

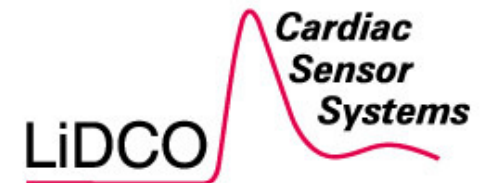
LiDCO™

riation

# LiDCO Group Plc

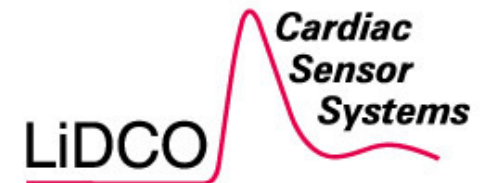
**Preliminary Results for the 12 months ended 31st  
January 2007**

**19th April 2007**



## Overview

- London based AIM-listed med-tech plc
- Hemodynamic monitoring market addressed by LiDCO's technology is growing by >40%/annum
- Products registered in 16 countries across Europe, USA, Brazil and Japan
- Direct sales in UK and US, through distributors elsewhere



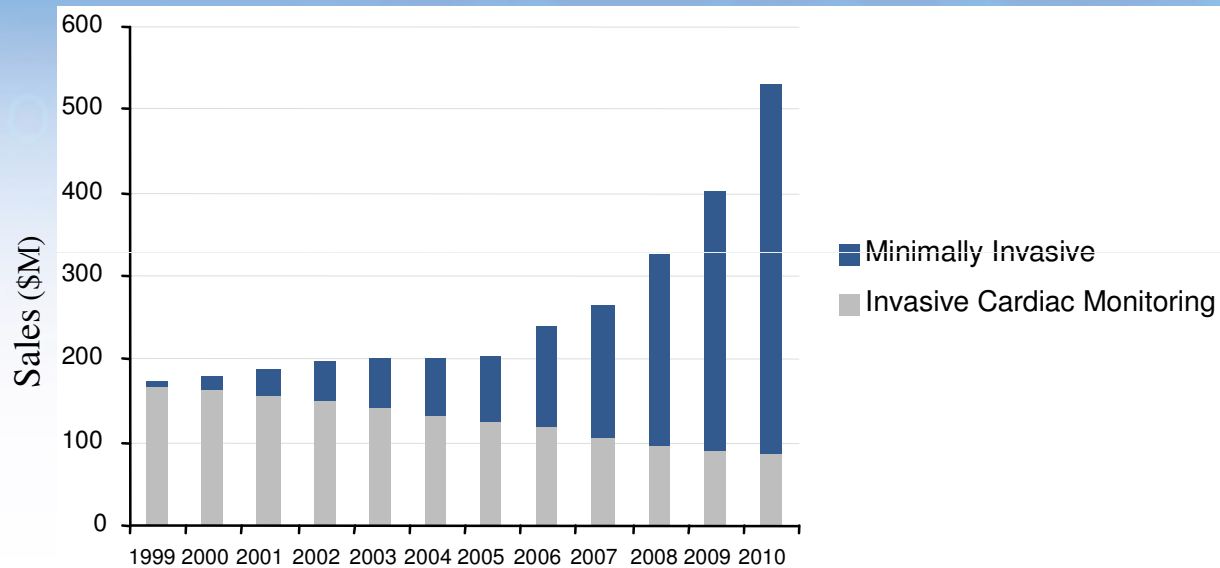
## Monitoring Market - Changing Landscape

- Aging demographic
- Physician/Nursing shortages
- Increasing number of monitored beds
- Governments' and insurers' demands to shorten the length of hospital stay
- Increased demand for integrated clinical information and patient management solutions to reduce hospital errors
- Transition away from invasive monitoring to nurse-led minimally invasive/non invasive technologies
- Increased demand for remote patient monitoring

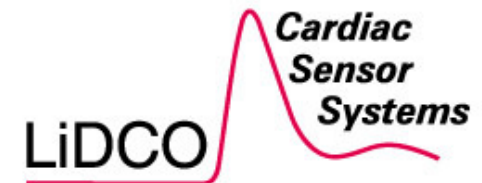


# Hemodynamic Monitoring Market Disposables

## Strong market growth > 40% per annum



Source Arrow International, CardioDynamics, Deltex, Edwards Life Sciences, LiDCO, Pulsion, USCOM, Cardiovascular Device Update, Reuters, Panmure



## LiDCO product offering

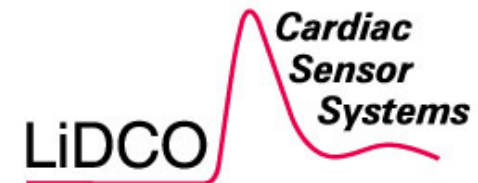
- Hardware - flexible PC platform
- Minimally invasive disposable sensor technology
- Software
  - Nurse led care
  - User interface decision support
  - Clinician support: alternate site/location (LiDCO*live*)
  - Clinical Audit/Reporting (LiDCO*view*)
- In service support/training/CME



# Hemodynamic Monitoring

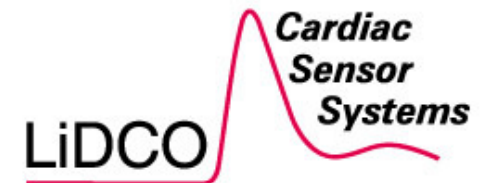
## The value proposition in surgery

- Acute care is 10% of beds but 30% of a hospital's costs
- One in ten acute care patient 'outliers' are responsible for 50% of acute care costs
- Therefore this one in a hundred patients 'outlier group' are costing 15% of the hospital's total budget
- The evidence is clear that better monitoring focused on maintenance of hemodynamic goals and /or early goal directed therapy reduces complications and therefore socio-economic costs to the patient and the hospital & community - savings of £4,800 per patient
- The business case for high risk surgery is overwhelming



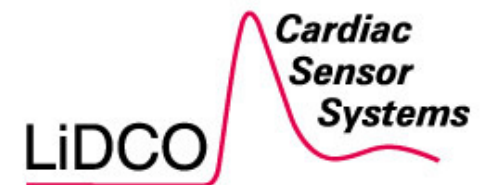
## Financial Highlights 2006/7

- Turnover remains steady at £3.44m despite tough trading conditions (2005/6: £3.42m)
- Gross margin is maintained at 77% (excluding fees re monitors placed through financing arrangements)
- Cash outflow before financing improved 28% to £1.60m (2005/6: £2.21m)
- Cash balance up 55% from £0.95m to £1.47m (excluding the un drawn convertible loan of £1m)
- Pre-tax operating loss up 17% at £2.59m (2005/6: £2.21m)
- Loss per share of 2.10p (2005/6: 2.04p)



## Commercial Highlights 2006/7

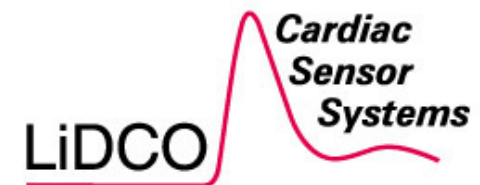
- Sensor sales: volumes up 8% to 24,316 units; sales value up 14% at £1.93 million
- Installed monitors worldwide base: up 12% from 923 to 1,035 units
- Slowness in export markets revenue balanced by 31% growth in domestic UK sales
- Med-Dynamix: contract signed to distribute technically-leading complementary urine monitoring product





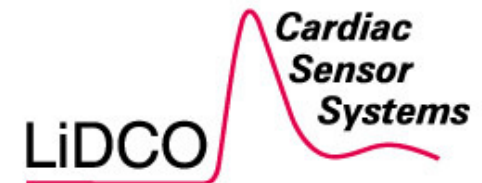
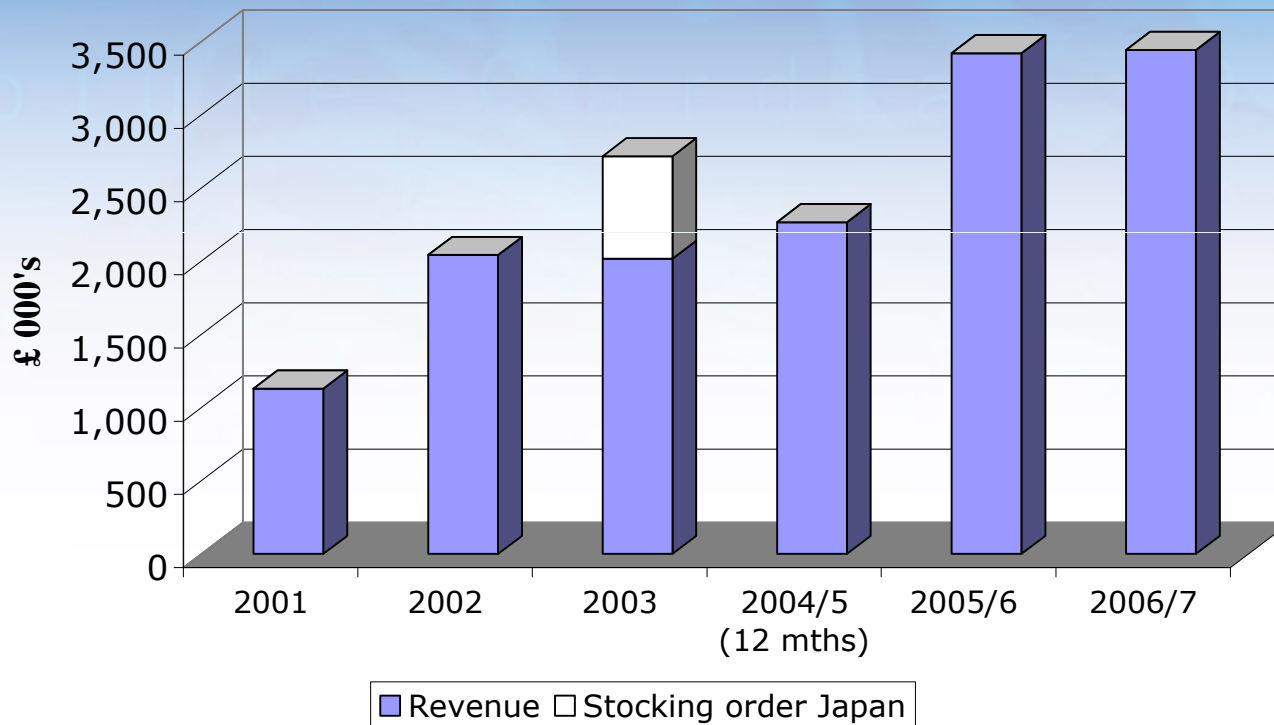
## Corporate Highlights 2006/7

- Roll-out begun of the LiDCO*plus* monitor version 4.0 software with enhanced fluid management platform and intra-thoracic blood volume parameter
- Launch of the LiDCO*view* PC based software for clinical research and audit applications
- First successful demonstration of the LiDCO*live* – remote monitoring product in Japan and the Czech Republic
- Regulatory approval for the lithium injection in Switzerland
- Placing of 17,500,000 new Ordinary Shares at 20p to raise £3.5 million before expenses in May 2006

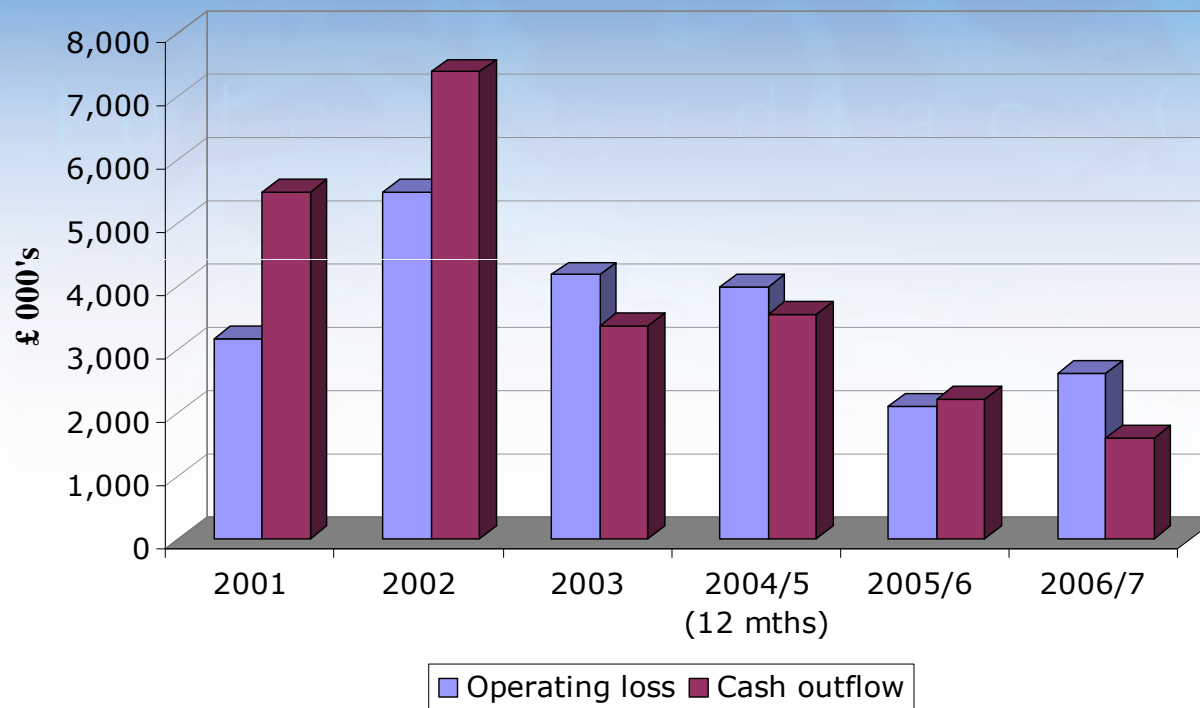


# Sales 2001 - 2006/7

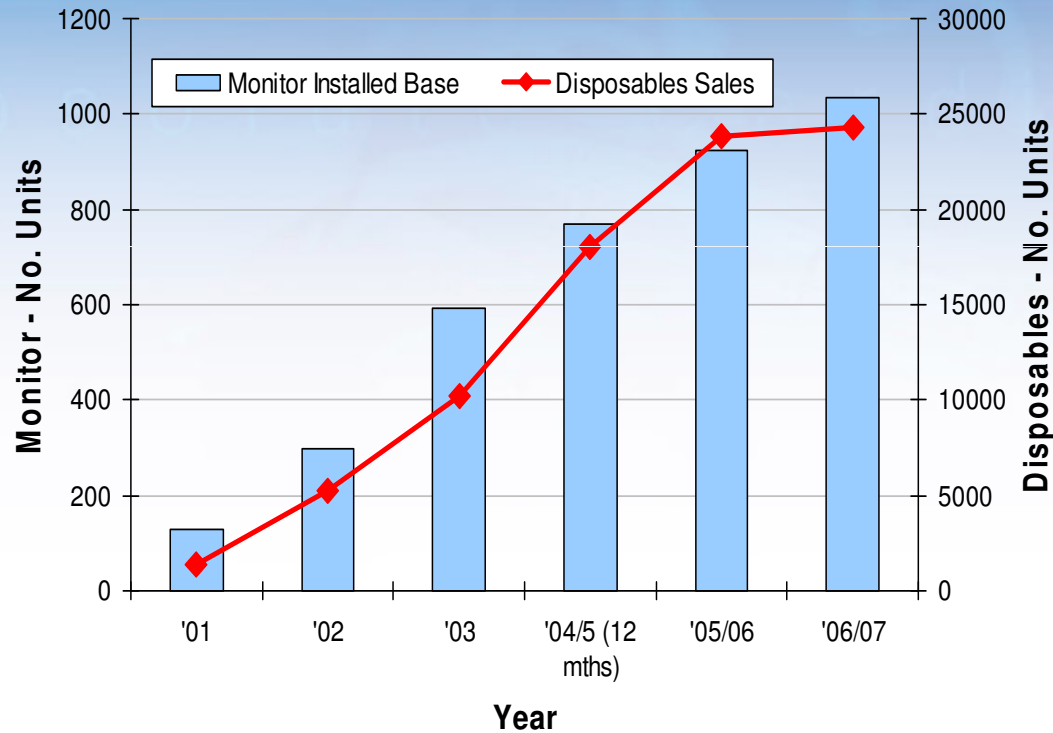
## Revenue Growth



# Operating Loss & Cash Outflow



### Monitor Installed Base and Disposables Sales Growth



2006/7

### Steady Performance

Monitor Installed base up 12% from 923 to 1,035 units

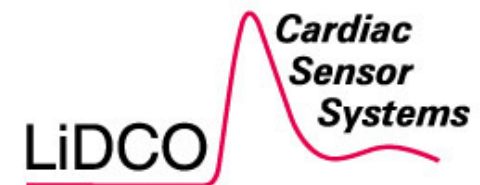
Sensor sales volumes up 8% to 24,316 units; sales value up 14% £1.93M

Higher growth returning

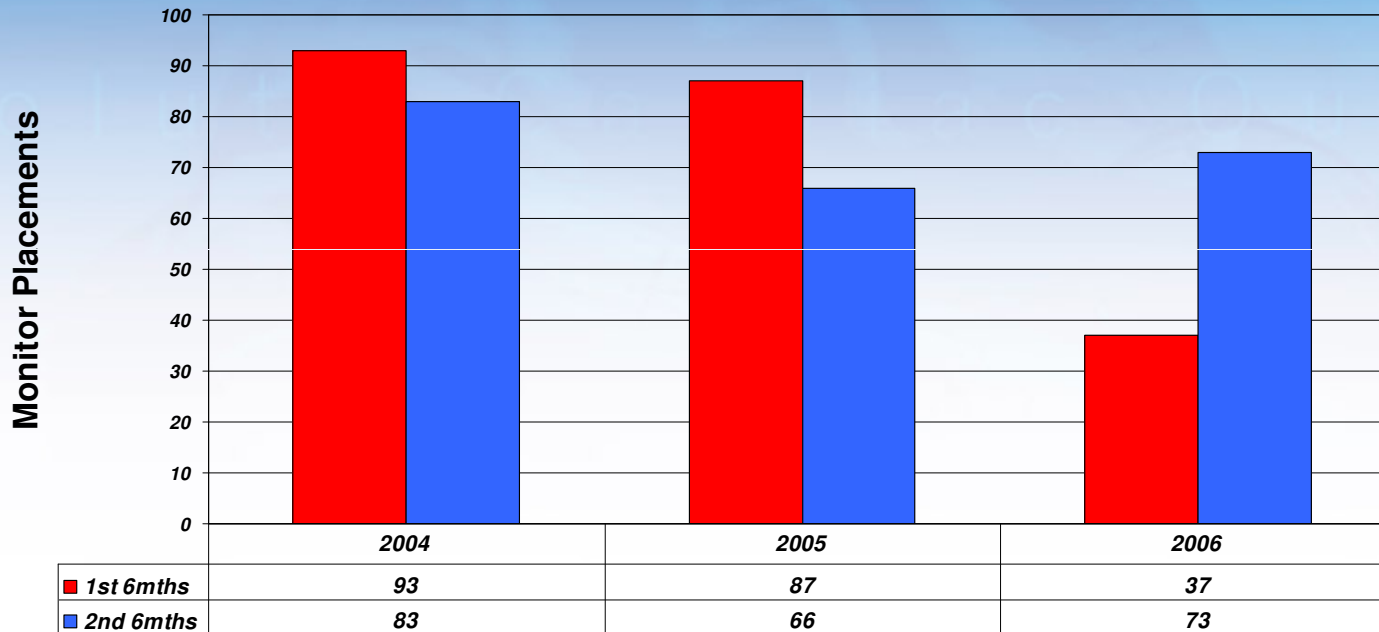


## Current (March '07) Trading Highlights

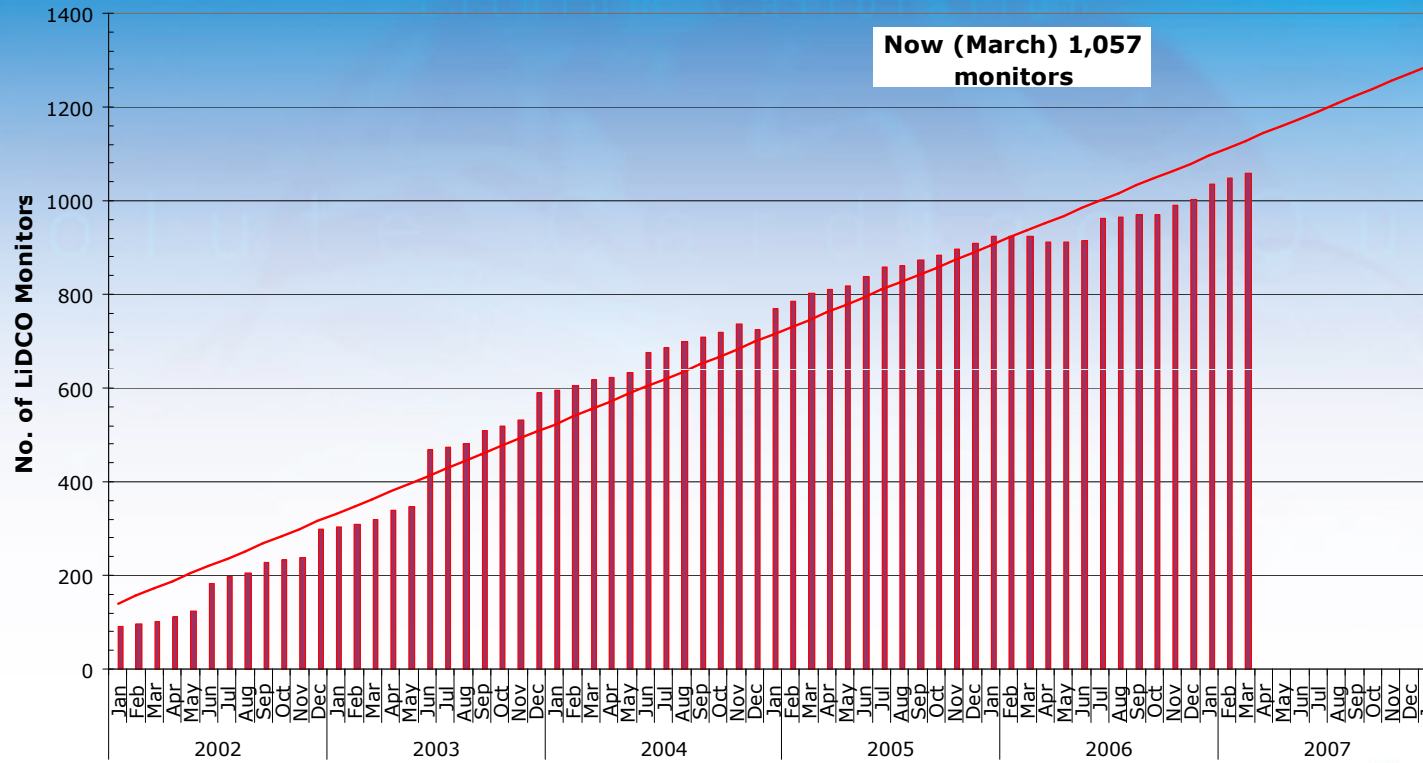
- Installed base growth restored - increased by 88 monitors in last 6 mths v's 45 monitors in the prior 6 mths
- Higher monitor placements driving consumables revenue growth: up by 35% over the equivalent period and 15% up over the last quarter
- Total revenue for first two months up by 62% on prior year period
- USA revenues up 68% on prior year



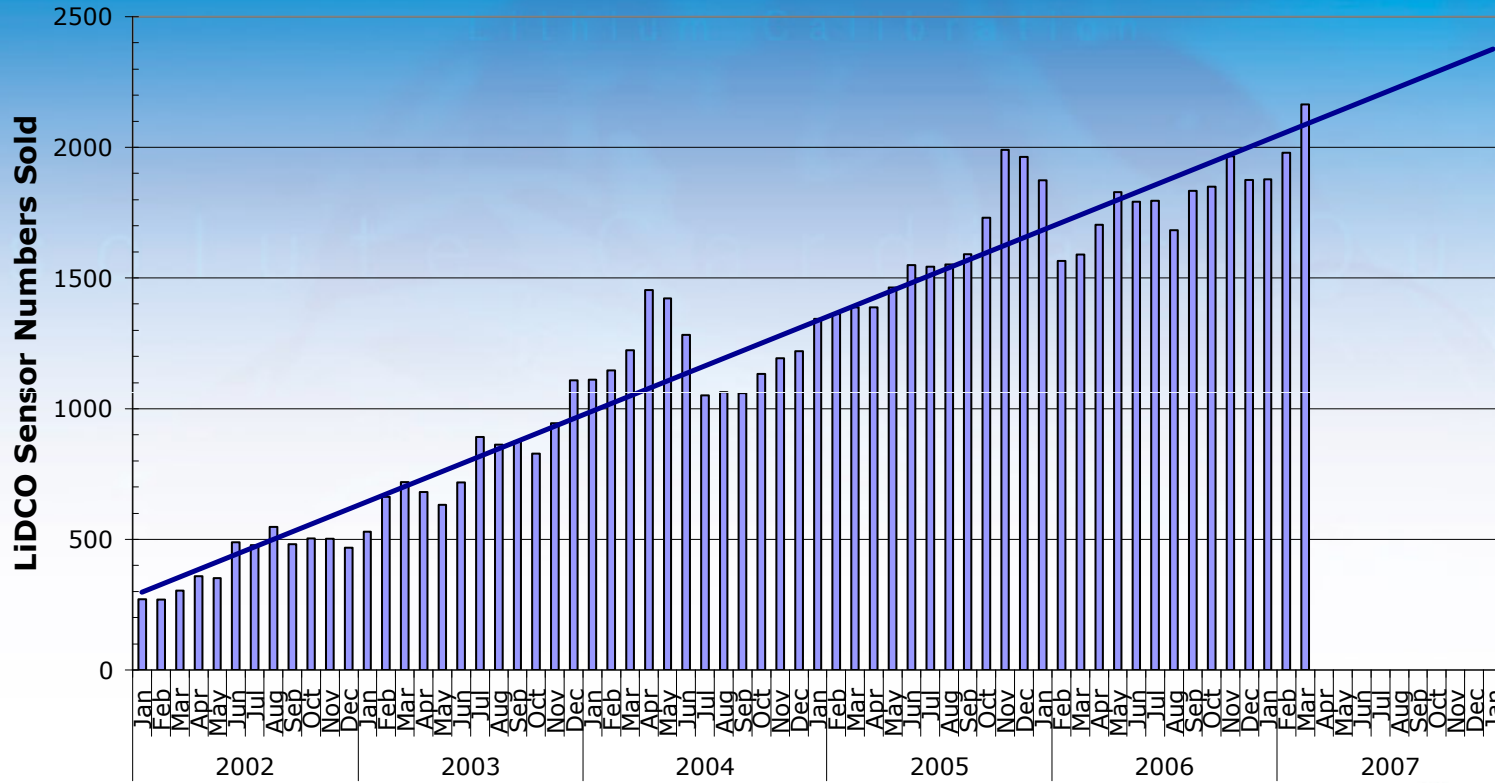
## Monitor Placements: Significantly Up Over Last 6 Months of 2006



### LiDCO Monitor Installed Base 2002 - 2007



### LiDCO Sensor Numbers Growth 2002 - 2007



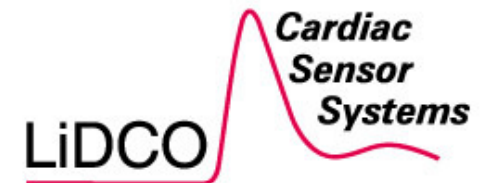
\* Graph excludes other disposable sales - fee for use/rentals





## Significant other achievements 2006/7

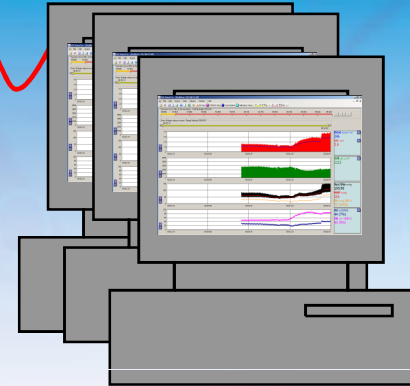
- Roll out of the LiDCO*plus* Monitor v 4.0 software - a step change over the competition
  - Improved management of patient fluids
  - Better oxygen delivery targeting
  - New parameter: intra thoracic blood volume measurement
- Demonstration of LiDCO*live* in Japan, Czech Republic and Belgium
- Launch of the LiDCO*view* PC based software for clinical research and audit applications
- Med-Dynamics: contract signed to distribute technically-leading complementary urine monitoring product
- Two more clinical outcome studies presented showing the LiDCO System reduces death rates, length of stay and complications



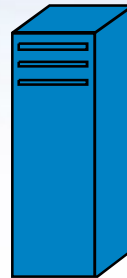
ICU

Hospital  
Network

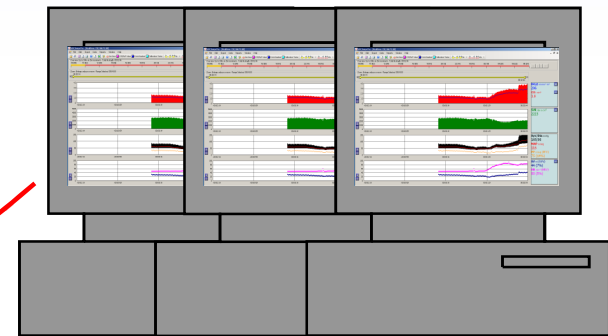
Home/Offsite



LiDCOview  
Server



Hospital Office

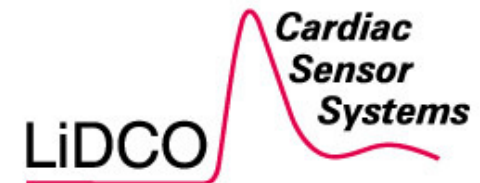


## LiDCOview Market Opportunity

- In the US and Japan and EU there are fewer doctors training to be intensivists and leading to a growing resource gap
- This has resulted in the necessity for creative staffing solutions
- Our competitors offer simple data access via serial ports, Vigileo and Picco2 have ethernet. None have proposed a networked solution for remote data viewing

### **User Requirement: Intensivists/IT**

- Easy access via local office PC or home/laptop connection to bedside data presented real-time in a familiar format
- Solution should use existing IT architecture and work on majority of workstations
- Reduced clinical decision time and clinical staffing costs



# Market Growth & Participants



\$ Revenue per annum

\$500-550M  
2010 -13?

\$180M  
1999

High-risk surgery

Competition: Edwards Flotrac & Deltex

ICU

Competition: Edwards PAC & Pulsion

Cardiac surgery

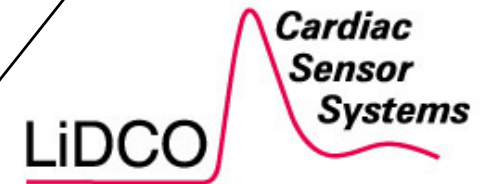
Competition: Edwards PAC

LiDCOplus Monitor v4

LiDCOplus Monitor v4

LiDCOplus Monitor v4  
+ bolus PAC

LiDCOview & live  
Clinical audit &  
Alternate site - eICU



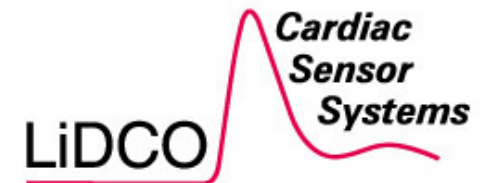
## Sales Growth Strategy

- Direct sales teams (13 people) are employed in the UK and USA, delivering circa. 81% of total sales
- LiDCO is strengthening its distribution reach through:
  - encouraging distribution partners to employ dedicated staff & clinical specialists
  - seeking partners - for the US in particular



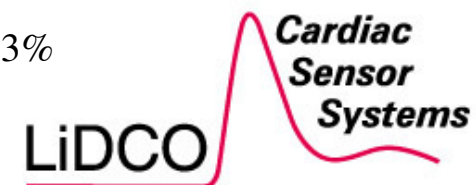
## Summary

- Reliable, accurate, safe and cost effective in a rapidly growing market
- Marketing backed by clinical outcome/cost savings data from UK, USA and S America
- Disruptive competition and NHS capital freeze slowed sales compared to prior year
- Evidence for sales growth returning - placements 100% up, revenues up 62% on prior year
- Direct sales through a fully-trained, high quality US and UK direct sale force
- Major marketing partner(s)/collaborations sought - particularly for the US
- Considerable progress made in new product development



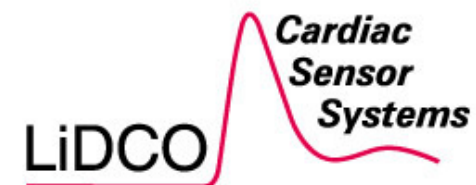
## Summary Profit & Loss Account

	12 months to 31 Jan 2007 £'000	12 months to 31 Jan 2006 £'000 (restated)	YOY Change %
<b>Turnover</b>	3,443	3,421	1%
<b>Gross profit</b>	2,316	2,550	-9%
<i>Gross margin</i>	67%	75%	
<b>Admin costs</b>	(4,939)	(4,771)	-4%
<b>Operating loss</b>	(2,623)	(2,221)	-18%
<b>Loss pre-tax</b>	(2,589)	(2,214)	-17%
<b>Tax</b>	204	179	14%
<b>Loss after tax</b>	(2,385)	(2,035)	-17%
<b>Loss per share</b>	(2.10p)	(2.04p)	-3%



## Summary Cashflow

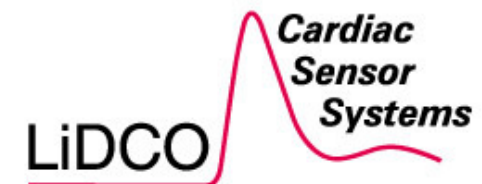
	12 months to 31 Jan 2007	12 months to 31 Jan 2006	YOY Change
	£'000	£'000	%
<b>Operating cashflow</b>	<b>(1,366)</b>	<b>(1,804)</b>	<b>24%</b>
<b>Interest received</b>	69	42	64%
<b>Interest paid</b>	(35)	(35)	0%
<b>Capital expenditure</b>	(264)	(417)	37%
<b>Cashflow before financing</b>	<b>(1,596)</b>	<b>(2,214)</b>	<b>28%</b>
<b>Issue of shares</b>	3,245	203	-1,499%
<b>Conv loan drawdowns</b>	(1,126)	1,355	183%
<b>Net cash in/(out)flow</b>	<b>523</b>	<b>(656)</b>	<b>180%</b>





## Summary Balance Sheet

	31 Jan 2007 £'000	31 Jan 2006 £'000
<b>Fixed Assets</b>	1,510	1,511
<b>Stocks</b>	1,080	1,140
<b>Debtors</b>	1,421	1,995
<b>Cash</b>	1,474	951
<b>Creditors</b>	(846)	(759)
<b>Long term liabilities</b>	(51)	(1,177)
<b>Net Assets</b>	<b>4,588</b>	<b>3,661</b>
<b>Share capital and reserves</b>	29,828	26,582
<b>Profit and loss account</b>	(25,240)	(22,921)
<b>Shareholders' funds</b>	<b>4,588</b>	<b>3,661</b>



LiDCO™ Calibration

## Appendices



## LiDCO's Products: Minimally invasive cardiovascular monitoring

### Major surgery, intensive care and intermediate care locations

- Computer-based flat touch screen cardiac monitor
- Provides real time continuous cardiac output measurement
- Pressure waveform based patented algorithm
- Interconnectivity to hospital information systems
- Externally calibrated oxygen delivery monitoring a unique feature – reduces infections and hospital stay (reduced by 12 days – saving £4800/ patient)

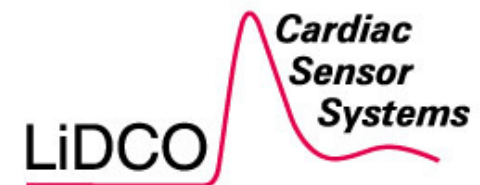
### Improve care while reducing staff costs



## Clinical Endorsement St George's Study

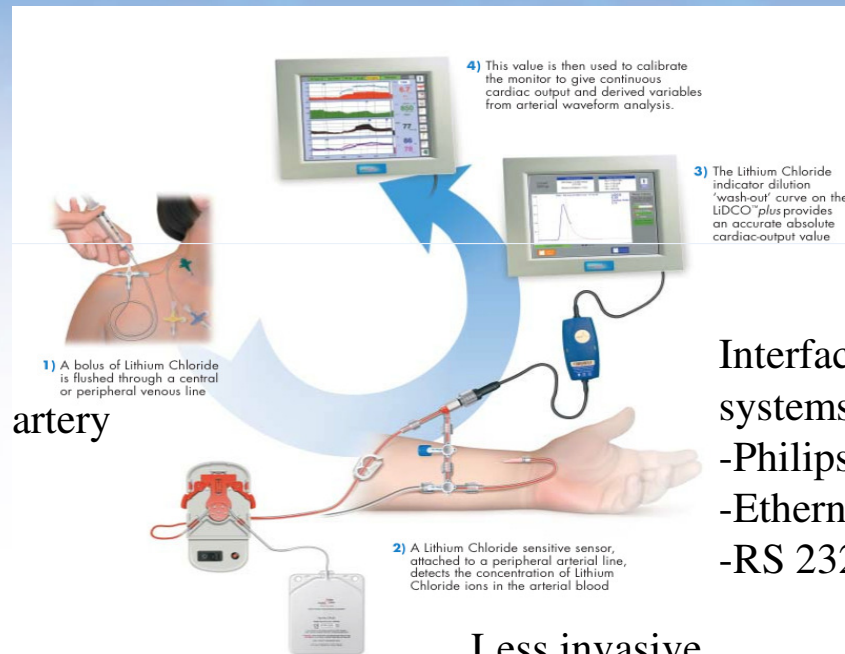
- Major clinical trial confirms significantly improved outcomes for post-operative patients and cost savings
- Average savings: 12 bed days - £4,800 per patient
- Equates annually to saving of £500 million for NHS
- Full paper on results was published on 8th of November 2005
- Clear independent endorsement of LiDCO's technology

Reference: Early goal-directed therapy after major surgery reduces complications and duration of hospital stay. A randomised, controlled trial. *Critical Care* 2005, **9**:R687-R693



## LiDCO Technology - saves £4,800 per high risk surgery patient treated<sup>1</sup>

### Real time data display/interpretation

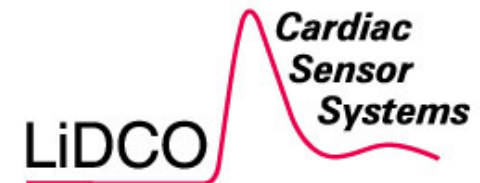


Marketing approach:  
 Minimally invasive - radial artery  
 Platform monitor  
 Flexible/ non prescriptive  
 & disruptive technology

Interface to hospital information systems  
 -Philips VueLink  
 -Ethernet protocol  
 -RS 232 output

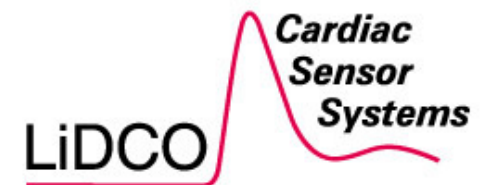
Less invasive

<sup>1</sup> Clinical endorsement, St George's study



## Philips Medical Systems

- Endorsement by a market leader
- Deal signed May 2004
- Product launched in March 2005 v3 of software
- Enhances product offering - Philips customers can interface LiDCO to hospital electronic record keeping system
- Increases adoption potential
- Interconnectivity becoming a 'must have' for hemodynamic monitors



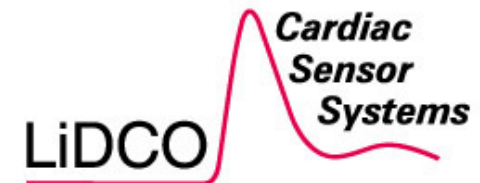
## Endorsements

### Outcome Study at St Georges Hospital

- **Commenting on the St Georges results using the LiDCOplus Monitor, David Bennett, Professor of Intensive Care Medicine at St George's Hospital said:** "Every year 8,000 patients in the UK will die after major surgery and intensive care treatment. These results are highly significant and, if replicated in other hospitals in the UK, could ensure a widespread reduction in risk associated with major surgery. The resulting improvement in patient outcomes and shorter hospital stay will not just mean more patient beds available, but ensure massive cost savings if implemented throughout the NHS. St George's saved £1.8 million last year by implementing this simple protocol."

### US Army Order

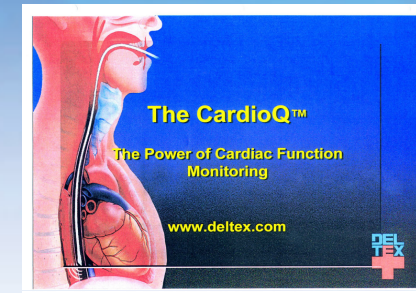
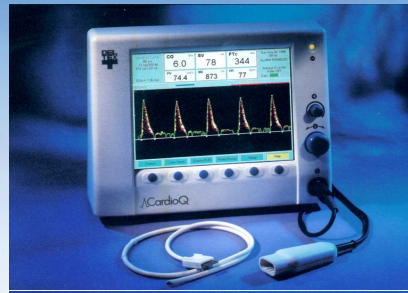
- The United States Army has purchased 31 LiDCOplus Continuous Hemodynamic Monitors to be used in 16 major medical centers in and outside the U.S. This order of \$456,000 for 31 LiDCOplus Monitors is the largest received to date by our US sales organisation. It follows on from the successful conclusion of an evaluation conducted at Brooke Army Medical Center, Texas.
- **Lt. Col. Kurt Grathwohl MD, Assistant Chief of Anesthesia at Brooke Army Medical Center, who coordinated the purchase with the US MeDCom Surgeon General, stated:** "We are looking forward to utilizing the LiDCO™plus System in our facilities. The use of these monitors will provide immediate and more accurate hemodynamic information allowing us to better treat and optimize our critically ill patients."



## Competing Products – Pulsion & Doppler

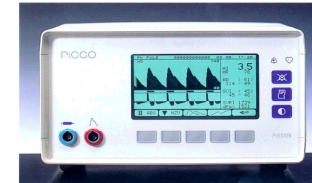
- **Deltex (Demg, AIM Market, UK)**

- Inserted in oesophagus
- Used mostly in ventilated patients
- More suitable for surgery
- Sales of circa £3M
- UK major market



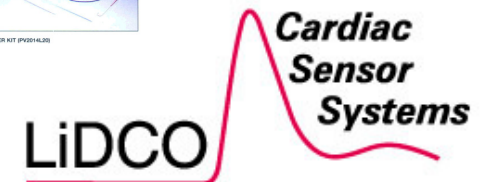
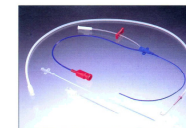
- **Pulsion Systems (PUS. F, Frankfurt)**

- Invasive to femoral artery & central vein
- Strong market established in ICU
- Have volume parameters ITBV, GEDV, lung water
- Circa €25M sales mostly in the EC
- US market not as receptive to femoral artery approach



■ Das PULSION PICCO ist ein innovatives Monitoring System, mit dem die wichtigsten hämodynamischen Leitparameter überwacht werden können. Das System kombiniert kontinuierliches kardiovaskuläres Monitoring mit hämodynamischen volumetrischen Messungen.

PICCO ÜBERWACHT KONTINUIERLICH	
Herzzeitvolumen	PICCO
Arterieller Blutdruck	AD
Herzfrequenz	HR
Schlagvolumen	SV
Systemischer vaskulärer Widerstand	SVR





## Edwards Life Sciences (EW, NYSE)

### Market Leader - invasive system

- Pulmonary artery catheter
- Declining numbers of catheters being used
- Recent studies show absence of positive outcome data
- Mostly cardiac surgery and ICU use

### Minimally Invasive System

- In response to developing market opportunity introduced a Pressure Wave Form System
- Vigileo Monitor + FloTrac disposable
  - No independent external calibration method
  - Clinical accuracy still being established
  - No clinical outcome data available

