



Results and Investor Presentation

FY2017



30 May 2017

Important Notice

This presentation is given on behalf of Orion Health Group Limited (OHE).

Information of a general nature: The information in this presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in OHE or that would be required in a product disclosure statement or a prospectus for the purposes of the New Zealand Financial Markets Conduct Act 2013 (FMCA), the Financial Markets Conduct Regulations 2014 (the FMC Regulations) or the Australian Corporations Act 2001 (Cth). OHE is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited (NZX) and ASX Limited (ASX) for the purpose of that information being made available to participants in the market and that information can be found by visiting www.nzx.com/companies/OHE and <http://www.asx.com.au/asx/share-price-research/company/OHE>. This presentation should be read in conjunction with OHE's other periodic and continuous disclosure announcements released to ASX and NZX.

Offer: This presentation has also been prepared by OHE in relation to the proposed rights offer of fully paid ordinary shares in OHE (New Shares) to eligible shareholders under clause 19 of Schedule 1 to the FMCA, clauses 19 to 22 of schedule 8 to the FMC Regulations and clause 708AA of the Australian Corporations Act 2001 (Cth) (as notionally modified by ASIC Instruments 2016/84 and 15-0947) (the Offer). OHE reserves the right to vary the dates of the Offer (either generally or in particular cases) or to withdraw the Offer without prior notice.

NZX and ASX: An application will be made to NZX for quotation of the rights issued under the Offer and OHE expect that the rights will be quoted on the NZX upon completion of allocation procedures. Rights will not be quoted on ASX and cannot be traded on ASX. The New Shares will be of the same class as OHE's existing quoted ordinary shares and will be quoted on the NZX Main Board and ASX upon completion of allotment procedures. Neither NZX nor ASX accepts any responsibility for any statement in this Presentation. The fact that NZX and/or ASX may approve the New Shares for quotation is not to be taken in any way as an indication of the merits of OHE. NZX is a licensed market operator, and the NZX Main Board is a licensed market, under the FMCA.

Not financial product advice: This presentation does not constitute legal, financial, tax, financial product advice or investment advice or a recommendation to acquire OHE securities, and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and consult an NZX Firm, or lawyer, accountant or other professional advisor if necessary.

Forward-looking statements: This presentation contains forward-looking statements that reflect OHE's current views with respect to future events. Forward-looking statements, by their very nature, involve inherent risks and uncertainties. Many of those risks and uncertainties are matters which are beyond OHE's control and could cause actual results to differ from those predicted. Variations could either be materially positive or materially negative. The information speaks only as at the date of this presentation. Except as required by law or regulation (including the NZX and ASX listing rules), OHE undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. To the maximum extent permitted by law, the directors of OHE, OHE, the underwriter and any of its related bodies corporate and affiliates, and their officers, partners, employees, agents, associates and advisers do not make any representation or warranty, express or implied, as to accuracy, reliability or completeness of such information, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement, and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

Past performance: Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future OHE performance, including future financial position or share price performance.



Important Notice

Financial data: All dollar values are in New Zealand dollars unless otherwise stated. This presentation should be read in conjunction with, and subject to, the explanations, notes and views of future outlook on market conditions, earnings and activities given in the announcements relating to the results for the year ended 31 March 2017. OHE results are reported under NZ IFRS. This announcement includes non-GAAP financial measures which are not prepared in accordance with NZ IFRS.

Effect of rounding: A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

Investment risk: An investment in securities of OHE is subject to investment and other known and unknown risks, some of which are beyond the control of OHE. OHE does not guarantee any particular return or the performance of OHE.

Not an offer: This presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction. Any decision to purchase New Shares in the Offer must be made on the terms set out in a separate offer document (Offer Document). Any eligible shareholder who wishes to apply for New Shares under the Offer will need to apply in accordance with the instructions contained in the Offer Document.

Distribution of presentation: This presentation must not be distributed in any jurisdiction to the extent that its distribution in that jurisdiction is restricted or prohibited by law or would constitute a breach by OHE of any law. The distribution of this presentation in other jurisdictions outside New Zealand or Australia may be restricted by law, and persons into whose possession this presentation comes should observe any such restrictions. Any failure to comply with such restrictions may violate applicable securities laws. None of OHE, any person named in this presentation or any of their affiliates accept or shall have any liability to any person in relation to the distribution or possession of this presentation from or in any jurisdiction.

Not for distribution or release in the United States: This presentation is not for distribution or release in the United States. This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The Rights and the New Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended, or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Disclaimer: Neither the underwriter, nor any of its or OHE's respective advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents, has authorised, permitted or caused the issue, submission, dispatch or provision of this presentation and, except to the extent referred to in this presentation, none of them makes or purports to make any statement in this presentation and there is no statement in this presentation which is based on any statement by any of them. To the maximum extent permitted by law, OHE, the underwriter and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents:

- ▶ exclude and disclaim all liability, for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offer and the information in this presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise; and
- ▶ make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this presentation and, with regards to the underwriter, its respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents take no responsibility for any part of this presentation or the Offer.

All information included in this presentation is provided as at 30 May 2017. OHE continues to comply with the NZX Listing Rules.



Overview



FY2017 Financial Summary

Operating
Revenue

\$199m

4% decrease
from FY2016

*3% constant
currency increase
from FY2016¹*

Regional
Contribution

\$50m

Increase of \$15m
from FY2016²

R&D
Expenses

\$64m

\$1m increase
from FY2016

Operating
Loss

\$33m

\$22m improvement
from FY2016³

Net Cash as at 31
March 2017

\$6m

(as at 31 March 2017, NZ\$)

¹Constant currency is non-GAAP financial information. See Page 40

²Regional contribution is Segment contribution - external - before abnormal items

³FY2016 includes abnormal expenses of \$7m. Excluding abnormal items, the improvement was \$15m



Rights Offer and Strategic Review

- ▶ Seeking to raise approximately NZ\$32m new equity through a 2 for 9 Rights Offer at NZ\$0.90 per share
- ▶ 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 announced \$32m 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. The balance of the \$32m offer will be underwritten by First NZ Capital
- ▶ As part of the recent strategic review (which was focused on sources of additional capital including minority investments in the Company), we also received expressions of interest outside the original review scope. Consequently, we have decided to widen and extend the review to explore that interest, focused on ways to maximise shareholder value and deliver outcomes that are in the best interests of all stakeholders



CEO Address

Operational Summary

Orion Health Investment Highlights

1

Modern Technology

Our technology is modern and scalable - big data and cloud ready. Amadeus is now hosted in AWS¹ and incorporates Cassandra, Spark and Elastic Search

2

Global Footprint

With 25 offices in 15 countries and over 750 customers, Orion Health is truly global

3

Sustainable Revenue

With no customer contributing >10% of total revenues and customers spread throughout the world we have many sources of income across many products

4

Value Enhancing

A data rich health record can be viewed on our software, assisting to reduce health system wastage

5

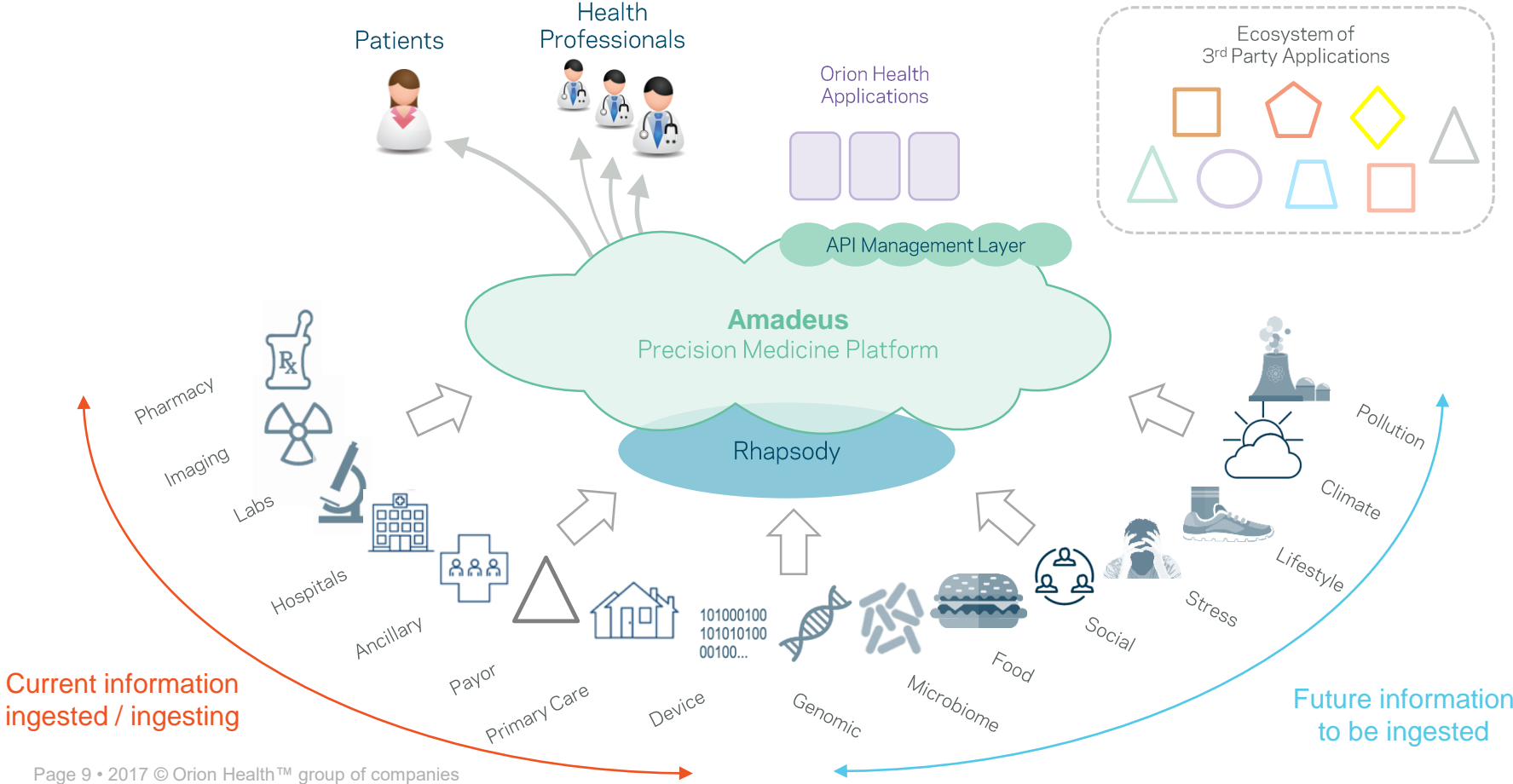
Transforming Healthcare

With big data rapidly changing healthcare, we have built a platform to aggregate and make sense of health data on a large scale

¹ Amazon Web Services



Orion Health Platform



Orion Health Software Changing Healthcare Delivery*



98%
of residents

or 1.4m patients in Maine, U.S. have their healthcare records integrated in the State's HealthInfoNet



51,000
health professionals

access Alberta Netcare Portal, viewing 7.2 million screen pages of information monthly



up to 3m
messages

a day are sent between clinicians, support staff and researchers at the Phoenix Children's Hospital in Arizona



>72m
diagnostic test results viewed

following the implementation of Orion Health software in Northern Ireland

Technology delivering better health outcomes and material efficiencies for funders of healthcare

*Statistics have been sourced from customers



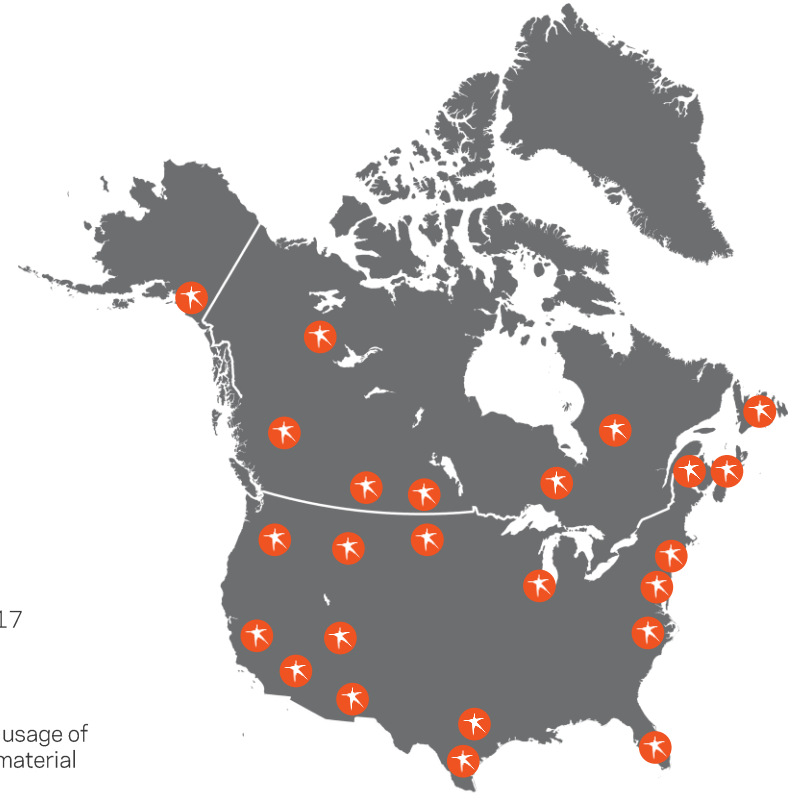
North America Overview

FY2017 Summary

- Three customers now live on Amazon Web Services (AWS)
- Convergence of existing customers to AWS ongoing
- Announcement of contract with St. Francis Healthcare Partners
- Renewed and extended license agreement with Philips
- Pilot project with Medtronic announced
- In Canada we are the first public company with the health information network service provider designation in Ontario. We also successfully implemented a SaaS based hosted EMR solution in a private cloud for Alberta

Outlook

- Cognizant is optimistic about the outlook in the US health insurance market after FY2017 was slowed through M&A activity
- Provider networks and HIEs continue to be target customers for Orion Health sales
- Merger of Cal Index with Inland Empire to form Manifest MedEx has resulted in reduced usage of Orion Health software pending a potential vendor review process, with a consequential material reduction in revenue from Cal Index in the current year
- Horizon to go live early FY2018 and will be a leading insurance provider reference in the US



 Orion Health key customer sites



Europe, Middle East, Africa Overview

FY2017 Summary

- Performance in EMEA (Europe, Middle East, Africa) was impacted by a slowdown in NHS tenders in the United Kingdom
- £5m contract win with Dorset County Council
- Two pilot pharmaceutical projects in action
- Paris and Burgundy projects in France now live
- Middle East new contract wins recorded including Oasis Hospital in Dubai
- Awarded a European Frost & Sullivan Award for Product Leadership in population health management
- 24% clinical portal market share and 23% integration platform market share in UK¹

Outlook

- UK progressive HCIT plans with £4bn set aside for NHS technology over the next four years aligns with Orion Health capabilities
- Success in France through Paris and Burgundy projects. Additional French public funding announced to support regionalisation and shared care records provides opportunity



¹ Digital Health Intelligence – May 2017



Asia Pacific Overview

FY2017 Summary

- Enterprise now live at Burwood Hospital in Christchurch
- Contracted work underway in the four NZ regions and with Ministry of Health
- NSW Shared Care Pilot now live in Northern NSW
- Awarded contract for Referrals Management and Interoperability at Metro North in Queensland
- Completion of major legacy projects in Australia
- Three sites now live across VinMec in Vietnam and live at The Medical City in the Philippines
- Awarded Best Technology Solution for Public Sector at New Zealand Hi Tech Awards 2017

Outlook

- Near term interoperability and care coordination opportunities on the Eastern seaboard in Australia
- Plans for regionalisation and national EHR in New Zealand
- Continue deployments of Enterprise in the South Island of New Zealand
- Expansion of sites through VinMec in South East Asia
- Other private and public sector opportunities in South East Asia for Enterprise, Consult & Rhapsody
- Continued growth of Rhapsody through existing partner network in China



R&D Recent Product Developments

New Products

Amadeus

- Big Data Platform underpinned by Cassandra, Spark and Elastic Search

Population Health Explorer

- Enables customers to build and deploy cohorts, measures and dashboards for patients

Population Health Management

- Enables coordinated care across healthcare settings and different care providers

EMR-Connect

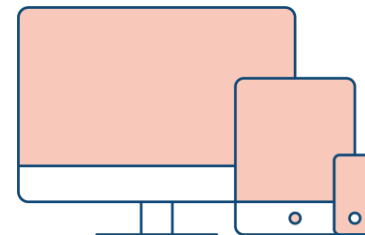
- Visually integrates HIEs with Physicians' EMRs

Clinical Companion / Engage Mobile

- Mobile application for clinicians and patients

Enterprise PAS

- A NZ compliant Patient Administration System



Key Achievements in Functionality

Automated deployment

- Faster more reliable implementations
- Enables continuous deployment models for cloud customers

Fully supported deployment on AWS Cloud infrastructure



FY2017

Financial Performance

Summary Financial Results

	FY2017 NZ\$m	FY2016 NZ\$m
Recurring Revenue	92.4	87.9
Non-recurring Revenue	106.7	119.0
Total Operating Revenue	199.1	206.9
Other Income	7.9	6.5
Total Income	207.0	213.4
Operating Expenses	239.8	268.1
Operating Loss	(32.8)	(54.7)
Net Finance Income	0.1	2.0
Loss before Income Tax Expense / Credit	(32.7)	(52.7)
Income Tax Expense / (Credit)	1.5	1.7
Loss after Income Tax	(34.2)	(54.4)

- Operating Revenue of \$199m down 4% from FY2016 Operating Revenue of \$207m
- Currency had a negative 7% impact on Operating Revenue which was up 3% on a constant currency basis
- Regional Contribution of \$50m up 42% from FY2016 Regional Contribution of \$35m
- Recurring Revenue 46% of Total Operating Revenue up from 42% in FY2016
- R&D expense of \$64m in line with FY2016 expense of \$63m
- Loss before Income Tax of \$33m, a \$20m improvement from FY2016



Balance Sheet and Liquidity

As at 31 March	FY2017 NZ\$m	FY2016 NZ\$m
Assets		
Cash and cash equivalents	10.1	58.6
Trade and other receivables	57.9	53.5
Accrued revenue	21.8	21.4
Current income tax asset	2.4	0.4
Deferred tax asset	1.9	3.6
Plant, property and equipment	12.8	15.8
Intangible assets	3.7	4.1
Total assets	110.6	157.4
Liabilities		
Bank overdraft	4.2	-
Trade and other payables	17.0	16.4
Current income tax payable	0.6	0.6
Employee benefits	17.5	15.4
Revenue in advance	31.7	58.6
Deferred tax liability	-	0.1
Secured borrowings	7.7	-
Provisions for other liabilities	3.5	4.4
Total liabilities	82.2	95.5
Equity	28.4	61.9

- Net cash of \$6m as at 31 March 2017
- The reduction in the Revenue in Advance liability impacted cashflow adversely by \$27m. This was an abnormally large movement due primarily to a change in payment terms of one significant customer
- In 2H2017 a receivables purchase arrangement was entered into with BNZ. This arrangement provided cash immediately to Orion Health and gives BNZ the right to a receivable from a large international corporate when the balance is paid under the extended payment terms which have been provided to that customer (this arrangement is reflected as Secured Borrowings on the Balance Sheet)
- All R&D remains expensed
- Working capital and standby facilities in place with ASB



Cash Flow Analysis

Cash Flow Summary

	FY2017 NZ\$m	FY2016 NZ\$m
Cash Flow from Operating Activities		
Receipts from customers	177.0	224.4
Interest received	0.1	3.0
Payment to suppliers	(80.4)	(91.5)
Payment to employees	(149.7)	(164.4)
Other	(1.8)	(3.8)
Cash Outflow from Operating Activities	(54.8)	(32.3)
Cash Inflow from Investing Activities¹	(4.4)	(6.2)
Cash Inflow from Financing Activities	7.7	-
Total Net Cash Outflow	(51.5)	(38.5)

¹ Removes effect of term deposit

Operating Cash Flow Reconciliation

	FY2017 NZ\$m	FY2016 NZ\$m
Net Loss after Income Tax	(34.2)	(54.4)
Increase / (decrease) in revenue in advance	(26.9)	0.4
(Increase) / decrease in accrued revenue	(0.4)	7.1
Other working capital movements	(2.9)	1.1
Working capital adjustments	(30.2)	8.6
Depreciation and amortization	7.1	7.4
Other non-cash movements	2.5	6.1
Cash Outflow from Operating Activities	(54.8)	(32.3)

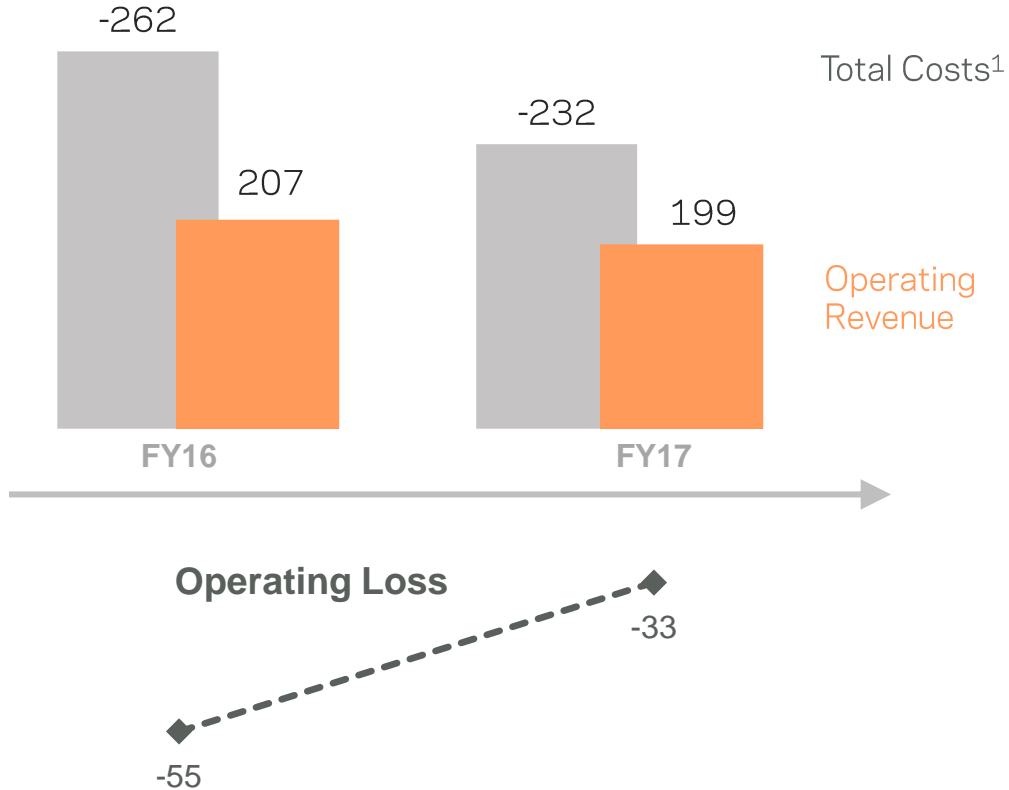


Available Debt Funding

- Orion Health maintains available debt facilities under its ASB facility, currently running to August 2018, comprising:
 - a multi-currency working capital facility of up to NZ\$30m (accessible to the extent the trade receivables balance provides the agreed security cover); and
 - a standby facility with a limit of NZ\$10m currently undrawn
- As at 31 March 2017, Orion Health had cash balances of NZ\$10.1m offset by a NZ\$4.2m balance drawn under the working capital facility, giving a net cash balance of NZ\$5.9m
- These facilities are subject to bank covenants which are calculated and reported either monthly or quarterly. Orion Health has complied and continues to comply with all tested covenants



Driving to Profitability



Driving to profitability

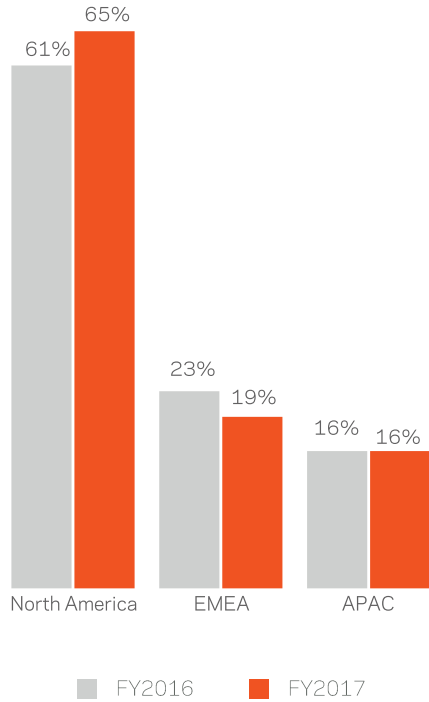
- Organisational review has reduced Operating Loss; decreased from -\$55m to -\$33m
- Major organisational restructure in the US
- Improved contribution margins from managed services and implementation services

¹ Total costs are shown net of other income

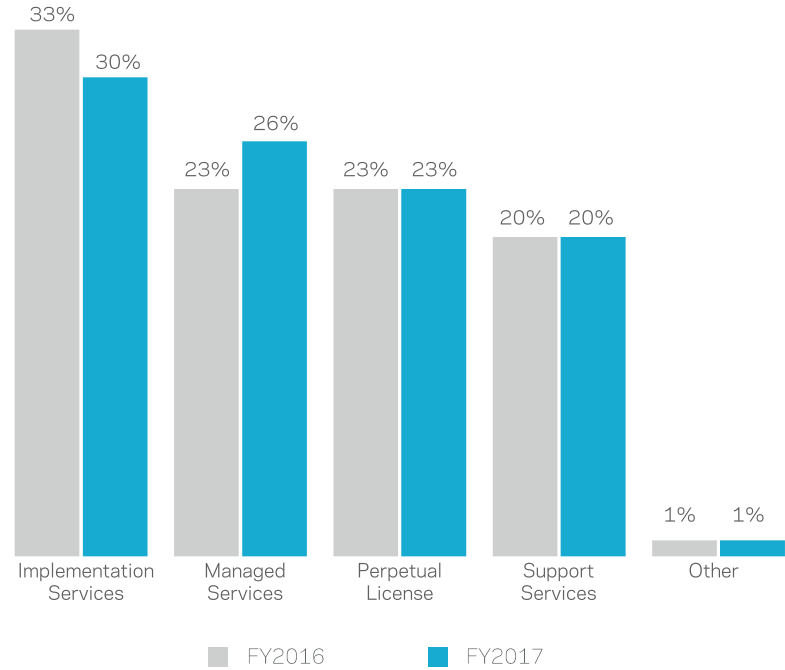


Orion Health Revenue Mix

Revenue by Geography

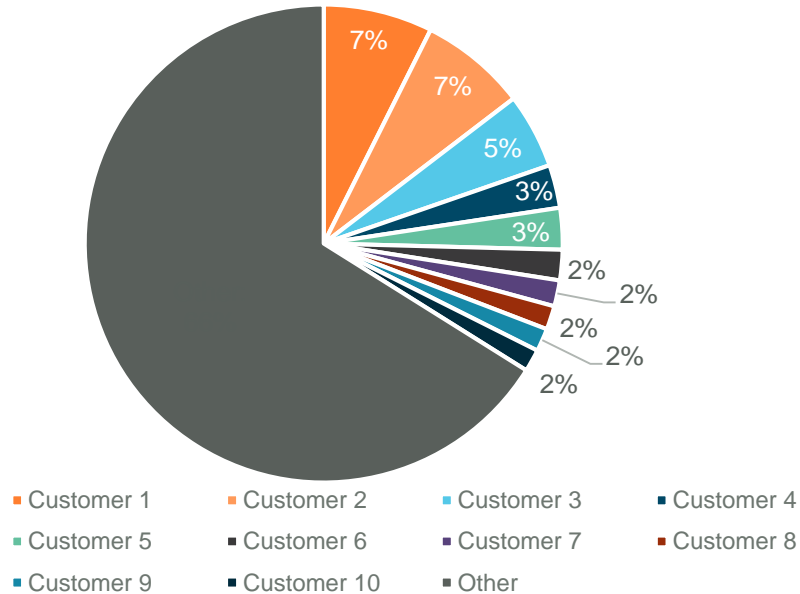


Revenue by Type

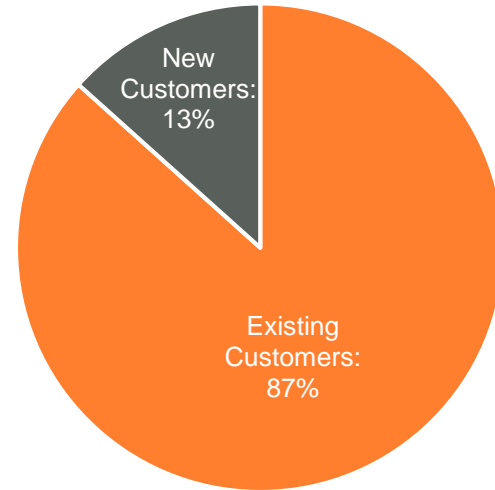


Sustainability of Revenue Base

Widespread Distribution of Customers: Revenue by Customer FY2017



Most Revenue Contributed Through Existing Customers: Revenue by Customer FY2017¹



¹ Customers must have contributed revenue in FY2016 to be classified as "Existing"



North America FY2017 Summary

Total Operating Revenue

\$130m

3% growth

9% constant currency growth

Regional Contribution

\$38m

\$26m improvement from FY2016

Recurring Revenue

54%

Up from 49% in FY2016

Contribution	FY2017 NZ\$m	FY2016 NZ\$m
Revenue NZ\$m		
Perpetual Licenses	31.2	26.1
Implementation Services	27.8	36.2
Support Services	22.0	20.3
Managed Services	47.2	41.5
Other	1.3	1.3
Total Operating Revenue	129.5	125.4
Contribution - external (before abnormal items) NZ\$m (Contribution %)		
Perpetual Licenses	31.2	26.1
Implementation Services	5.9 21%	3.8 10%
Support Services	20.3 92%	16.8 83%
Managed Services	10.4 22%	2.1 5%
Sales, Marketing and G&A	(31.1)	(37.9)
Other	1.2	1.3
Contribution	37.9	12.2



EMEA FY2017 Summary

Total Operating Revenue

\$39m

20% decrease

6% constant currency decrease

Regional Contribution

\$5m

\$10m decrease from FY2016

Recurring Revenue

31%

Up from 29% in FY2016

Contribution	FY2017 NZ\$m	FY2016 NZ\$m
Revenue NZ\$m		
Perpetual Licenses	11.2	17.5
Implementation Services	15.3	16.4
Support Services	8.7	9.6
Managed Services	3.2	4.7
Other	0.2	0.2
Total Operating Revenue	38.6	48.4
Contribution - external NZ\$m (Contribution %)		
Perpetual Licenses	11.2	17.5
Implementation Services	1.0 9%	3.4 21%
Support Services	7.4 86%	8.4 88%
Managed Services	2.0 62%	3.4 72%
Sales, Marketing and G&A	(17.1)	(17.5)
Other	0.2	-
Contribution	4.7	15.2



APAC FY2017 Summary

Total Operating Revenue

\$30m

7% decrease

5% constant currency decrease

Regional Contribution

\$7m

In line with FY2016

Recurring Revenue

37%

Up from 36% in FY2016

Contribution	FY2017 NZ\$m	FY2016 NZ\$m
Revenue NZ\$m		
Perpetual Licenses	3.2	5.5
Implementation Services	15.7	14.8
Support Services	9.8	11.1
Managed Services	1.4	0.7
Other	0.1	0.3
Total Operating Revenue	30.2	32.4
Contribution - external NZ\$m (Contribution %)		
Perpetual Licenses	3.2	5.5
Implementation Services	4.4 28%	3.2 22%
Support Services	8.5 87%	9.9 89%
Managed Services	0.1 10%	(0.6) (86)%
Sales, Marketing and G&A	(8.9)	(10.3)
Other	0.1	-
Contribution	7.4	7.7



Services Contribution

NZ\$m	FY2017 NZ\$m	FY2016 NZ\$m
Implementation Services		
Operating revenue	58.8	67.4
Contribution	11.3	10.2
<i>Contribution %</i>	19%	15%
Support Services		
Operating revenue	40.5	40.9
Contribution	36.2	35.0
<i>Contribution %</i>	89%	86%
Managed Services		
Operating revenue	51.9	47.0
Contribution	12.6	5.0
<i>Contribution %</i>	24%	11%

Implementation Services

- Improvement from 15% to 19% contribution margin reflecting ability to adjust cost base against workload
- Completion of legacy projects expected to further assist contribution margins in the future
- Continued investment in deployment automation will assist contribution margins

Support Services

- 3% contribution margin improvement reflects ongoing business efforts to achieve efficiencies in service

Managed Services

- 13% contribution margin improvement
- Contribution improvement reflects customers added to SaaS environment against a backdrop of fixed costs
- New customers continue to be added at high contribution margins



FY2018

Outlook

Outlook - Revenue

- ▶ We are expecting operating revenue growth in FY2018 of 0% to 10% in constant currency. At current exchange rates this would result in Operating Revenue of NZ\$200m to NZ\$220m
- ▶ Given the uncertainty of the Manifest Medex position, the company has budgeted for a material reduction in revenue from Cal Index in FY2018 with the result that the company's recurring revenue percentage is expected to drop just below 40% for the current year
- ▶ Longer term we are focused on increasing health records managed by Orion Health software, increasing the proportion of recurring revenue (with a five year target of ~60%) and expanding contribution margins earned



Outlook – Driving to Profitability

- ▶ We are actively managing costs to achieve our objective of driving to profitability during 2H2018
- ▶ Organisational review during April 2017 has reduced business headcount by 76 and will reduce costs by ~\$10m on an annualised basis
- ▶ Budgeted costs for FY2018 reflect:
 - Reductions in costs (with the potential for further reductions)
 - Expected contribution margin improvement in implementation services, partially reflecting completion of some unsatisfactory legacy projects
 - Migration of existing customers to AWS to create efficiencies and eliminate duplicate costs
- ▶ We expect continued operating losses in 1H2018 given seasonality trends, of a similar magnitude to 1H2017. 1H2017 was strengthened significantly by a large one off licence sale. The 1H2018 loss is expected to be substantially offset by the planned material improvement in 2H2018
- ▶ Operating cashflow is expected to follow our earnings profile (absent large one off sales on non standard payment terms)



Outlook – Strategic Review

- ▶ As part of the recent strategic review (which was focused on sources of additional capital including minority investments in the Company), we also received expressions of interest outside the original review scope. Consequently, we have decided to widen and extend the review to explore that interest, focused on ways to maximise shareholder value and deliver outcomes that are in the best interests of all stakeholders



Senior Leadership Team Additions



Teri Thomas

Executive Vice President, Global Sales, Marketing and Strategy

- ▶ Senior leadership team enhanced by two recent high-profile appointments:
 - Vice President for Global Sales, Marketing and Strategy, Teri Thomas, was previously Vice President at leading US health IT vendor, Epic Systems Corporation



Mark Tisdel

CFO (Incoming)

- Incoming Chief Financial Officer, Mark Tisdel, was recently Senior Vice President and CFO at Model N, Inc., a NYSE-listed revenue management software company which provides solutions for the life science and high tech industries



Shareholder

Rights Offer

Summary of Offer

- ▶ Orion Health is seeking to raise approximately NZ\$32m of new equity through a pro-rata Rights Offer (the 'Offer')
- ▶ All Eligible Shareholders have equal opportunity to participate in the Offer, and rights will trade on the NZX Main Board
- ▶ 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. The balance of the \$32m offer will be underwritten by First NZ Capital



Summary of Offer Terms

Component	Description
Offer size	Approximately NZ\$32m
Offer ratio	2 for 9
Offer price	NZ\$0.90 per share (A\$0.85 per share for eligible Australian shareholders)
Offer price discount	21.4% discount to the theoretical ex-rights price of NZ\$1.145 as at 29 May 2017
Number of New Shares offered	Up to 35,542,501 New Shares
Eligible Shareholders	A Shareholder, as at 7.00pm (NZ time) on the Record Date, that either has a registered address in New Zealand or Australia or is an institutional investor in Hong Kong and Singapore or that Orion Health is otherwise satisfied can participate in the Offer without the need for significant additional formality, who in any case is not in the United States and not acting for the account or benefit of a person in the United States
New Shares	Shares of the same class as, and that rank equally with, existing ordinary shares
Rights trading	Rights not taken up may be sold on the NZX Main Board
Underwriting	The Offer is underwritten, with the exception of 20,642,081 commitments received, by First NZ Capital Securities Limited



Offer Timetable

Key Event	Date
Rights Offer announced	Tuesday, 30 May 2017
Rights trading commences on the NZX Main Board	Wednesday, 7 June 2017
Record date for determining Rights	Thursday, 8 June 2017
Offer Document, Acceptance Forms sent to Eligible Shareholders	Tuesday, 13 June 2017
Rights Offer opens	Wednesday, 14 June 2017
Rights trading ceases on the NZX Main Board	Friday, 23 June 2017
Rights Offer closes	7.00pm (NZT), Thursday, 29 June 2017
New shares allotted and quoted on the NZX Main Board and ASX	Tuesday, 4 July 2017
Mailing of Holding Statements	By 10 July 2017

Dates are indicative and may change. Please refer to the Offer Document, once available, for further details.



Appendix

Research and Development

R&D Investment	FY2017	FY2016
R&D expenditure NZ\$m	64.0	62.8
R&D as proportion of Operating Revenue %	32%	30%
R&D headcount (at 31 March)	542	525

- Increase in headcount in FY2017 is reflected in additional expense
- R&D as a proportion of Operating Revenue has increased from 30% to 32%. On a constant currency basis there has been no change in this ratio
- R&D as a proportion of Operating Revenue in the future expected to decrease as a result of growth in Operating Revenue
- Organisational review undertaken in April 2017 has led to a decrease in headcount of 40 in R&D. Expense in FY2018 expected to decrease on a gross basis as a result of the organisational review



Summary Regional Performance

NZ\$m	FY2017	FY2016	2H2017	1H2017	2H2016	1H2016
North America						
Operating Revenue	129.5	125.4	59.8	69.7	63.1	62.3
Operating Expenses (before abnormal items)	(91.6)	(113.2)	(44.0)	(47.6)	(55.9)	(57.3)
Regional Contribution	37.9	12.2	15.8	22.1	7.2	5.0
<i>Contribution</i>	29%	10%	26%	32%	11%	8%
EMEA						
Operating Revenue	38.6	48.4	20.7	17.9	25.6	22.8
Operating Expenses	(33.9)	(33.2)	(15.4)	(18.5)	(17.6)	(15.6)
Regional Contribution	4.7	15.2	5.3	(0.6)	8.0	7.2
<i>Contribution</i>	12%	31%	26%	(3%)	31%	32%
APAC						
Operating Revenue	30.2	32.4	14.0	16.2	16.2	16.2
Operating Expenses	(22.8)	(24.7)	(10.3)	(12.5)	(11.7)	(13.0)
Regional Contribution	7.4	7.7	3.7	3.7	4.5	3.2
<i>Contribution</i>	24%	24%	26%	23%	28%	20%



Headcount Table by Year

(as at 31 March)

	FY2017	FY2016
Research and development	542	525
Sales and marketing	106	109
Support services	39	43
Implementation services	304	313
Managed services	87	67
General and admin	146	154
Total	1,224	1,211



Constant Currency Analysis

	FY2017	FY2016	Change (%)
Operating Revenue			
North America	140.4	128.8	9%
EMEA	46.9	49.9	(6)%
APAC	30.8	32.5	(5)%
Corporate	0.7	0.7	0%
Total	218.8	211.9	3%
Operating Contribution			
North America (pre abnormal items)	41.3	12.3	236%
EMEA	6.7	15.9	(58)%
APAC	7.3	7.6	(4)%
Corporate	(0.4)	(0.4)	0%
Total	54.9	35.4	55%

Constant currency analysis is non-GAAP financial information, as defined by the NZ Financial Markets Authority. It has been provided to assist users of financial information to better understand and assess the company's relative performance without the impact of foreign currency fluctuations .

The significant exchange rates used in the constant currency analysis, being the budget exchange rates for the year ending 31 March 2017, are USD 0.65, GBP 0.44, CAD 0.88, EUR 0.62, AUD 0.91



Orion Health Revenue Pipeline

As at April 2017 the company's FY2018 revenue pipeline of identified opportunities was estimated to be NZ\$380m, broadly assessed by management to comprise:

- ▶ Contracted: NZ\$107m
- ▶ Likely: NZ\$104m
- ▶ Possible: NZ\$58m
- ▶ Early sales stage: NZ\$111m

The actual Operating Revenue for any financial year includes material amounts which are new opportunities arising during the course of the year; caution needs to be applied therefore in utilizing this information



A background grid of 1000 light gray human icons. One icon in the lower-left quadrant is highlighted in orange.

ORION
HEALTH

