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23 September 2016

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

Acquisition of VEGA Medial Professionals LLC

Highlights

- CHT has acquired VEGA Medial Professionals LLC (“VEGA”) for a maximum consideration of \$24.0M including 3 years maximum consideration on earn outs
- 78% of the maximum consideration is to be paid in cash and 22% in CHT shares
- This acquisition will add a number of new areas of expertise to CHT and will broaden the overall offering available through the Group platform
- VEGA is a Revenue Cycle Management business focused on hospitals and independent practicing physician groups
- VEGA has a strong management team who will add valuable expertise and experience to CHT’s platform

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 VEGA Medical Professionals LLC (“VEGA”), a Revenue Cycle Management (“RCM”) businesses with a particular focus on hospitals and independent practising physician groups.

CHT will pay a maximum consideration of up to \$24.0M for VEGA that will be satisfied through a mixture of cash and shares in CHT. A proportion of the maximum consideration will be subject to the fulfilment of certain revenue and EBITDA targets being met by VEGA during the next three years. The cash element of the initial consideration (c\$14.4M) has been funded in part from the Company’s successful equity fundraise in January 2016 with the remainder coming from the proceeds of a three year term, unsecured loan of \$12.0M with a 7.5% rate of interest from First United Health LLC (“FUH”), an investment entity represented by Paul Parmar, CEO of CHT (“FUH Loan”). The FUH Loan can be converted into CHT equity in certain circumstances upon the election of either CHT or FUH at a price per share as mutually agreed upon and approved by the board of directors at the relevant time or at the price of a future equity fundraise subject to certain conditions. The balance of the initial consideration (c\$3.6M) has been satisfied by the allotment of 1,978,022 new Common Shares at a price of £1.40 each (“Consideration Shares”) to the vendors of VEGA, being the 90 day average price of a CHT share at the time that the acquisition was agreed in principle.

VEGA provides outsourced healthcare practice management and consulting services including outsourced billing, collections, operations and financial management to both independent and hospital based physician groups. The acquisition of VEGA will, in particular, provide CHT with expertise in hospital based billing through its offices located in New York, New Jersey, Texas, and Pennsylvania.

In the year to 31 July 2016 VEGA generated revenues of \$15.6 million with underlying EBITDA of \$0.8 million and had net assets of \$2.9 million as at that date. The directors anticipate that the synergies between the two businesses will result in at least \$7.0 million of additional EBITDA on a proforma basis being achieved in the first 24 months of ownership.

This is the fifth acquisition by Constellation since its successful IPO on AIM in December 2014 and is expected to be earnings enhancing in the first year of ownership. The acquisition is consistent with Constellation's strategy of buying healthcare service businesses that complement the existing platform and where there is significant scope of increasing revenue and profitability in the near to medium term. VEGA will, in particular, benefit from Constellation's proven ability to quickly improve operational efficiency and raise margins significantly.

Further to the above, application has been made for the Consideration Shares to be admitted to trading on AIM and admission is expected to occur on 30 September 2016 ("Admission"). Following Admission, the total number of issued common shares in the Company will be 91,357,782. The Company does not hold any common shares in treasury and therefore this figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company.

FUH is a related party of the Company as defined by the AIM Rules for Companies by virtue of it being an entity represented by Paul Parmar. The Directors of CHT, save for Mr Parmar, consider, having consulted with the Company's nominated adviser, finnCap, that the entering into of the FUH Loan by the Company with FUH is fair and reasonable insofar as the Company's shareholders are concerned.

Paul Parmar, CEO of Constellation Healthcare Technologies said,

"I am delighted to announce the acquisition of VEGA which is our second acquisition in 2016. Like previous acquisitions, this transaction will allow CHT to expand on existing skill sets whilst at the same time adding a new suite of hospital based billing expertise to our platform. The acquisition of VEGA provides further evidence of CHT's ability to identify and acquire quality businesses that have significant operational synergies that are accretive to our shareholders."

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