Totally plc
(“Totally”, “the Company” or the “Group”)

Proposed Acquisition of Vocare Limited – UK Urgent Care Specialists - for up to £11.0 million

Notice of General Meeting

and restoration of trading on AIM

Totally plc (AIM: TLY), the provider of a range of out-of-hospital services to the UK healthcare sector, announces it has conditionally agreed to acquire the entire issued and to be issued share capital of Vocare Limited (“Vocare”), one of the leading providers of urgent care services in the UK, for a consideration of up to £11.0 million (the “Acquisition”) on a cash free and debt free basis, with a normalised level of working capital.

The Directors believe that the Acquisition marks a transformational step for Totally in the implementation of its stated buy and build strategy as it looks to become a leader of ‘Out-of-Hospital’ care in a growing UK market estimated to be worth in excess of £20 billion per year.¹

Vocare is one of the leading providers of integrated urgent care services to the NHS throughout the UK including GP out-of-hours services, the NHS 111 service via its call centres and urgent care centres working in conjunction with NHS A&E departments. Vocare provides healthcare services to CCGs covering approximately 9.2 million patients nationally.

Strategic Rationale

- The Acquisition allows the Group to obtain a foothold in the growing urgent care sector in the UK and the Board believes it will provide the Company with a strong and commercially attractive opportunity to grow the Group and provide more comprehensive and national services in the out-of-hospital care sector.

- Vocare’s integrated urgent care services offer synergies with Totally’s existing subsidiary businesses and complement its business model of providing preventative and responsive healthcare in ‘Out-of-Hospital’ settings to improve people’s health, reduce patient NHS healthcare reliance, re-admissions and emergency admissions to hospital.

- Totally to benefit from Vocare’s innovative approach to the delivery of integrated urgent care services in the UK which provides the whole care pathway for urgent care (GP out-of-hours, NHS 111 and urgent care centres) which the Directors believe is rare for businesses operating in the urgent care sector.

- The Directors believe that there is increasing demand and significant market opportunity for urgent care services nationwide and a need to develop innovative delivery models to support
the delivery of key NHS national performance targets. Key publications such as Sir Bruce Keogh’s Urgent and Emergency Care Review, which calls for the provision of urgent care services outside of hospitals, and NHS England’s Commissioning Standards for Integrated Urgent Care (including NHS 111 and GP Out of Hour Services) clearly demonstrate the potential market for Vocare’s services.

- The Enlarged Group will gain access to Vocare’s established regional presence across the UK, opening up additional NHS partnerships and contracts and enhancing and diversifying its range of services to offer integrated healthcare solutions across the whole spectrum of out-of-hospital care.

- Vocare has experienced substantial revenue growth with revenue growing from approximately £32.4 million in the financial year ended 31 March 2015 to approximately £76.8 million in the year ended 31 March 2017 (equivalent to 137 per cent. growth over the two financial years). This revenue growth has been driven by Vocare securing substantial new contracts covering both NHS 111 services and urgent care.

- Totally’s management anticipate expediting the turnaround in Vocare’s quality of service following recent inspections and reports published by the Care Quality Commission concerning inadequacies in certain of Vocare services.

1 Centre for Health and the Public Interest: The contracting NHS - can the NHS handle the outsourcing of clinical services? (2015)
2 https://www.england.nhs.uk/2013/11/keogh-urgent-emergency/
3 https://www.england.nhs.uk/2015/10/nhs111-urgent-care/

transaction highlights

- Total maximum consideration for the Acquisition is £11.0 million on a cash free and debt free basis, with a normalised level of working capital.

- Acquisition to be satisfied through the payment of £6.5 million in cash from the Company’s existing cash resources upon Admission, together with the issue of 7,306,889 new Ordinary Shares in the Company, at a price of 47.9p, being equal to £3.5 million and up to a further £1.0 million may be payable subject to the achievement of an earn out based on the EBITDA of Vocare for the year ended 31 March 2018.

- Acquisition is conditional upon, inter alia, the Resolutions being passed at the General Meeting and on Admission.

- On Admission, the Company will have a market capitalisation of approximately £28.70 million, based on a mid-market price of 48.0 pence of an Ordinary Share on 21 July 2017, the date on which the Existing Ordinary Shares were suspended from trading on AIM in connection with the Acquisition.

- Proposed appointment of Lisa Barter as Finance Director with effect from 24 October 2017 in conjunction with Don Baladasan (the Group’s Existing Finance Director) moving to become a Non-Executive Director of the Enlarged Group. Prior to joining Totally in August 2017, Lisa was the Head of Divisional Finance for the healthcare division of Care UK.
• Proposed change of accounting year end from 31 December to 31 March to be aligned with Vocare and the NHS.

Wendy Lawrence, CEO of Totally, commented,

“We are delighted to announce this pivotal acquisition for Totally, a key milestone in our buy and build strategy as we continue to act as a consolidator within the fragmented UK healthcare market and build ourselves as a leading out-of-hospital healthcare services provider. We believe this acquisition will add critical mass and significantly strengthen and augment our market positioning thanks to the operational and financial benefits it brings. Vocare is one of the leading providers of outsourced urgent care services, which is highly complementary to Totally’s business model and offers synergies with our existing businesses allowing us to further enhance and diversify our offering.

“At Totally we remain committed to delivering on our objectives and vision, both in terms of increasing value for our shareholders through growth and ultimately providing a best in class healthcare service in the UK to help patients access high quality healthcare services with the aim of improving people’s health and keeping people out-of-hospital.

“I look forward to updating the market in due course as we look to complete and integrate this latest Acquisition into the Group and continue to build the Company into one of the leading providers of out-of-hospital care in the UK.”

Publication of Admission Document

Given the scale of the Acquisition when compared to the existing Group, the transaction will constitute a reverse takeover pursuant to Rule 14 of the AIM Rules for Companies and requires the Company to issue an admission document and is conditional, inter alia, on approval by Shareholders of the Resolutions to be proposed at a General Meeting of the Company to be held on 23 October 2017, notice of which is set out at the end of the Admission Document. The Company has published the Admission Document, including details of the General Meeting and Resolutions, which will be posted to Shareholders today and will be available shortly to download from the Company's website (www.totallyplc.com).

The Directors consider the Acquisition to be an exciting opportunity and consider that the Acquisition is in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do in respect of their beneficial holdings of Ordinary Shares.

Restoration of trading on AIM

Trading in the Company’s Ordinary Shares was suspended on 21 July 2017 following the Company signing heads of terms with Vocare in connection with the Acquisition. Following publication of the Admission Document it is expected that the suspension of the Existing Ordinary Shares will be lifted with effect from 7:30 a.m. on 6 October 2017.

Background details on Vocare

Vocare is a provider of healthcare services to both patients and Commissioners throughout the UK
through urgent care centres, GP out-of-hours services, the NHS 111 service and integrated urgent care services. Since 1996, Vocare’s management team has focused on providing safe and efficient clinical healthcare services in the community in close collaboration with the NHS and Vocare has developed into one of the leading UK providers of outsourced clinical healthcare services.

The majority of Vocare’s services are in partnership with the NHS and provide urgent care services to CCGs covering approximately 9.2 million patients across the UK through its service lines:

**NHS 111:** Is the NHS non-emergency number where patients can call 24 hours a day, 365 days a year. Healthcare advisers using the NHS Pathways Clinical Decision Support System and Digital Directory of Services can assess patient’s symptoms and immediately direct patients to the optimal medical care. These include the patient’s own GP practice, A&E, a GP out-of-hours service, an urgent care centre or a walk-in-centre, a community nurse, an emergency dentist or pharmacy. To support the NHS 111 services Vocare operate six call centres across the North East of England, Somerset, Devon, Staffordshire and South West London.

**Urgent care centres (‘UCC’):** The UCC is a relatively new model of care that has been developed as part of the drive from the NHS to relieve pressure from A&E departments by developing a broader and more integrated urgent care system. The fundamental role of the UCC is to improve the efficiency and productivity of the urgent care system and can be co-located at A&E departments or operate as a standalone walk-in centre. The co-located UCC is typically open 24/7 and is the front door to A&E. It treats patients with urgent non-serious illness and injury but transfers patients who need emergency care to A&E.

Vocare’s UCCs are managed around the UK and are aimed at treating patients with urgent conditions. They are mostly led by GPs, supported by a team of experienced nurse practitioners and operate on an appointment basis and/or a walk-in basis. UCC appointments are often booked by Vocare’s NHS 111 service, following a patient making an initial enquiry. In addition, a number of Vocare’s UCCs are situated in, or next to, either a hospital or an emergency treatment department. These centres aim to provide patients with same day urgent care, allowing A&E departments to focus on more life-threatening cases.

**GP out of hours services (‘GP OOH’):** Vocare operates GP Out-Of-Hours services in Northumberland, North Tyneside, Newcastle upon Tyne, Sunderland, Vale of York, Scarborough and Ryedale, North Staffordshire and Stoke, Stafford and Cannock, South Staffordshire and Seisdon Peninsular, East Staffordshire, Bath and North East Somerset, Somerset and South West London (sub-contracted to South East London Doctors).

These services are open in the evening, at weekends and on bank holidays and are provided by Vocare from its UCCs and a number of GP surgeries across the UK.

The GP OOH service consists of a call from a GP to the patient to assess the patient - the GP may offer the patient self-care advice, refer them to a hospital or arrange a face to face clinical consultation; a face to face consultation with a GP at an urgent care centre, often booked electronically by NHS 111; or a home visit where Vocare operates a fleet of liveried 4x4 cars with drivers for home visiting GPs.

**Integrated urgent care:** Integrated urgent care services involve two or more of the key services outlined above, being NHS 111, GP OOH and UCC operating as an integrated service. Vocare’s urgent
care services are categorised as integrated urgent care service in the following regions: Scarborough and Ryedale, Wolverhampton, Bath and North East Somerset and South West London. Vocare has been selected as the preferred provider for an integrated urgent care service in Wiltshire, which is expected, subject to contract, to commence on 1 May 2018.

Other services: Vocare provides other services including dental triage, acute visiting services, paramedic support and GP out of hours services for HMPS and private health providers.

For the year ended 31 March 2017 Vocare generated revenue of £76,754,000 and profit before tax of £281,000. As at 31 March 2017 net assets were £2.39 million.

Further details on Vocare, the Acquisition and the Strategy of the Enlarged Group are set out in the excerpts from the Admission Document below.

*Defined terms used in this Announcement shall have the same meaning as contained in the Admission Document.*

ENDS

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Introduction

On 6 October 2017, the Board announced that the Company had conditionally agreed to acquire the entire issued and to be issued share capital of Vocare, one of the leading UK specialist providers of urgent care services. The total consideration for the Acquisition is up to £11.0 million on a cash free and debt free basis, with a normalised level of working capital. The Consideration will be satisfied through the payment of £6.5 million in cash from the Company’s existing cash resources, £3.5 million through the issue of the Consideration Shares and up to £1.0 million subject to an earn out. The Directors believe the Acquisition represents a transformational step in the Group’s implementation of its stated buy and build strategy in the out-of-hospital healthcare sector.

Vocare is a provider of healthcare services to both patients and Commissioners throughout the UK through urgent care centres, GP out-of-hours services, the NHS 111 service and integrated urgent care
services. Since 1996, Vocare’s management team has focused on providing safe and efficient clinical healthcare services in the community in close collaboration with the NHS and Vocare has developed into one of the leading UK providers of outsourced clinical healthcare services.

The majority of Vocare’s services are in partnership with the NHS and provide urgent care services to CCGs covering approximately 9.2 million patients across the UK through its service lines:

- NHS 111, managed in the North East of England, Somerset, Devon, Staffordshire and South West London;
- Urgent care centres, managed around the UK aimed at treating patients with minor injuries and illnesses. This service aims to provide patients with same day urgent care, allowing A&E departments to focus on more life threatening cases;
- GP out of hours services, managed in Yorkshire, North Tyneside, Northumberland, Newcastle, Sunderland and Somerset. These services are open in the evening, at weekends and on bank holidays;
- Integrated urgent care, comprising a combination of the above service lines, are managed in Scarborough and Ryedale, Bath and North East Somerset, Wolverhampton and South West London; and
- Other services, including dental triage, acute visiting services, paramedic support and GP out of hours services for HMPS and private health providers.

The Board believes that there has been an overall trend for the NHS and local authorities to seek to move the less acute or critical components of patient care from larger hospitals into smaller NHS premises, such as general practitioners’ sites, or otherwise into community-based care, including urgent care centres. This process often takes place via outsourcing to private sector service providers such as Vocare.

The Directors believe therefore that there is a significant opportunity for Totally to build and develop a high quality diversified out-of-hospital UK healthcare services group. In order to facilitate this, the Board has adopted a ‘buy and build’ strategy. Following the acquisitions of Premier, About Health and Optimum Sports Performance in 2016, the Board believes that the Acquisition provides the Company with a strong and commercially attractive opportunity to further its buy and build strategy, grow the Group and provide more comprehensive and national services in the out-of-hospital care sector. In particular, the Acquisition allows the Group to obtain a foothold in the urgent care sector in the UK with Vocare being one of the leading privately owned providers of integrated urgent care services in the UK. The Board believes the services offered by Vocare are highly complementary to, and offer synergies with, the existing businesses of Totally.

**Background to and reasons for the Acquisition**

The Board believes Vocare to be a strong acquisition opportunity, for the following reasons:

- **Growing market for outsourced urgent care services**

The Directors believe that there is increasing demand and significant market opportunity for urgent care services nationwide and a need to develop innovative delivery models to support the delivery of key NHS national performance targets. Key publications such as Sir Bruce Keogh’s *Urgent and Emergency Care Review*, which calls for the provision of urgent care services outside of hospitals, and *NHS England’s Commissioning Standards for Integrated Urgent Care* (including NHS 111 and GP Out of Hour Services) clearly demonstrate the potential market for Vocare’s services.
• **Innovative delivery of Integrated Urgent Care services**

Vocare is an established provider of urgent care services with an innovative approach to the delivery of effective integrated urgent care services in that it provides the entire care pathway for urgent care (GP OOHs, NHS 111 and UCC’s) which the Directors believe is rare for businesses operating in the urgent care sector.

• **Development of a nationwide footprint**

Vocare operates across numerous regions in the UK including the North East, South West, Staffordshire, Yorkshire, East Midlands, the West Midlands and London. The Directors believe that this nationwide footprint of services will add the critical mass needed to significantly strengthen Totally’s offering in order to build the Company into a leading provider of out-of-hospital care across the UK.

• **Access to NHS partnerships and contracts**

The Directors believe that, due to Vocare’s widespread regional presence across the UK, the Acquisition will open up additional partnership and contract opportunities for Totally as well as increasing the breadth of NHS Commissioners with whom they contract their services.

• **Potential for enhancements to the operational performance of Vocare and the Enlarged Group**

Totally’s stated aim is to become a leading provider of out-of-hospital care in the UK. The Directors believe that its acquisitions during 2016 enhance the range of services provided by the Enlarged Group and its subsidiary companies. The Directors believe that both Vocare and the Enlarged Group will benefit from efficiencies and synergies generated by the Acquisition.

• **New services and opportunities for integration**

The acquisitions completed to date by Totally offer opportunities for the Enlarged Group to enhance the portfolio of services it delivers as part of an integrated urgent care service. Totally’s existing businesses provide a range of out-of-hospital services covering, *inter alia*, physiotherapy, community-based dermatology and clinical health coaching. The Board believe that these primary care-led services all add to and are well positioned to support Vocare in the provision of services it offers to patients, in line with NHS policy and its vision for the delivery of integrated urgent care services.

**Information on Totally**

Totally is a provider of a range of out-of-hospital services to the healthcare sector in the UK, both to the NHS and the private sector. Its services help patients access high quality healthcare services quickly and understand better healthcare options to promote self-care. Totally also supports the NHS to manage demand across its services and promote NHS policy of working in partnership to deliver high quality, integrated services aimed at keeping people out of hospital. By working to deliver sustainable self-care management solutions and provide access to high quality services, thereby reducing demand on NHS services, the Group’s goal is to reduce healthcare reliance, re-admissions and emergency admissions.

The Group provides a disruptive, outcome-based, outsourced service model across its business divisions to deliver a wide range of healthcare services across the UK, including contracts with several CCGs and other public and private sector organisations. Out-of-hospital healthcare includes urgent care and primary care, provided in: GP surgeries and community settings; prisons and other public organisations; private sector organisations; and office locations. The Group aims to provide care which
allows for hospital admissions to be avoided, resulting in a lower cost and better outcomes for patients. The Group offers a diverse range of healthcare services tailored to the needs of individual patients and the NHS, which provide interventions that seek to keep people healthier for longer, prevent admission to hospital, prevent ill health, reduce healthcare inequalities and ensure the efficient provision of primary healthcare and community/urgent care.

The Group has a stated ‘buy and build’ strategy in the UK out-of-hospital healthcare sector. The Group made three acquisitions in 2016 and raised approximately £18 million in February 2017 by way of a placing and open offer, in order to drive that strategy. The Company is focused on becoming a leading out-of-hospital healthcare provider in the UK, in a sector that the Directors believe is worth in excess of £20 billion per annum with spending on community healthcare set to increase rapidly (Source: Centre for Health and the Public Interest: The contracting NHS – can the NHS handle the outsourcing of clinical services? (2015)).

The Group’s existing business divisions are as follows:

**Premier**
Totally acquired Premier in April 2016 for a consideration of £6.75 million (subject to downwards adjustment). Premier is a provider of treatment and advice for musculoskeletal injuries and conditions, including delivering physiotherapy and podiatry treatment to NHS patients and police forces and at prison sites. Additionally, Premier has an expanding network of clinics located in health and fitness centres and also provides occupational health and ergonomic services to corporate clients, such as display screen equipment assessments, post-injury return to work suitability assessments and podiatry treatment. Since acquisition, Premier has secured 18 contracts worth in excess of £640,000 annually.

**About Health**
Totally acquired About Health in June 2016 for a consideration of up to £7.7 million. About Health is a provider of dermatology and referral management services to the NHS in the UK and has a track record of service delivery covering a population of almost three million people nationwide. Since acquisition, About Health has secured new contracts, pilot schemes and contract extensions worth in excess of £1.7 million per annum, including a three-year contract with NHS East Lancashire CCG for approximately £760,000 per annum. About Health’s reputation for quality has been recognised and it has been shortlisted for three consecutive years as “primary care provider of the year” at the Health Investor Awards.

**Optimum Sports Performance**
Totally acquired Optimum Sports Performance in November 2016 for a consideration of up to £650,000. Optimum Sports Performance is a provider of physiotherapy services at 23 clinics across 10 counties. It was one of the first physiotherapy providers in the UK to obtain ISO9001:2008 certification (an international standard related to quality management system) in 2013. Optimum Sports Performance offers physiotherapy treatment, shockwave therapy, acupuncture, pilates, Wattbike testing and ultrasonography.

**Totally Health – incorporating MyClinicalCoach**
Totally Health was established in 2011 and provides an innovative model of clinically-driven and personalised clinical health coaching to provide a range of services to patients with long-term health problems, and wellness needs. These services enable patients to manage their conditions and reduce their healthcare reliance. Services are provided to patients via contracts with the NHS and other healthcare providers. MyClinicalCoach is the direct to consumer service which provides similar services to those provided by Totally Health, but direct to paying clients.

The Board believes that the out-of-hospital healthcare marketplace is fragmented and Totally is well positioned to be a consolidator as further acquisition opportunities arise. By expanding organically
through increasing the services provided by Totally’s current businesses, and through further acquisitions, the Group aims to become a leading provider of out-of-hospital care across the UK.

Information on Vocare

Vocare is a provider of integrated urgent care services to the NHS in certain regions of the UK. The services provided by Vocare include GP out-of-hours services, the NHS 111 service via its call centres and urgent care centres working in conjunction with NHS A&E departments. Other services provided include emergency dental and pharmacy services. Since 1996, Vocare’s management team has focused on providing safe and efficient clinical healthcare services in the community in close collaboration with the NHS and Vocare has developed into one of the leading UK providers of outsourced clinical healthcare services.

The origin of Vocare was the establishment of a GP co-operative called Northern Doctors Urgent Care which was in existence from 1996 to 2004. In 2004, Northern Doctors Urgent Care Limited was established as a community benefit society. In 2015 Vocare, then still named Northern Doctors Urgent Care Limited, converted from a community benefit society into a private limited company. In 2016 it changed its name to Vocare.

Currently, Vocare provides GP out-of-hours and urgent care services in CCG areas providing healthcare services to more than 9.2 million patients nationally.

Operational delivery of Vocare’s services is organised on a regional basis across the UK. Vocare’s operational regions are the North East, South West, Staffordshire, Yorkshire, East Midlands, West Midlands and London. Each region is led by a regional director, supported by local operational, clinical and governance management teams. This arrangement ensures that service leadership is local to Commissioners which fosters good working relationships.

Supporting the regions are a number of central services organised into departments including finance, HR, recruitment, business development and quality and assurance. These departments are based in Vocare’s head office just outside Newcastle upon Tyne, with the exception of recruitment which is based in York.

Vocare has modern telephony and computer networking links between all of its centres allowing patient calls to be routed to any of its call centres as required. Many of these are NHS systems to ensure complete integration across the urgent care sector.

Vocare has experienced substantial revenue growth in recent years with revenue growing from approximately £32.4 million in the financial year ended 31 March 2015 to approximately £76.8 million in the year ended 31 March 2017 (equivalent to 137 per cent. growth over the two financial years). This revenue growth has been driven by Vocare securing substantial new contracts covering both NHS 111 services and urgent care. These new contracts include Vocare managing the NHS 111 service in Devon, operating the urgent care centre in St Mary’s Hospital in Paddington, London, managing an integrated urgent care service in South West London covering both NHS 111 and out-of-hours services and an expansion of services in North Staffordshire and Stoke.

Vocare’s services

- NHS 111

NHS 111 is the NHS non-emergency number. Patients can call 24 hours a day, 365 days a year and calls are free from landlines and mobile phones. The NHS 111 service is staffed by trained health advisers supported by clinical advisers who are experienced nurses and paramedics. The health advisers will ask patients prompted questions from the NHS Pathways Clinical Decision Support System in order to
assess patient symptoms, then using NHS Digital Directory of Services immediately direct patients to the optimal medical care, giving patients the healthcare advice they need or directing them to the most appropriate local health service. These include the patient’s own GP practice, A&E, a GP out-of-hours service, an urgent care centre or a walk-in-centre, a community nurse, an emergency dentist or pharmacy.

Vocare has extensive computer networking links with various NHS computer systems to support automated transfer of cases and patient information to and from other providers.

Where possible the NHS 111 team will book the patient an appointment or transfer them directly to the people with whom they need to speak. If the NHS 111 advisers think the patient needs an ambulance, they can despatch one electronically through computer links with the ambulance service computer systems.

Vocare holds the contracts for NHS 111 services across a range of geographical areas in England including the North East of England (jointly with North East Ambulance Service), Somerset, Devon, Staffordshire and South West London.

In addition Vocare has recently successfully secured, in partnership with Royal Cornwall Hospitals NHS Trust and Kernow Health CIC, the contract for an integrated urgent care service for Cornwall and Isles of Scilly which includes the provision of the NHS 111 service for Cornwall CCG with effect from 1 December 2017. Vocare has also been selected, in partnership with Medvivo, as the preferred provider of the NHS 111 service in Wiltshire as part of an integrated urgent care service in the region. The contract in Wiltshire is subject to approval by Commissioners and would be effective from 1 May 2018.

To support the NHS 111 services, Vocare operates six call centres in Newcastle upon Tyne, Stockton, Stoke on Trent, Taunton, London and Exeter.

For the year ended 31 March 2017, the NHS 111 services provided by Vocare generated revenue of £21.8 million representing 28.4 per cent. of Vocare’s overall revenue (year ended 31 March 2016 – £15.3 million).

- **GP Out-Of-Hours services**

Vocare operates GP Out-Of-Hours services in Northumberland, North Tyneside, Newcastle upon Tyne, Sunderland, Vale of York, Scarborough and Ryedale, North Staffordshire and Stoke, Stafford and Cannock, South Staffordshire and Seisdon Peninsular, East Staffordshire, Bath and North East Somerset, Somerset, South West London (sub-contracted to South East London Doctors). The OOH services are provided by Vocare from their urgent care centres and a number of GP surgeries across the UK.

In addition to GPs, Vocare utilises pharmacists and dental nurses to manage medicine queries and dental cases respectively.

Vocare provide other services including prison GP OOH services, community hospital GP OOH cover, daytime GP acute visiting services, paramedic support and GP OOH support to private healthcare providers such as Babylon and Huntercombe.

For the year ended 31 March 2017, the GP Out-of-Hours services provided by Vocare generated revenue of £31.1 million representing 40.6 per cent. of Vocare’s overall revenue (year ended 31 March 2016 – £30.0 million).

- **Urgent Care Centres**
The urgent care centre is a relatively new model of care that has been developed as part of the drive from the NHS to relieve pressure from A&E departments by developing a broader and more integrated urgent care system. The development of UCCs across the country is a key NHS policy and is in response to the highly publicised pressure on NHS A&E departments. The fundamental role of the UCC is to improve the efficiency and productivity of the urgent care system. Urgent care centres can be co-located at A&E departments or operate as a standalone walk-in centre. The co-located UCC is typically open 24/7. It treats patients with urgent non-serious illness and injury but transfers patients who need emergency care to A&E.

Vocare’s urgent care centres are managed around the UK aimed at treating patients with urgent conditions. The centres operate to a variety of service specifications with certain of the urgent care centres dealing with minor injuries as well as minor illnesses. The centres have a variety of opening hours with some being open at all times, whilst others are open in the evening, weekends and on bank holidays supporting GP out of hours services. These centres aim to provide patients with same day urgent care, allowing A&E departments to focus on more life threatening cases.

Vocare’s urgent care centres are mostly led by GPs, supported by a team of experienced nurse practitioners. They operate on an appointment basis and/or a walk-in basis. A number of the appointments are booked in by NHS 111 call handlers following a patient making an initial enquiry through NHS 111 and having an initial telephone consultation.

For the year ended 31 March 2017, urgent care centres provided by Vocare generated revenue of £16.5 million representing 21.4 per cent. of Vocare’s overall revenue (year ended 31 March 2016 – £7.9 million).

- Integrated Urgent Care

Integrated urgent care services usually involve two or more of the key services offered to patients by Vocare, being NHS 111, GP OOH and ED front of house services, operating as an integrated service.

Vocare’s urgent care services are categorised as integrated urgent care in the following regions: Scarborough and Ryedale, Wolverhampton, Bath and North East Somerset and South West London (GP OOH for South West London is sub-contracted to South East London Doctors).

Vocare has been selected as the preferred provider for an integrated urgent care service in Bath and North East Somerset and Wiltshire which is expected, subject to contract, to commence on 1 May 2018.

For the year ended 31 March 2017, the integrated urgent care services provided by Vocare generated revenue of £5.7 million representing 7.5 per cent. of Vocare’s overall revenue.

Customers

As at 5 October 2017 the customer base of Vocare can be summarised as follows:

- 23 GP out-of-hours contracts covering a range of services and four regions;
- 9 urgent care centres across five regions;
- 4 NHS 111 contracts across five regions;
- 4 integrated urgent care service contracts and
- 13 contracts supplying other services.
The majority of the services provided by Vocare take place at the numerous locations where CCG customers are based. The Vocare business is therefore operated from various leased and licensed properties including operation centres (call centres), hospitals and urgent care centres.

**CQC inspections and quality**

Vocare’s services have until recently on the whole been assessed as “good” by the CQC, the independent regulator of health and social care in England. In the first half of 2017, following inspections by the CQC on many of Vocare’s services, a number of services were assessed as “require improvement” with the services provided under three contracts being considered by the CQC as “inadequate”. In May 2017 and July 2017, Vocare received warning notices from the CQC in relation to the services provided at St Mary’s urgent care centre in Paddington, London, Somerset OOH and at Wolverhampton urgent care at New Cross Hospital. Remedial action plans in relation to these services have been implemented and, where appropriate, new local management teams have been recruited to address these issues. Re-inspections have been undertaken by the CQC and the inspection reports on Somerset OOH and St Mary’s have been published. These inspection reports are in line with previous recommendations under the action plans.

With the assistance of external consultants, Committed Network, and with support from Totally’s own quality experts, Vocare’s governance and assurance arrangements have been reviewed and a programme is in place to comprehensively restructure them. In the second half of 2017, a further two services have been inspected by CQC and, whilst Vocare is awaiting formal notification of the outcome from these CQC inspections, initial feedback has been positive.

A total of five contracts that are managed by Vocare are subject to remedial action plans with the respective CCGs. They cover the NHS 111 services in Staffordshire and Somerset, Somerset OOH, the urgent care centres at St Mary’s, Paddington and New Cross Hospital, Wolverhampton and the integrated urgent care services in South West London and Scarborough. Vocare is working closely with the respective CCGs and the NHS to implement the agreed remedial action plans in accordance with the stated recommendations and to improve service levels at these locations.

**Strategy of the Enlarged Group**

The Directors believe that there is a significant opportunity for Totally to build and develop a high quality diversified ‘out of hospital’ UK healthcare services group, through a combination of organic and acquisition based growth. The Board believes that this combination is the most cost-effective way for the Group to obtain critical mass, in order to allow it to compete with larger market participants. For example, the Directors believe that there is significant scope to expand the range of services provided across their group of companies to the NHS, private healthcare providers and direct to consumers. All of these promote treatment being delivered in the right place, at the right time and reduce the demand on NHS services both in elective and urgent care services.

Commissioners have historically adopted a range of models for the provision of NHS 111, OOH and urgent care services in the community. In some areas a more comprehensive model of integrated urgent care has been implemented. Some parts of the NHS are more advanced than others in terms of the implementation of the integrated urgent care model. Central to the NHS’s integrated urgent care model is NHS 111 that gives patients and the public easy and swift access to urgent care. The Board believes that Vocare is well placed to take advantage of the NHS’s stated vision for an integrated urgent care model, particularly given the existing NHS 111 services that are provided by Vocare across England at the current time.

The Directors believe that following the acquisitions of Premier, About Health and Optimum Sports Performance, the acquisition of Vocare provides the Enlarged Group with greater expansion opportunities across the UK. The Enlarged Group will continue to target acquisitions of appropriate
health related companies, but also allow for a period of consolidation and integration of the new businesses. This will also allow new business models and referral pathways to be developed and delivered. All of this will add to the Enlarged Group’s portfolio of services and ultimately provide integrated healthcare solutions across the spectrum of Out of Hospital Care.

The Group has identified what the Directors to consider to be a strong pipeline of potential acquisitions in the UK outsourced healthcare sector although at this stage no formal approaches or negotiations have yet begun. The key attributes of the acquisitions being considered by the Directors are as follows:

- annuity-type recurring revenues, underpinned by long-term contracts;
- operational complexity providing attractive margins and high barriers to entry; and
- fragmented markets with potential for consolidation.

The Enlarged Group, through integration, consolidation and targeted acquisitions, intends to design and deliver new business models across the Group to expand its businesses and reduce overhead costs, using in-house expertise to support further growth and expansion.

**Urgent care market**

The pressure upon the NHS’s urgent care services are well publicised in that demand continues to rise and the NHS struggles to cope with such increases. Factors such as an ageing population, the increase in the incidence of long term conditions and other lifestyle and wellness issues mean that new ways of managing demand increasingly need to be found.

The NHS recognises that alternatives to A&E need to be provided and now widely partner with private sector organisations in order to achieve key performance indicators which include the four hour maximum waiting time for A&E and to generally manage demand in a proactive way.

Vocare is one of the providers of such services to the NHS and has developed systems and processes to provide GP Out of Hours, NHS 111 and urgent care centres, thus leading to a model of Integrated Urgent Care Centres as described in national NHS policy.

The Directors believe that Vocare is one of only a few companies in its field operating on a national basis. The other companies include Care UK, The Hurley Group, Virgin Care and Greenbrook Healthcare.

**Current trading and prospects**

**Totally**

On 29 September 2017 Totally announced its interim results for the six months ended 30 June 2017. During the period the Group generated turnover of £3,676,000 (H1 2016: £936,000) and an EBITDA loss (including exceptional costs) of £740,385 (H1 2016: £841,000).

The acquisitions of Premier, About Health and Optimum Sport Peformance were fully integrated in H1 2017 following these acquisitions being completed in 2016. These operating subsidiaries have continued to secure new business and renew existing contracts in particular Premier and About Health. Since the year end, the Group has announced the following contract wins: for Premier a six year £400,000 contract with Care UK and South Yorkshire Prisons; and for About Health, a £331,750 per annum four year contract to provide dermatology services to Castle Point, Rochford and Southend CCGs. Totally Health and MyClinicalCoach have performed below management expectations in H1 2017 and the Board is exploring different routes to market for the health-coaching services and platform that these operating businesses provide.
Whilst the first half of 2017 has seen slower than anticipated growth, the Board remain cautiously optimistic on the outcome for the financial year ended 31 December 2017 based on recent trading performance and the short term pipeline of new contract opportunities.

**Vocare**

The unaudited management accounts for the five months ended 31 August 2017 show that during this period Vocare made an operating loss of £786,000 on turnover of £27,408,000. Exceptional non-recurrent expenditure, largely relating to quality improvement initiatives, accounted for £325,000 of the loss. Trading losses before exceptional items were anticipated due to the seasonality of the business. The loss for the period has been funded by cash reserves within the Group. The Vocare management team anticipates a return to profitability in the remainder of the financial year.

**Proposed Director**

With effect from 24 October 2017 Lisa Barter will join the Board as Finance Director in conjunction with Don Baladasan (the Group’s Existing Finance Director) moving to become a Non-Executive of the Enlarged Group.

Lisa Barter has been a chartered accountant for over 20 years and has extensive finance experience having spent the last 13 years working in finance in the independent healthcare sector. Prior to joining Totally in August 2017, Lisa was the Head of Divisional Finance for the healthcare division of Care UK and was employed by Care UK for over 10 years in a senior finance capacity. Care UK is England’s largest independent provider of NHS services and has a diverse portfolio of healthcare services which include elective surgery treatment centres, provision of healthcare in UK prisons, urgent care centres as well as OOH and NHS 111 services. Lisa also played a key role as Financial Controller at Mercury Health Ltd during which time she established a team and implemented finance processes and systems prior to the company’s acquisition by Care UK in 2007. The healthcare division of Care UK continued to grow to become a £380 million revenue business. Lisa started her finance career at Ernst & Young in 1990 where she qualified as a chartered accountant and she has also held roles as finance manager in both Hewlett Packard and Oracle.

**PRINCIPAL TERMS OF THE ACQUISITION**

**The consideration for the Acquisition**

The Company has conditionally agreed to acquire the entire issued and to be issued share capital of Vocare for a consideration of up to £11.0 million on a debt free/cash free basis.

The terms of the consideration payable under the Acquisition Agreement (following adjustments for cash, debt and working capital) are as follows:

- £6.5 million to be settled in cash at Completion;
- £3.5 million to be settled by the issue at Completion of the Consideration Shares at the Issue Price credited as fully paid; and
- up to £1.0 million to be paid conditional upon the achievement of an EBITDA earn-out target payable following the publication of the Vocare audited accounts for the year ended 31 March 2018.

The Acquisition Agreement contains warranties and other protections given by the Vendors.
The liability of the Vendors under the Acquisition Agreement for breach of warranty has been limited to £110,000. In order to provide the Company with appropriate financial protection for breach of warranty, warranty and indemnity insurance has been obtained by the Company for up to £11 million but subject to an excess of £110,000 for all claims.

The Acquisition Agreement is conditional upon: (i) the Resolutions being passed and (ii) Admission.

The Company will use its existing cash resources to satisfy the cash consideration for the Acquisition and associated costs and expenses.

**Admission, settlement and dealing**

Pursuant to Rule 14 of the AIM Rules for Companies, an application will be made for the Existing Ordinary Shares to be re-admitted to trading and the Consideration Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Enlarged Share Capital will commence on 24 October 2017.

**Lock-in and orderly market arrangements**

The Vendors have undertaken to the Company, Allenby Capital and Cenkos Securities that, subject to certain limited exceptions, they will not dispose of any interest they hold in the Consideration Shares for a period of 12 months following Admission. The Vendors have undertaken that, for a further period of 12 months thereafter, they shall be bound by orderly market restrictions in respect of their Consideration Shares.

**Proposed Change of Accounting Year End**

Conditional on completion of the Acquisition, the Group will change its accounting reference date and financial year-end from 31 December to 31 March. This change will align the Group’s accounting reference period with that of Vocare and the NHS and will allow comparability of Group reporting across future periods. As a result of this change the Group’s next three financial reporting events will be as follows:

- publication of unaudited interim accounts for the six months ended 31 December 2017 by 31 March 2018. This financial information will include the impact of the Acquisition in the period from the date of Completion;

- publication of audited accounts for the 15 month period to 31 March 2018 by 30 September 2018. This financial information will include the impact of the Acquisition in the period from the date of Completion; and

- publication of unaudited interim accounts for the six months ended 30 September 2018 by 31 December 2018.

Thereafter annual and interim reports will be published each year for the 12 months to 31 March and the six months to 30 September, respectively.

**Additional Schedule Four disclosures**

Pursuant to Schedule 4 of the AIM Rules for Companies the following information in relation to the proposed appointment of Lisa Barter is disclosed below:

A contract of employment dated 12 September 2017, between (1) the Company and (2) Lisa Barter pursuant to which Lisa Barter was appointed as Finance Director of the Company in a non-board
capacity with an annual salary of £105,000 on a full-time basis. Ms Barter’s employment commenced on 16 August 2017 and she was appointed as Finance Director on 1 October 2017 in a non-board capacity. The employment contract is terminable by either party serving 3 months’ written notice on the other.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publication of this Document</td>
<td>6 October 2017</td>
</tr>
<tr>
<td>Latest time and date for receipt of Forms of Proxy</td>
<td>10.00 a.m. on 19 October 2017</td>
</tr>
<tr>
<td>Time and date of General Meeting</td>
<td>10.00 a.m. on 23 October 2017</td>
</tr>
<tr>
<td>Admission becomes effective and dealings in the Enlarged Share Capital expected to commence on AIM</td>
<td>8.00 a.m. on 24 October 2017</td>
</tr>
<tr>
<td>Acquisition Agreement unconditional and completion of the Proposals</td>
<td>24 October 2017</td>
</tr>
<tr>
<td>CREST accounts for Consideration Shares to be credited (where applicable)</td>
<td>8.00 a.m. on 24 October 2017</td>
</tr>
<tr>
<td>Despatch of definitive share certificates for Consideration Shares</td>
<td>by no later than 31 October 2017</td>
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ADMISSION STATISTICS

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Value</th>
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</thead>
<tbody>
<tr>
<td>Number of Ordinary Shares in issue at the date of this Document</td>
<td>52,488,283</td>
</tr>
<tr>
<td>Number of Consideration Shares</td>
<td>7,306,889</td>
</tr>
<tr>
<td>Enlarged Share Capital on Admission</td>
<td>59,795,172</td>
</tr>
<tr>
<td>Market capitalisation of the Company on Admission*</td>
<td>£28.70 million</td>
</tr>
<tr>
<td>Percentage of the Enlarged Share Capital represented by the Consideration Shares</td>
<td>12.22 per cent.</td>
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*based on the mid-market price of 48.0 pence of an Ordinary Share on 21 July 2017, the date on which the Existing Ordinary Shares were suspended from trading on AIM in connection with the Acquisition.

Notes to Editors
Totally plc aims to become a leading ‘out-of-hospital’ healthcare service provider in the UK, helping to address some of the biggest challenges faced by the UK healthcare sector.

By working to deliver preventative and responsive care through its subsidiaries across multiple disciplines, Totally’s goal is to improve people’s health, reduce healthcare reliance, re-admissions and emergency admissions.

Totally, via its subsidiaries, operates within the UK’s outsourced healthcare market, estimated to be worth in excess of £20bn per year for the NHS alone. Out-of-Hospital services include care in the
community, GP surgeries, patients’ homes, prisons and other public sector organisations, places of work as well as mobile locations and urgent care solutions.

The Company is currently engaged in delivering a progressive ‘buy and build’ consolidation strategy within the UK’s fragmented healthcare market and raised £18 million in February 2017 to capitalise on the attractive opportunities that its disruptive, outcome-based, outsourced healthcare service model offers, to ultimately deliver value to shareholders as it continues to build critical mass in 2017 and beyond.

www.totallyplc.com

Premier Physical Healthcare – occupational physiotherapy to NHS, prisons and the police force (acquired April 2016)

A wholly owned subsidiary of Totally plc, provides a comprehensive range of treatments and advice for musculoskeletal injuries and conditions. It delivers physiotherapy and podiatry to NHS patients and also has contracts with various police forces and prison sites; as well as providing occupational health and ergonomic services to corporate clients, such as display screen equipment assessments; post-injury returns to work suitability assessments; podiatry treatment; and sports massage services. Totally completed the acquisition of Premier Physical Healthcare Limited on 1 April 2016.

www.premierphysicalhealthcare.co.uk

About Health Limited – provider of community based dermatology services and referral management services (acquired June 2016)

A wholly owned subsidiary of Totally plc and a leading provider of dermatology and referral management services to the NHS in the UK. About Health has been providing community based health services under contract to the NHS since 2009 and the company is CQC registered. Totally completed the acquisition of About Health Limited on 15 June 2016.

www.abouthealthgroup.com

Optimum Sports Performance Centre Limited – providing physiotherapy to private markets (acquired November 2016)

A wholly owned subsidiary of Totally plc, provides physiotherapy services in 24 towns across 10 counties in the UK. Optimum has a talented team of physiotherapists, strength and conditioning coaches and rehabilitation specialists to assist clients both in injury recovery and in training to prevent injuries occurring. Optimum became one of the first physiotherapy providers in the UK to obtain ISO9001:2008 certification in 2013. Totally completed the acquisition of Optimum Sports Performance Centre Limited on 14 November 2016.

www.optimumsportsperformance.com

Totally Health – clinical health coaching via B2B model to the NHS and the private sector

A wholly owned subsidiary of Totally plc, provides an innovative model of medically driven, and personalised Clinical Health Coaching to educate patients and give them confidence to self-manage their conditions. The service supports the management of long term conditions in patients such as
chronic obstructive pulmonary disease (COPD), diabetes and wider wellness issues such as smoking cessation and obesity management.

www.totallyhealth.com

**My Clinical Coach – direct-to-consumer health-coaching service and a part of Totally Health**

It covers all health conditions and is targeted at patients with either a diagnosed long-term condition or patients who are looking for support to improve their health. Individuals or their families can choose to subscribe to the service, which is a personal, professional, clinically-focused and patient-centred service, tailored for each individual.

www.myclinicalcoach.com