | (15,330)            |
| Taxation paid  | (30,415)            | (83,945)            |
| <b>Net cash used in operating activities</b>   | <b>(10,799,685)</b> | <b>(10,323,841)</b> |

# Oneview Healthcare PLC and Subsidiaries

## Notes (continued)

### 15. Related party transactions

The Company considers directors, officers and group undertakings as defined in the 2017 Group Financial Statements as being related parties. Transactions with directors are disclosed in the table below. The current directors are as set out on page 1. The directors held the following interests at 30 June 2018:

| Name                  | Name of company                               | Interest at 30 June 2018 |         | Interest at 30 June 2017* |         | Interest at 31 Dec 2017* |         |
|-----------------------|---|--------------------------|---------|---------------------------|---------|--------------------------|---------|
|                       |   | Number of Shares         | Options | Number of Shares**        | Options | Number of Shares**       | Options |
| Mark McCloskey        | Oneview Healthcare PLC Ordinary shares €0.001 | 6,006,046                | 583,330 | 6,003,478                 | 583,330 | 6,006,046                | 583,330 |
|                       | Oneview Healthcare PLC Restricted Stock Units | 989,340                  | -       | 989,340                   | -       | 989,340                  | -       |
| James Fitter          | Oneview Healthcare PLC Ordinary shares €0.001 | 971,481                  | 733,330 | 969,530                   | 733,330 | 971,481                  | 733,330 |
|                       | Oneview Healthcare PLC Restricted Stock Units | 1,308,940                | -       | 1,308,940                 | -       | 1,308,940                | -       |
| John Kelly            | Oneview Healthcare PLC Ordinary shares €0.001 | 49,480                   | 300,000 | 49,480                    | 300,000 | 49,480                   | 300,000 |
|                       | Oneview Healthcare PLC Restricted Stock Units | 287,280                  | -       | 287,280                   | -       | 287,280                  | -       |
| Patrick Masterson     | Oneview Healthcare PLC Ordinary shares €0.001 | 36,700                   | 350,000 | 36,700                    | 350,000 | 36,700                   | 350,000 |
|                       | Oneview Healthcare PLC Ordinary shares €0.001 | 11,790,098               | 50,000  | 8,231,251                 | 50,000  | 11,790,098               | 50,000  |
| Daniel Petre          | Oneview Healthcare PLC Ordinary shares €0.001 | 521,977                  | 90,000  | 446,635                   | 90,000  | 521,977                  | 90,000  |
|                       | Oneview Healthcare PLC Ordinary shares €0.001 | 1,409,165                | 50,000  | 1,145,770                 | 50,000  | 1,409,165                | 50,000  |
| Mark Cullen           | Oneview Healthcare PLC Ordinary shares €0.001 | 34,354                   | 50,000  | 27,933                    | 50,000  | 34,354                   | 50,000  |
|                       | Oneview Healthcare PLC Ordinary shares €0.001 | 557,514                  | 50,000  | 381,920                   | 50,000  | 557,514                  | 50,000  |
| Joseph Patrick Rooney | Oneview Healthcare PLC Ordinary shares €0.001 | -                        | -       | -                         | 50,000  | -                        | -       |
|                       | Oneview Healthcare PLC Ordinary shares €0.001 | 1,871,466                | -       | 1,521,660                 | -       | 1,871,466                | -       |
| Lyle Berkowitz        | Oneview Healthcare PLC Ordinary shares €0.001 | -                        | -       | -                         | 50,000  | -                        | -       |
|                       | Oneview Healthcare PLC Ordinary shares €0.001 | -                        | -       | -                         | 50,000  | -                        | -       |
| OV No.1 PTY Ltd **    | Oneview Healthcare PLC Ordinary shares €0.001 | -                        | -       | -                         | 50,000  | -                        | -       |
|                       | Oneview Healthcare PLC Ordinary shares €0.001 | -                        | -       | -                         | 50,000  | -                        | -       |

\* Or date of appointment if later

\*\* James William Vicars and Mark McCloskey (and their families) are the beneficiaries of OV No.1 Pty Ltd (ATF the OV Trust). James William Vicars and Mark McCloskey are the directors of the trustee of the discretionary trust and James William Vicars is the sole shareholder of the trustee.

## Oneview Healthcare PLC and Subsidiaries

### Notes *(continued)*

#### 15. Related party transactions *(continued)*

In accordance with the Articles of Association, at least one third of the directors are required to retire annually by rotation.

No other members of management are considered key. Unless otherwise stated, all transactions between related parties are carried out on an arm's length basis.

On 17 February 2016, the Company's shareholders approved a bonus issue of ordinary shares to ordinary shareholders as at that date. The bonus issue provided for each shareholder to receive 9 bonus ordinary shares for each ordinary share held as at that date, affecting the equivalent of a 10-for-1 stock split. Correspondingly, the nominal value of each outstanding share following the bonus issue has been adjusted to 1/10 of its value immediately preceding the share split. The share split has likewise been applied to all outstanding share options in issue including the corresponding period.

During 2016, "OHP" advanced an unsecured loan to a director, John Kelly, on an interest free basis for €252,469, in order to settle upfront tax charges associated with the issue of restricted shares under the long-term incentive plan "LTIP". The loan is repayable on demand, in the event of disposal of restricted shares under the LTIP, upon lifting of the relevant restrictions attached to shares. To calculate the notional interest on the loan, the directors believe an interest rate of 5% and a term of 2.25 years (being the term from grant of loan to vesting of shares) is appropriate. This results in a notional interest of €28,403 over the term which is considered directors' remuneration. The loan value represents 0.3% of net assets of Oneview Healthcare plc company.

#### 16. Events after the reporting period end

There were no material events that occurred after 30 June 2018.

# Oneview Healthcare PLC and Subsidiaries

## Interim Report 2018

### Directors' Declaration

In the opinion of the Directors:

- (a) The financial statements and notes set out on pages 4 to 28:
  - I. Comply with Accounting Standards IAS 34 Interim Financial Reporting;
  - II. Give a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the six months ended on that date; and
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors



James Fitter  
Director



John Kelly  
Director

27 August 2018



**KPMG**  
**Audit**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

## Independent Review Report to Oneview Healthcare plc

### Introduction

We have been engaged by the company to review the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2018 which comprises the Condensed Consolidated Interim Statement of Comprehensive Income, Condensed Consolidated Interim Statement of Financial Position, Condensed Consolidated Interim Statement of Changes in Equity, Condensed Consolidated Interim Statement of Cash Flows and the related explanatory notes. Our review was conducted having regard to the Financial Reporting Council's ("FRCs") International Standard on Review Engagements ("ISRE") (UK and Ireland) 2410, *'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'*.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly report for the six months ended 30 June 2018 is not prepared, in all material respects, in accordance with IAS 34 *'Interim Financial Reporting'* as adopted by the EU.

### Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for ensuring that the condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

### Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of consolidated financial statements in the half-yearly financial report based on our review.

### Scope of review

We conducted our review having regard to the Financial Reporting Council's International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



We read the other information contained in the half-yearly financial report to identify material inconsistencies with the information in the condensed set of consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the review. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**The purpose of our review work and to whom we owe our responsibilities**

This report is made solely to the company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

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A handwritten signature in blue ink that reads 'KPMG'.

KPMG  
*Chartered Accountants*  
1 Stokes Place  
St. Stephen's Green  
Dublin 2

27 August 2018