

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN, INTO OR FROM THE UNITED STATES, AUSTRALIA, CANADA, THE REPUBLIC OF SOUTH AFRICA, JAPAN OR ANY OTHER JURISDICTION IN WHICH IT WOULD BE UNLAWFUL TO DO SO.

THE COMMON SHARES AND DEPOSITARY INTERESTS ISSUED IN RESPECT OF THE COMMON SHARES HAVE NOT BEEN REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") 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, OR TO OR FOR THE ACCOUNT OR BENEFIT OF US PERSONS, UNLESS THEY ARE REGISTERED UNDER THE SECURITIES ACT AND ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY SUCH SECURITIES LAWS IS AVAILABLE. HEDGING TRANSACTIONS INVOLVING THE COMMON SHARES, OR DEPOSITARY INTERESTS ISSUED IN RESPECT OF THE COMMON SHARES, MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

This announcement should be read in its entirety. In particular, you should read and understand the information provided in the section entitled "Important Notices" below.

11 December 2015

Constellation Healthcare Technologies, Inc.

Proposed Placing & Subscription to raise £30 million at 160 pence per share

Conditional Acquisition of MDRX Medical Billing LLC

The Company is pleased to announce its intention to raise £30.0 million (approximately \$45.5 million) (before expenses) by way of a placing of up to 16,471,195 new Common Shares with existing and new institutional investors at a price of 160 pence per new Common Share, together with a subscription by Paul Parmar, the Company's Chief Executive Officer, through First United Health, and Sotirios ("Sam") Zaharis, the Company's Chief Financial Officer, for in aggregate 1,969,375 new Common Shares on substantially the same terms. John Johnston and Sir Rodney Aldridge, both directors of the Company, are also proposing to participate in the Placing for in aggregate 337,500 new Common Shares. The Company also announced today that it had entered into a conditional share purchase agreement to acquire MDRX for up to \$30.0 million.

The Placing and the Subscription are each conditional, *inter alia*, on the passing by Shareholders of the Resolutions at the General Meeting which will give the Directors the required authority to allot the New Shares and to disapply pre-emption rights in respect of the issue of the New Shares on a non pre-emptive basis.

The proceeds of the Placing and the Subscription are intended to be used to fund the Acquisition and the costs associated with the Placing (amounting to approximately £19.6 million) with the balance of approximately £10.4 million intended for the Company's ongoing acquisitions strategy. The Acquisition is in line with the strategy set out by the Company at the time of its admission to AIM in December 2014, being the acquisition of healthcare service businesses that complement the Group's existing platform and/or where there is significant scope of increasing profitability in the near to medium term.

MDRX is a national provider of outsourced hospital practice management, private practice management and consulting services (including outsourced billing, collections, operations and financial management) to both independent and health system-based physician groups in the US. MDRX is based in Akron, Ohio and has offices in Chicago, Cincinnati, Cleveland, Columbus and Wheeling. MDRX offers a comprehensive set of turnkey healthcare management services which allow medical practices to improve their profitability, cash cycle management and operations workflow.

Under the terms of the Acquisition Agreement, Constellation will pay a maximum cash consideration of up to \$30.0 million (approximately £19.8 million), with \$28.0 million (approximately £18.4 million) payable upon completion and up to a further \$2.0 million (approximately £1.3 million) in cash based on the fulfillment of certain revenue targets by MDRX during the following two years. MDRX is being purchased on a cash free, debt free basis and is expected to be immediately earnings enhancing for the Group.

Paul Parmar, CEO of Constellation, said:

"Once again the Board is delighted with the positive endorsement CHT has received to its growing presence as a leading player in the \$37 billion Revenue Cycle Management industry in the United States. The acquisition of MDRX will be our fourth acquisition since IPO last year and we are very excited about its prospects in the context of the Group. I am very proud of the way that our business has grown since our debut on the London Stock Exchange in December last year. In 2015 we successfully hit a number of key milestones and look forward to 2016 being another defining year for CHT."

Enquiries:

Constellation Healthcare Technologies

Paul Parmar, Chief Executive Officer
Sotirios ("Sam") Zaharis, Chief Financial Officer

c/o Redleaf Polhill
+44 (0)20 7382 4730

finnCap - Nominated Adviser and Joint Broker

Julian Blunt / Scott Mathieson

+44 (0)20 7220 0500

Stifel - Joint Broker

Jonathan Senior / Ben Maddison

+44 (0)20 7710 7600

Redleaf - PR adviser

Charlie Geller

+44 (0)20 7382 4730
constellation@redleafpr.com

IMPORTANT NOTICES

This document does not constitute an offer to buy, acquire or subscribe for, or the solicitation of an offer to buy, acquire or subscribe for, New Shares (or depositary interests in respect of them) or an invitation to buy, acquire or subscribe for the New Shares (or depositary interests in respect of them) in any jurisdiction. This document has not been filed with, examined or approved by the Financial Conduct Authority or the London Stock Exchange or any other regulatory authority.

finnCap Ltd, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of the London Stock Exchange, is acting as nominated adviser and joint broker to the Company for the purposes of the AIM Rules. Stifel Nicolaus Europe Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is a member of the London Stock Exchange, is acting as joint broker to the Company for the purposes of the AIM Rules. finnCap Ltd and Stifel Nicolaus Europe Limited are each acting exclusively for the Company in connection with the Placing, and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in relation to the proposals in this announcement or any other matter referred to in this announcement. Neither finnCap nor Stifel are acting for the Company, or any other person, in connection with the Subscription. Neither finnCap nor Stifel have authorised the contents of this announcement for any purpose and, without limiting the statutory rights of any person to whom this announcement is issued, no representation or warranty, express or implied, is made by either finnCap or Stifel as to any of the contents or completeness of this announcement.

The distribution of this announcement outside the United Kingdom may be restricted by law and therefore any persons outside the United Kingdom into whose possession this announcement comes should inform themselves about and observe any such restrictions as to the Placing, the Subscription, the New Shares (or depositary interests in respect of them), the Existing Common Shares and the distribution of this announcement. Any failure to comply with such restrictions may constitute a violation of the securities laws of any jurisdiction outside of the United Kingdom. This announcement does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or to subscribe for, shares (or depositary interests in respect of them) in any jurisdiction in which such an offer or solicitation is unlawful. In particular, this announcement is not for release, publication or distribution, directly, or indirectly, in whole or in part, in, into or from the United States, Australia, Canada, the Republic of South Africa, Japan or to any US Person, or any national, resident or citizen of Australia, Canada, the Republic of South Africa or Japan. Except for the Subscription, no offering of Common Shares (or depositary interests in respect of them), or any other securities of the Company, is being made in the United States. This announcement, and the information contained herein, does not constitute an offer to sell or a solicitation of an offer to buy any Common Shares (or depositary interests in respect of them) or any other securities of the Company in the United States.

No person has been authorised to give any information or to make any representation other than those contained in this announcement (or the circular to be sent to Shareholders today) in connection with the Acquisition, Placing, Subscription and Admission and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Company, finnCap or Stifel or any of their respective directors, employees or officers.

Restrictions under the Securities Act

The Common Shares have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC"), any US state securities commission or any other regulatory authority

nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing, the Subscription or the accuracy or adequacy of this announcement. Any representation to the contrary is a criminal offence in the United States.

THE COMMON SHARES AND THE DIs HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, NOR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (4) PURSUANT TO ANOTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 OR RULE 144A UNDER THE SECURITIES ACT FOR THE RESALE OF COMMON SHARES OR DIs.

The Placing Shares and the DIs are being offered and sold outside the United States to non-US Persons pursuant to, and in accordance with, the requirements of Regulation S. The Placing Shares, and the DIs to be issued in respect of the Placing Shares, are not being offered or sold in the United States. The Subscription Shares are being offered and sold to First United Health pursuant to, and in accordance with, an exemption from the registration requirements of the Securities Act. The Common Shares and the DIs cannot be offered, resold, pledged or otherwise transferred in the United States or to US Persons except in accordance with the restrictions and procedures set forth under the heading “United States securities disclosures regarding transfers of Common Shares” below.

The Company is not subject to the periodic reporting requirements of the US Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). In order to permit compliance with Rule 144A in connection with resales of the Placing Shares, the DIs issued in respect thereof and the Subscription Shares, the Company agrees to furnish upon request of a shareholder or a prospective purchaser of Common Shares or DIs the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of such request the Company is not a reporting company under Section 13 or Section 15(d) of the Exchange Act.

Settlement and CREST

The EU Regulation on Central Securities Depositories (“**CSDR**”) was published on 28 August 2014. Article 3(2) of CSDR requires that where transactions in transferable securities take place on a trading venue, such as AIM, the relevant securities should be recorded in book entry form in a Central Securities Depository (“**CSD**”), such as CREST, on or before the intended settlement date (unless already so recorded). This requirement applies irrespective of whether the security is currently eligible for electronic settlement or not and applies to all transactions executed under the rules of the London Stock Exchange irrespective of whether or not the securities are issued by an EU-incorporated issuer.

The Company (in common with all other companies whose securities are admitted to trading on AIM and previously held in certificated form) has had to ensure that the Common Shares are eligible for electronic settlement through CREST. The Company therefore set up a facility to allow qualifying Common Shares to be settled in CREST in the form of DIs. DIs are uncertificated “mirror image”

securities constituted under English law representing the underlying shares and facilitate trading and settlement of shares of non-UK companies in CREST.

The Placing Shares, and the Depository Interests issued in respect of the Placing Shares, offered in the Placing are subject to the conditions listed under Rule 903(b)(3), or Category 3, of Regulation S. Under Category 3, Offering Restrictions (as defined in Regulation S) must be implemented in connection with the Placing and additional restrictions are imposed on re-sales of the Placing Shares and the Depository Interests issued in respect of the Placing Shares. Further details of these restrictions are set out below under the heading “United States securities disclosures regarding transfers of Common Shares”. All Placing Shares, and the Depository Interests issued in respect of the Placing Shares, are subject to these restrictions until the expiry of one year after the later of (i) the time when the Placing Shares, and the Depository Interests issued in respect of the Placing Shares, are first offered to persons other than distributors in reliance upon Regulation S and (ii) the date of closing of the Placing, or such longer period as may be required under applicable law (the “**Compliance Period**”).

United States securities disclosures regarding transfers of Common Shares

The Company’s Certificate of Incorporation includes certain provisions with respect to any transfer of its Common Shares or interests in such Shares. With respect to each transfer of Shares (or any interest in Shares) of the Company, at the time of such transfer and by virtue of giving effect to such transfer, the transferee shall have, and shall be deemed to have, acknowledged, represented, certified, warranted and agreed with the Company as follows (and upon request from the Company the transferee shall, and the transferor shall procure that such transferee shall, deliver to the Company a letter of confirmation to the following effect) (terms not otherwise defined below have the meanings given to them in Regulation S, Rule 144A or Rule 144 under the Securities Act, as applicable):

(a) The Shares have not been and will not be registered under the Securities Act.

(b) The transferee of the Shares or the relevant interest therein (or, if the transferee is acting on behalf of others, each beneficial owner of such Shares or interest) is either:

(i) a non-US Person, which non-US Person is not acquiring the Shares or the relevant interest therein for the account or benefit of any US Person, that purchased the Shares or the relevant interest therein outside the United States in an offshore transaction that qualifies for the exemption pursuant to Regulation S; or

(ii) a US Person that is a “qualified institutional buyer” within the meaning of Rule 144A that purchased the Shares or the relevant interest therein in a transaction that did not require registration under the Securities Act.

(c) The purchase or transfer of the Shares or the relevant interest therein is not a part of a plan or scheme to evade the registration requirements of the Securities Act.

(d) The transferee understands and agrees that any subsequent offer, resale, pledge or transfer of any of the Shares or the relevant interest therein may only take place in accordance with the legend set forth below and will notify any subsequent holder of such resale restrictions:

THE COMMON SHARES EVIDENCED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), NOR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A)(1) TO A PERSON WHOM THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A

QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATIONS UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (4) PURSUANT TO ANOTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR THE RESALE OF COMMON SHARES. HEDGING TRANSACTIONS INVOLVING THE COMMON SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

(e) The transferee acknowledges that the Company, its registrar, their agents and affiliates, and others will rely on the truth and accuracy of the foregoing acknowledgements, agreements, representations, certifications and warranties, consents to such reliance and agrees that, if any such acknowledgements, agreement, representations, certifications or warranties made or deemed to have been made by virtue of its purchase or the transfer of the shares or interests therein is no longer accurate, it shall promptly notify the Company and that in such circumstances the Company shall refuse to register such transfer or potentially revoke the registration of such transfer of shares or interests, and in any event may, if the Board so determines in its sole discretion, immediately purchase such shares or interests at a price equal to the lesser of the then current market price of or the price paid by such person for such shares or interests.

(f) The transferee acknowledges that the Company, its registrar or its/their agents reserve the right to make inquiries of any holder of the shares (or interests therein) at any time as to such person's status under US securities laws and, if any such person does not satisfy the Company that such person acquired the shares or interests therein in accordance with applicable US securities laws, the Company shall refuse to register such transfer or potentially revoke the registration of such transfer of shares or interests therein, and in any event may, if the Board so determines in its sole discretion, immediately purchase such shares or interests at a price equal to the lesser of the then current market price of or the price paid by such person for such shares or interests.

(g) The Board may determine in its absolute discretion that, as an alternative to the repurchase of any shares or interests therein by the Company pursuant to provisions (e) and (f) above, or pending any such repurchase, the holder and owner of such shares or interests therein shall be disenfranchised such that such person shall not be entitled to exercise (or to direct the exercise of) any voting rights with respect to such shares or interests therein or to exercise or enjoy any other right or privilege with respect to such shares or interests (including any dividends or other distributions otherwise payable) unless and until, in the opinion of the Board, the above provisions have been complied with or such repurchase has been effected.

Forward looking statements

This document contains forward-looking statements relating to the Company's future prospects, plans, developments and strategies, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements are identified by their use of terms and phrases such as "project", "expect", "potential", "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. By their nature, forward-looking statements involve risk and uncertainty

because they relate to future events and circumstances, including, but not limited to, economic and business conditions, the effects of continued volatility in credit markets, market-related risks such as changes in interest rates and foreign exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the further development of standards and interpretations under US GAAP applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under US GAAP, the outcome of pending and future litigation or regulatory investigations, the success of future acquisitions and other strategic transactions and the impact of competition. A number of these factors are beyond the Company's control. As a result, the Company's actual future results may differ materially from the plans, goals, and expectations set forth in the Company's forward-looking statements. Any forward-looking statements made in this document by or on behalf of the Company speak only as of the date they are made. These forward-looking statements reflect the Company's judgement at the date of this document and are not intended to give any assurance as to future results. Except as required by the FCA, the London Stock Exchange, the AIM Rules for Companies or applicable law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any changes in the Company's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Where relevant in this document, unless otherwise stated, US dollar amounts have been converted into Sterling at US\$1.518: £1.

Capitalised terms in this announcement have the same meaning given to them as defined in the Company's circular dated 11 December 2015 unless the context otherwise requires.

1. Introduction

The Company is pleased to announce its intention to raise £30.0 million (approximately \$45.5 million) (before expenses) by way of a placing of up to 16,471,195 new Common Shares with existing and new institutional investors at a price of 160 pence per new Common Share, together with a subscription by Paul Parmar, the Company's Chief Executive Officer, through First United Health, and Sotirios ("Sam") Zaharis, the Company's Chief Financial Officer, for in aggregate 1,969,375 new Common Shares on substantially the same terms. In addition, AAKB, a substantial shareholder in the Company has also agreed to subscribe for 310,625 new Common Shares on substantially the same terms. John Johnston and Sir Rodney Aldridge, both directors of the Company, are also proposing to participate in the Placing for in aggregate, 337,500 new Common Shares. The Company also announced today that it had entered into a conditional share purchase agreement to acquire MDRX for up to \$30.0 million.

The Placing and the Subscription are each conditional, *inter alia*, on the passing by Shareholders of the Resolutions at the General Meeting which will give the Directors the required authority to allot the New Shares and to disapply pre-emption rights in respect of the issue of the New Shares on a non pre-emptive basis. Subject to all relevant conditions being satisfied (or, if applicable, waived), it is expected that the New Shares will be issued and admitted to trading on AIM on 6 January 2016.

The Board believes that raising equity finance using the flexibility provided by a non pre-emptive placing is the most appropriate and optimal structure for the Company at this time. This allows both existing institutional Shareholders and new institutional investors the opportunity to participate in the Placing and avoids the requirement to publish a prospectus, which is a costly and time consuming process.

The proceeds of the Placing and the Subscription are intended to be used to fund the Acquisition and the costs associated with the Placing (amounting to approximately £19.6 million) with the balance of approximately £10.4 million intended for the Company's ongoing strategy. The Acquisition is in line with the strategy set out by the Company at the time of its admission to AIM in December 2014, being the acquisition of healthcare service businesses that complement the Group's existing platform and/or where there is significant scope of increasing profitability in the near to medium term.

The Company will later today publish a circular to Shareholders setting out details of these important developments which will also contain a notice of the General Meeting at which the Resolutions will be proposed to approve the Placing and the Subscription. The General Meeting has been convened for 10.00 a.m. on 5 January 2016 and will take place at the offices of Addleshaw Goddard LLP, Miton Gate, 60 Chiswell Street, London EC1Y 4AG.

The circular will further set out the Board's belief that each of the Resolutions is in the best interests of the Company and its Shareholders as a whole and its unanimous recommendation that Shareholders vote in favour of them, as each of them have irrevocably undertaken to do in respect of their own beneficial shareholdings, which in aggregate represent 1.1 per cent. of the Common Shares currently in issue. In addition to the Directors, certain other Shareholders have irrevocably undertaken to vote in favour of the Resolutions in respect of the Common Shares in which they are interested, amounting in aggregate to 49,699,602 Common Shares, representing approximately 71.5 per cent. of the Existing Common Shares.

2. Reasons for the Placing and use of proceeds

As made clear at the time of its admission to AIM, the Company's strategy incorporates a significant element of acquisitive growth. The gross proceeds of the Placing and the Subscription (£28.8 million) announced today will be used to fund the initial consideration payable for the acquisition of MDRX, amounting to \$28.0 million (approximately £18.4 million) as well as the costs associated with the Placing (amounting to approximately £1.2 million). The balance of proceeds (approximately £10.4 million) will be used for the Company's ongoing acquisitions strategy.

The Company has an existing presence in all of the states where MDRX conducts business and the Acquisition augments the number of physicians the Company has in those territories. The Directors believe that the Acquisition will help to build on the Company's reputation at the forefront of the consolidation of the RCM industry in the United States.

3. Information on MDRX

MDRX is a national provider of outsourced hospital practice management, private practice management and consulting services (including outsourced billing, collections, operations and financial management) to both independent and health system-based physician groups in the US. MDRX is based in Akron, Ohio and has offices in Chicago, Cincinnati, Cleveland, Columbus and Wheeling.

MDRX offers a comprehensive set of turnkey healthcare management services which allow medical practices to improve their profitability, cash cycle management and operations workflow through four complimentary lines of business:

- billing and collections services which provide outsourced billing and accounts receivable management to help healthcare providers optimize billing operations;
- hospital practice management services which provide workflow productivity and financial management solutions to improve practice efficiency and effectiveness;
- private practice management services which provide a wide range of services related to the management, organization and strategic planning of private practices including physician management, risk management, marketing, public relations and human resources; and
- consulting services provide a range of strategic advisory services including operational and financial consulting, workflow assessments, benchmarking and data analytics.

More than 80 per cent. of MDRX's revenues are derived from retained clients paying a combination of fixed fees and/or fees based on gross billing collections. These fees are complemented on the consulting side by shorter duration engagements (typically 6-12 months) with either fixed or time-based fees.

MDRX employs approximately 420 people, all of whom are all based in the United States. Within this total, there are 366 back office staff and the Directors estimate that 150 of these roles can be transitioned to India offering significant cost savings. It is intended that all of the senior management of MDRX will remain with the Company immediately following the Acquisition.

MDRX has developed a diverse base of billing, management and consulting clients and is currently advising approximately 150 active clients. Approximately 20 per cent. of MDRX's clients engage for multiple services and its top ten clients have an average working relationship of over four years.

In the year to 31 December 2014, MDRX generated revenues of \$31.5 million and adjusted EBITDA of \$4.7 million (\$3.4 million after \$1.3 million exceptional costs associated with investment in technology and other strategic initiatives) and had net assets of \$3.3 million as at that date. Unaudited management accounts for the 12 months to 31 August 2015 show revenues of \$31.6 million, underlying EBITDA of \$4.8 million and net assets of \$2.3 million as at that date.

4. Terms of the Acquisition

Under the terms of the Acquisition Agreement, Constellation will pay a maximum cash consideration of up to \$30.0 million (approximately £19.8 million). The maximum aggregate purchase price of \$30.0 million is payable as follows: an initial cash consideration of \$28.0 million (approximately £18.4 million), upon completion and up to a further \$2.0 million (approximately £1.3 million), in cash based on the fulfillment of certain revenue targets by MDRX during the two years following completion of the Acquisition. The initial cash consideration will be funded from the proceeds of the Placing and Subscription. MDRX is being purchased on a cash free, debt free basis and is expected to be immediately earnings enhancing for the Group.

5. Information on the Placing and Subscription

The Company is proposing to raise £30.0 million (approximately \$45.5 million, before expenses) by way of a placing of up to 16,471,195 new Common Shares at a price of 160 pence per new Common Share and a Subscription for 2,280,000 new Common Shares at a price of 160 pence per Common Share. The New Shares will be placed with institutional investors introduced by finnCap, Stifel and Chrystal Capital (acting as sub-agent for each of finnCap and Stifel). The New Shares will represent approximately 21.2 per cent. of the Enlarged Share Capital. The Placing Price represents a discount of 10.6 per cent. to the closing mid-market price of 179 pence per Common Share as at 10 December 2015, the latest practicable date prior to the announcement of the Placing and Subscription. In connection with the Placing and Subscription, the Company has entered into the Placing Agreement pursuant to which finnCap and Stifel have each severally agreed, in accordance with its terms, to use reasonable endeavours to place the Placing Shares with institutional investors, directors and certain other existing Shareholders. In addition, First United Health, Sam Zaharis and AAKB have each agreed to subscribe for Subscription Shares. Neither the Placing nor the Subscription is underwritten and neither finnCap or Stifel are acting for the Company, or any other person, in connection with the Subscription.

The Placing and Subscription are conditional, *inter alia*, on:

- the passing (without amendment) of the Resolutions and such Resolutions becoming unconditional;
- the conditions in the Placing Agreement being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to Admission;
- the Acquisition Agreement not having lapsed or been terminated in accordance with its terms;
- Admission becoming effective by no later than 8.00 a.m. on 6 January 2016 (or such later time and/or date, being no later than 8.00 a.m. on 5 February 2016 as the Company, finnCap and Stifel may agree).

The Placing Agreement contains customary warranties given by the Company to finnCap and Stifel as to matters relating to the Group and its business and a customary indemnity given by the Company in respect of liabilities arising out of or in connection with the Placing. finnCap and Stifel (acting together) are entitled to terminate the Placing Agreement in certain circumstances prior to Admission, including

circumstances where any of the warranties are found not to be true or accurate or were misleading in any respect or the occurrence of certain *force majeure* events.

The New Shares will be issued credited as fully paid and will rank in full for all dividends and other distributions declared, made or paid after Admission in respect of the Common Shares and will otherwise rank on Admission *pari passu* in all respects with the Existing Common Shares. The New Shares, and the DIs to be issued in respect thereof, are not being made available to the public and are not being offered or sold in any jurisdiction where it would be unlawful to do so.

The Placing Shares represent approximately 18.7 per cent. of the Enlarged Share Capital and the Subscription Shares represent approximately 2.6 per cent. of the Enlarged Share Capital.

The Common Shares and the DIs issued in respect thereof, have not been registered under the Securities Act 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, or to or for the account or benefit of US Persons, unless they are registered under the Securities Act and any applicable securities laws of any state or other jurisdiction of the United States, or an exemption from the registration requirements of the Securities Act and any such securities laws is available. Hedging transactions involving the Common Shares, or the DIs issued in respect of the Common Shares, may not be conducted unless in compliance with the Securities Act.

Application will be made to the London Stock Exchange for the New Shares to be admitted to trading on AIM. On the assumption that, *inter alia*, the Resolutions are passed and become unconditional, it is expected that Admission will become effective and that dealings in the New Shares will commence on 6 January 2016. Following Admission of the New Shares the Company will have 88,303,132 Common Shares in issue. 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.

Director participation

Paul Parmar, Sam Zaharis, John Johnston and Sir Rodney Aldridge have each agreed to participate in, as the case may be, the Subscription or the Placing for an aggregate amount of £3.7 million. The table below sets out the interests of the Directors and their families, as at 10 December 2015 (being the last practicable date prior to the publication of this announcement) and following Admission, assuming issue of all of the New Shares.

	<i>Current holding</i>		<i>Following Admission</i>		
	<i>Number of Common Shares</i>	<i>%</i>	<i>Number of New Shares subscribed pursuant to the Placing or Subscription</i>	<i>Number of Common Shares</i>	<i>%</i>
Paul Parmar and family	40,234,083	57.85	1,658,750	41,892,833	47.44
John Johnston	29,630	0.04	25,000	54,630	0.06
Sotirios Zaharis	-	-	310,625	310,625	0.35
Ravi Chivukula	-	-	-	-	-
Sir Rodney Aldridge	740,741	1.07	312,500	1,053,241	1.19
David Clark	14,815	0.02	-	14,815	0.02
Mark Feuer	-	-	-	-	-

Settlement and dealings

The Placing Shares, and the DIs to be issued in respect of the Placing Shares, are subject to the conditions listed under Rule 903(b)(3), or Category 3, of Regulation S. Under Category 3, Offering Restrictions (as defined in Regulation S) must be implemented in connection with the Placing and additional restrictions are imposed on re-sales of the Placing Shares and the DIs to be issued in respect of the Placing Shares. Further details of these restrictions are set out above under the heading “United States securities disclosures regarding transfers of Common Shares”. All Placing Shares, and the DIs issued in respect of the Placing Shares, are subject to these restrictions until the expiry of one year after the later of (i) the time when the Placing Shares, and the DIs issued in respect of the Placing Shares, are first offered to persons other than distributors in reliance upon Regulation S and (ii) the date of closing of the Placing, or such longer period as may be required under applicable law.

6. Progress since admission to AIM in December 2014

Since the Company’s successful admission to trading on AIM in December 2014, which raised gross proceeds of approximately £9.6 million, and the subsequent placing in June 2015 raising approximately £12.9 million, the Directors believe that the Group has made good progress towards its stated strategy of pursuing growth, both organically and through acquisitions, and enhancing earnings for Shareholders. The Company and its management team have successfully demonstrated their ability both to acquire and integrate healthcare services companies and to grow the business organically with the addition of new clients. Since admission to AIM, the Company has successfully completed three acquisitions, all in line with its stated strategy in the Admission Document. The Company has acquired Physicians Practice Plus, Inc. (March 2015), NorthStar First Health LLC (September 2015) and Phoenix Health LLC (September 2015) at an aggregate initial consideration of \$40.1 million (\$52.0 million in aggregate subject to achievement of specified post deal targets).

Interim results for the six months ended 30 June 2015

The Group’s unaudited financial results for the six months ended 30 June 2015, as announced on 17 September 2015, reported Group revenues of \$32.0 million which was a 26 per cent. increase compared with the same period last year. Within this, the core US Medical Billing division grew sales by 53 per cent., of which organic growth was 14 per cent. EBITDA increased materially from \$7.5 million in the

first half of 2014 to \$9.5 million in the first half of 2015, an increase of 27 per cent. Again, this was driven by the Medical Billing division, which saw a rise of 56 per cent.

In addition, the Company reported a small increase in EBITDA margin from 29.7 per cent. in the first half of 2014 to 29.9 per cent. in the first half of 2015, despite the inevitable additional costs associated with being a public company and the short-term dilution from acquisitions prior to the ramp up in planned cost savings.

The Group has continued to focus its build out across all three divisions, enhancing both its Practice Management (“**PM**”) and its Group Purchasing Operations (“**GPO**”) businesses during the period. The PM and GPO divisions generated \$0.6 million and \$1.9 million EBITDA contributions respectively in the first six months of 2015.

Current trading and outlook

On 19 November 2015, the Company announced that, based on year to date trading, the Board expects the full year EBITDA of the Company to be towards the top-end of market expectations. EBITDA performance is being driven by greater than expected organic growth, the continued optimisation of the Company’s operations and the acquisitions’ integration programme being ahead of schedule.

The Company has referred previously to its intention to optimise its capital structure as a necessary adjunct to its acquisitions strategy. The Group has made good progress in paying down a significant portion of its senior debt from internal cash generation; as of 30 June 2015 its senior debt exposure stood at \$17.2 million, down from \$21.0 million at 31 December 2014 and has continued to reduce since the end of June. The Company’s process of evaluating options that will allow us to cut its interest expense further is ongoing and further updates will be provided in due course.

The Board believes that the macro-economic environment remains favourable to the Group's business. The Board believes that the service the Group provides is vital in all economic environments and that the US healthcare policy environment, and any potential future iterations of it, is very conducive to the Group's business, even in a weaker economic environment. The current rise in the consumerisation of healthcare services coupled with increased regulatory complexities for doctors and payers, against the back drop of trying to contain costs of healthcare, make the Group's business truly relevant for today and the future.

Board changes

In July 2015 the Company announced the appointments of Sir Rodney Aldridge and Sotirios (“Sam”) Zaharis to the Board of Constellation as Non-Executive Director and Chief Financial Officer respectively. Both bring a wealth of experience with them and considerably enhance the range of abilities on the Board.

Sir Rodney Aldridge is the founder of the Capita Group and led the company from a start-up in 1984 to his retirement in 2006. During this time, the Capita Group grew to become a FTSE 100 company and a market leader in the provision of support and professional services to the government and private sector in the UK. Sir Rodney was awarded an OBE in the 1994 New Year's Honours List and was given the freedom of the City of London in 1996. In 2006 he was elected fellow of the Royal Society of the Arts and in 2012 he received a knighthood. Since the Company’s admission to AIM in December 2014 Sir Rodney has been the beneficial owner of 740,741 Common Shares representing 1.07 per cent. of the issued share capital of the Company.

Sam Zaharis is a qualified Chartered Accountant with over 25 years' corporate experience. Most recently he served as Chief Financial Officer for Yarra Valley Farms, a wholesale supplier of fruit and vegetables servicing the commercial and hospitality industries in Australia. He has also held roles at Ernst & Young, Ferrier Hodgson and Kroll Inc., and previously worked with Paul Parmar to set up and establish Pegasus Blue Star Fund.

7. Related party transactions

First United Health, an investment entity controlled by Paul Parmar, a Director, has conditionally agreed upon the terms of the Placing Agreement described above, to subscribe for 1,658,750 new Common Shares at 160 pence per Common Share resulting in proceeds to the Company of £2.65 million payable in cash by no later than midday on the business day prior to Admission.

Sam Zaharis, a director of the Company, has conditionally agreed upon the terms of the Placing Agreement described above, to subscribe for 310,625 new Common Shares at 160 pence per Common Share resulting in proceeds to the Company of £497,000 payable in cash by no later than midday on the business day prior to Admission.

John Johnston, a director of the Company, has agreed to participate in the Placing for 25,000 new Common Shares.

Sir Rodney Aldridge, a director of the Company, has agreed to participate in the Placing for 312,500 new Common Shares.

AAKB, a substantial shareholder in the Company and a related party for the purposes of the AIM Rules, has conditionally agreed upon the terms of the Placing Agreement described above, to subscribe for 310,625 new Common Shares at 160 pence per Common Share resulting in proceeds to the Company of £497,000 payable in cash by no later than midday on the business day prior to Admission. Following Admission, AAKB will be beneficially interested in 9,776,144 Common Shares representing 11.1 per cent. of the Enlarged Share Capital.

Constellation Health, the controlling shareholder of the Company (and controlled by Paul Parmar), and Paul Parmar, entered into a relationship agreement with the Company prior to its admission to trading on AIM in December 2014 pursuant to which, *inter alia*, Constellation Health agreed not to vote in favour of any resolution which is intended to circumvent Shareholders' pre-emption rights as set out in the Certificate of Incorporation. The irrevocable undertaking to vote in favour of the Resolutions entered into between Constellation Health and the Company includes a waiver by the Company of this restriction in relation to such votes by Constellation Health.

The Independent Directors consider, having consulted with finnCap, that the subscription by First United Health, Sam Zaharis and AAKB, the participation in the Placing by Sir Rodney Aldridge and John Johnston and the grant of the waiver by the Company described above are each fair and reasonable insofar as the Shareholders are concerned.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy for the General Meeting	10.00 a.m. on 3 January 2015
General Meeting	10.00 a.m. on 5 January 2016

Admission effective and dealings in the New Shares expected to commence on AIM

8.00 a.m. on 6 January 2016

Crediting of CREST accounts in respect of New Shares held as Depository Interests (where applicable)

6 January 2016

Dispatch of definitive share certificates in respect of New Shares (where applicable)

by 20 January 2016