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September 16th, 2015

Constellation Healthcare Technologies, Inc. (“Constellation”, “CHT” or “the Company”)

Acquisition of the business and assets of NorthStar First Health

Highlights

- CHT to acquire NorthStar First Health for a maximum consideration of \$18M
- 64% of the consideration is to be paid in cash and 36% in CHT shares
- The acquisition will increase CHT’s collections on behalf of doctors by \$170M annually
- Post-acquisition the Company will have a run rate of approximately \$1.5B of collections annually for doctors and healthcare professionals
- This acquisition will see CHT’s platform servicing approximately 6,000 doctors and healthcare professionals in the US

Constellation Healthcare Technologies, Inc., the US based Healthcare Services Company, is pleased to announce the acquisition of the business and assets (on a debt free/cash free basis) of NorthStar First Health LLC (NorthStar), a New Jersey based Revenue Cycle Management (“RCM”) business with a presence in Michigan, Texas and Illinois. This is the second acquisition made by CHT this year.

The Company will pay a maximum consideration of up to \$18.0M for NorthStar which will be satisfied through a mixture of cash and shares in Constellation. The maximum number of shares that could be issued under the sale and purchase agreement is 2,991,808 based on an issue price of £1.42. The Company has undertaken to issue this number of shares to an escrow account and these shares will be released from the escrow account to the sellers based on the fulfilment of certain revenue and EBITDA targets being met by NorthStar. If the targets are not fulfilled then the shares held in escrow will revert to the Company for cancellation. The Company intends to make application for the 2,991,808 new shares to be admitted to trading on AIM following their issue to the escrow account which is due to occur in the next 90 days pursuant to the terms of the sale and purchase agreement.

NorthStar First Health, LLC

NorthStar offers a full service solution for healthcare providers via three complimentary lines of business.

- The RCM Management Services business is focused on managing and optimizing billing operations for healthcare providers through the full or partial outsourcing of the client's billing process.
- The RCM Consulting Services business assesses RCM processes for medical practices and offers customized solutions to help them achieve significant improvements to profitability as well as auditing other billing companies.
- The RCM Technology Services business provides technology solutions to clients in the areas of practice management, RCM, business intelligence and electronic health records together with recurring support and maintenance contracts.

NorthStar provides RCM services to a stable client base of healthcare providers under recurring revenue contracts. It has 77 retained clients, which account for approximately 80 per cent of revenue. It employs approximately 233 people, of which 125 are based in the United States, with the remainder in India in their wholly owned BPO facility. CHT will utilize its existing BPO units in India to leverage the outsourcing works and expect to generate savings in costs which will expand EBITDA margins.

In the year to 31 December 2014, NorthStar First Health generated revenues of \$7.9M, underlying EBITDA of \$1.9M, pre-tax profits of \$1.9M and had net assets of \$0.9M as at that date.

Paul Parmar, CEO of Constellation Healthcare Technologies said,

“We continue to secure revenue and earnings enhancing businesses in the healthcare services space to complement our existing platform. NorthStar has an impressive senior leadership team, client coverage and technology suite which fits neatly into our long term vision for our Company.”

Sam Zaharis, CFO of Constellation Healthcare Technologies said,

“There will be an accretive impact to our existing business both financially and from a manpower and technology basis. This will impact both the top and bottom line of our business positively. I expect that the full synergistic benefit of this acquisition to come through later this year and over the first half of 2016. We continue to build an impressive pipeline of accretive transactions in our effort to consolidate the US healthcare services space”.

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