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September 18th, 2015

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

Acquisition of the business and assets of Phoenix Health LLC

Highlights

- CHT to acquire Phoenix Health LLC (“Phoenix Health”) for a maximum consideration of \$14.0M
- 75% of the consideration is to be paid in cash and 25% in CHT shares
- The acquisition will add a number of new areas of expertise to CHT and will broaden the overall offering available through the Group platform
- Phoenix Health encompasses a RCM billing company in the injury related claims space arising out of work place injuries or automobile related injuries
- CHT will gain a clearinghouse between physicians and insurance carriers by utilizing the web based claims system developed by Phoenix Health

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 Phoenix Health LLC, a New Jersey based group of Revenue Cycle Management (“RCM”) businesses as well as a national clearing house that operates in the worker’s compensation and automobile claims processing vertical for healthcare providers.

CHT will pay a maximum consideration of up to \$14.0M for Phoenix Health that will be satisfied through a mixture of cash and shares in CHT. The maximum number of shares that could be issued under the sale and purchase agreement is 1,569,506 based on an issue price of £1.44. 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 fulfillment of certain revenue and EBITDA targets being met by Phoenix Health. 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 1,569,506 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. This acquisition is funded in part from the proceeds from the follow-

on-equity raise by CHT earlier in the year and also from internal cash from operations.

This is the third acquisition by Constellation since its successful IPO on AIM in December 2014 and is expected to be immediately earnings enhancing. 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.

Phoenix Health has complementary businesses that will add a number of new areas of expertise to CHT and will broaden the overall offering available through the Group platform. Phoenix Health encompasses an RCM billing company in the injury related claims space arising out of work place injuries or automobile related injuries; two forms of claims that Constellation has not previously covered. It will also offer diagnostic radiology management services. In addition, the Company acts as a clearinghouse between physicians and insurance carriers by utilizing the web based claims system developed by Phoenix Health, which electronically connects medical bills, reports and supporting documentation from any billing software to any insurance carrier or third-party administrator.

Phoenix Health has the majority of its businesses based in New York and New Jersey, although it is poised to expand its operations across the USA, something that should be easier under the umbrella of the nationwide CHT platform. Phoenix Health employs approximately 138 people, all of whom are based in the United States. Within this total there are 111 back office staff and CHT expects to generate significant cost savings after the close of this transaction.

In the year to 31 December 2014 Phoenix Health generated revenues of \$9.8 million and underlying EBITDA of \$2.2 million and had net assets of \$1.1 million as at that date.

Paul Parmar, CEO of Constellation Healthcare Technologies said,

"The Phoenix Health transaction is CHT's fourth acquisition overall and the third since the IPO in December 2014. This transaction will allow CHT to develop an additional skill set and a lucrative revenue source in the workplace and automobile healthcare processing segment. This, coupled with efficiencies we will provide with our existing platform and technology suite, will make this acquisition accretive to shareholders and further cement our consolidated position of being one of the largest healthcare services companies in the US".

Sam Zaharis, CFO of Constellation Healthcare Technologies said,

"This acquisition clearly demonstrates to the market that our scaled platform is conducive to complementary business lines that will increase revenue and earnings for the business as a whole. There is real momentum in our business across all areas including organic growth".

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