



30 May 2017

Orion Health FY2017 Results and Investor Announcement

Auckland, New Zealand - Orion Health Group Limited (OHE:NZX/ASX) today announced its full year results for the year ended 31 March 2017, a Rights Offer to all shareholders and an update on the strategic review.

FY2017 Results

Orion Health had a challenging 2017 financial year with Operating Revenue of \$199m which is a 4% decrease from FY2016 although a 3% increase on a constant currency basis. The company continued to reduce losses with an Operating Loss of \$33m, representing a \$22m improvement from FY2016. The net cash balance at 31 March 2017 was \$6m. The business remains focused on its drive to achieve profitability during the second half of the 2018 financial year and has recently undertaken an organisational review which has reduced costs by ~\$10m on an annualised basis.

The Company signed a number of new agreements in North America, including a significant contract with Saint Francis HealthCare Partners (SFHCP), a growing network of over 1,000 independent health care providers serving more than 500,000 patients in Connecticut, U.S.

A key aspect of this contract is that the solution is hosted by Amazon Web Services (AWS) and will be delivered on a subscription basis. As previously advised, Orion Health is in the process of transitioning US customers to the cloud. The Company is committed to its partnership with AWS, which continues to expand its global footprint, and this in turn will enable Orion Health to provide cloud-based services in all its major markets.

In addition, Orion Health has progressed its relationship with Horizon Blue Shield of New Jersey, the second of our major health insurance customers. The Company has an exciting and active programme of work with Horizon and looks forward to achieving some major milestones in the coming months.

Performance in EMEA (Europe, Middle East, Africa) was impacted by a slowdown in NHS tenders in the United Kingdom. There were however some notable highlights, including the signing in March of a five-year license agreement with Dorset County Council in England valued at just over £5m. The Council has purchased Orion Health's Amadeus precision medicine platform, which will provide a comprehensive care solution to the region's population of over 765,000 people.

Achievements in Asia Pacific during FY2017 include signing an agreement with Metro North, the largest health service in the Australian state of Queensland which serves over 900,000 people and employs more than 16,000 staff in five hospitals and eight community health centres.



In February the five district health Boards in the South Island of New Zealand announced they will share the same Orion Health clinical workstation for hospital care, and the same EHR to connect secondary and primary care. This rollout is targeted to be completed in June and will mean all care providers on the HealthOne platform will have access to the same medical record. This is part of the HealthOne initiative which won the Best Technology Solution for the Public Sector in the New Zealand Hi Tech Awards 2017.

Rights Offer

The Company has also today announced it is undertaking a NZ\$32m Rights Offer which will provide additional financial resources. All eligible shareholders will be able to subscribe for new shares at NZ\$0.90 on a 2 for 9 basis. Ian McCrae says "FY2018 is an important year for Orion Health as the business focuses on its drive to profitability during the second half of the financial year. The \$NZ32m Rights Offer and the existing banking facilities together provide the business the financial resources to achieve that objective".

CEO and 50.8% shareholder, Ian McCrae, has committed to take up \$15m of shares in the Rights Offer and 9.6% shareholder GA Cumming, together with all New Zealand based Directors, have committed to take up their full entitlements in support of the Rights Offer. First NZ Capital is underwriting the balance of the \$32m offer.

Ian McCrae says, "I would like to take this opportunity to acknowledge that recent events have created a challenging time for our shareholders. We have made, and will continue to make, appropriate changes to improve business performance. At the core of our business we have an impressive list of prestigious customers internationally, modern scalable technology and our staff are passionate and talented. Therefore I remain totally committed to the business and have supported the Rights Offer to the greatest extent I can."

The record date for the Rights Offer is 8 June 2017 and further details on the Rights Offer, including how shareholders can take up their rights, are expected to be released on or around 7 June 2017. The Offer is expected to open on 14 June 2017.

Strategic Review

The Company is continuing with a strategic review of the business, which was announced in early April by the Board of Directors. As part of the strategic review (which was focused on sources of additional capital including minority investments in the Company), the Company has also received expressions of interest outside the original review scope. Consequently, Orion Health has decided to widen and extend the review to explore that interest, focused on ways to maximize shareholder value and deliver outcomes that are in the best interests of all stakeholders.

The Board will continue to keep the market informed through the progression of the strategic review as appropriate.

Ends

Documents released today include:

- FY2017 Financial Statements
- FY2017 Annual Results and Investor Presentation
- FY2017 Results and Investor Announcement
- Notice of full year results conference call at 10am
- Appendix 3B
- Appendix 7
- Appendix 1

Please note Orion Health's AGM will now be held in September. Details will be provided closer to the time.

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About Orion Health

Orion Health (NZX:OHE) is a health technology company that provides solutions which enable healthcare to patients globally. Its open technology platform Orion Health Amadeus seamlessly integrates all forms of relevant data to enable population and personalised healthcare around the world. The company is committed to continual innovation, investing substantially in research and development to cement its position at the forefront of precision medicine. For more information visit www.orionhealth.com