



# LiDCO Group Plc

## 2009 Preliminary Results Presentation

21 April 2009

- London, UK based and AIM-listed Med-Tech Plc
- LiDCO*rapid* product launch - takes LiDCO into new \$800m surgery opportunity
- Global market moving from older invasive catheters to less invasive approaches
- \$1.2bn market potential for minimally invasive hemodynamic monitoring
- Enhanced product range driving sales growth – also helping to expand distributor network
- Good growth in turnover in 2008/09 – overall up 12%
- Increase in installed base more than double the increase seen in prior year
- Continued progress to profitability; in the last five years sales have increased by 100% while costs have been reduced by 13% and loss decreased by 55%



# L i D C O <sup>TM</sup> Financial highlights

- Revenues up 12% at £4.53m (2007/8: £4.05m)
- Product margins maintained at 81%
- Loss from operations reduced by 11% to £1.80m (2007/8: £2.01m)
- Loss per share reduced to 1.16p (2007/8: 1.50p)
- End-year cash balance £0.49m (2007/8: £2.23m)
- Loan facility replaced with combined overdraft and invoice financing facility, maximum availability £1.25m



# LiDCO™ Operational highlights

- Highest single year increase in installed monitor base. LiDCO*plus* & *rapid* monitors installed base up 28% to 1,510
- Successful launch of the LiDCO*rapid*; 279 monitors sold or placed in first ten months
- Follow-on grant of Japanese sales and marketing license and expansion of co marketing agreement signed with Becton Dickinson
- New distributors added for 18 territories. LiDCO products are now available in 47 countries worldwide
- Continued progress towards profitability and significant increase in level of recurring revenue
- 326 monitors sold or placed in the period up 116% – (2007/8: 151)
- Disposables income growth in all territories up 26% from £1.99m to £2.50m
- Selected as technology for two US multi centre patient outcome studies

# LiDCO™ Objectives for 2008/09

- Continue to grow income & progress toward profitability ✓
- Strengthen the product range & address the surgery market ✓
- Accelerate the growth of the installed user base ✓
- Significantly broaden the network of distributors ✓

**All four objectives achieved**



**CONSOLIDATED INCOME STATEMENT**

For the year ended 31 January 2009

	Year ended 31 January 2009 £'000	Year ended 31 January 2008 £'000
Revenue	4,532	4,051
Cost of sales	(1,511)	(1,442)
Gross profit	3,020	2,609
Distribution costs	(107)	(93)
Administrative expenses	(4,709)	(4,526)
Loss from operations	(1,796)	(2,010)
Finance income	57	49
Finance expense	(31)	(25)
Loss before tax	(1,770)	(1,986)
Income Tax	120	120
<b>Loss for the year attributable to equity holders of the parent</b>	<b>(1,650)</b>	<b>(1,866)</b>
<b>Loss per share (basic and diluted) (p)</b>	<b>(1.16)</b>	<b>(1.50)</b>

# Summary cash flow

	Year ended 31 January 2009 £'000	Year ended 31 January 2008 £'000
<b>Operating loss</b>	(1,796)	(2,010)
Depreciation and amortisation charges	688	611
Share based payments	91	88
(Increase)/decrease in inventories	(214)	241
(Increase)/decrease in receivables	(357)	(50)
Increase/(decrease) in payables	294	(96)
Finance expense	(31)	(25)
Income tax credit received	121	142
<b>Net cash outflow from operating activities</b>	<b>(1,204)</b>	<b>(1,099)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(209)	(170)
Purchase of intangible fixed assets	(446)	(467)
Interest received	57	49
<b>Net cash used in investing activities</b>	<b>(598)</b>	<b>(588)</b>
<b>Net cash outflow before financing</b>	<b>(1,802)</b>	<b>(1,687)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary share capital	–	1,945
Convertible loan repayment	(553)	502
Invoice discounting financing facility	364	–
<b>Net cash outflow from financing activities</b>	<b>(189)</b>	<b>2,447</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,991)</b>	<b>760</b>
Opening cash and cash equivalents	2,234	1,474
Closing cash and cash equivalents	243	2,234

# Balance sheet

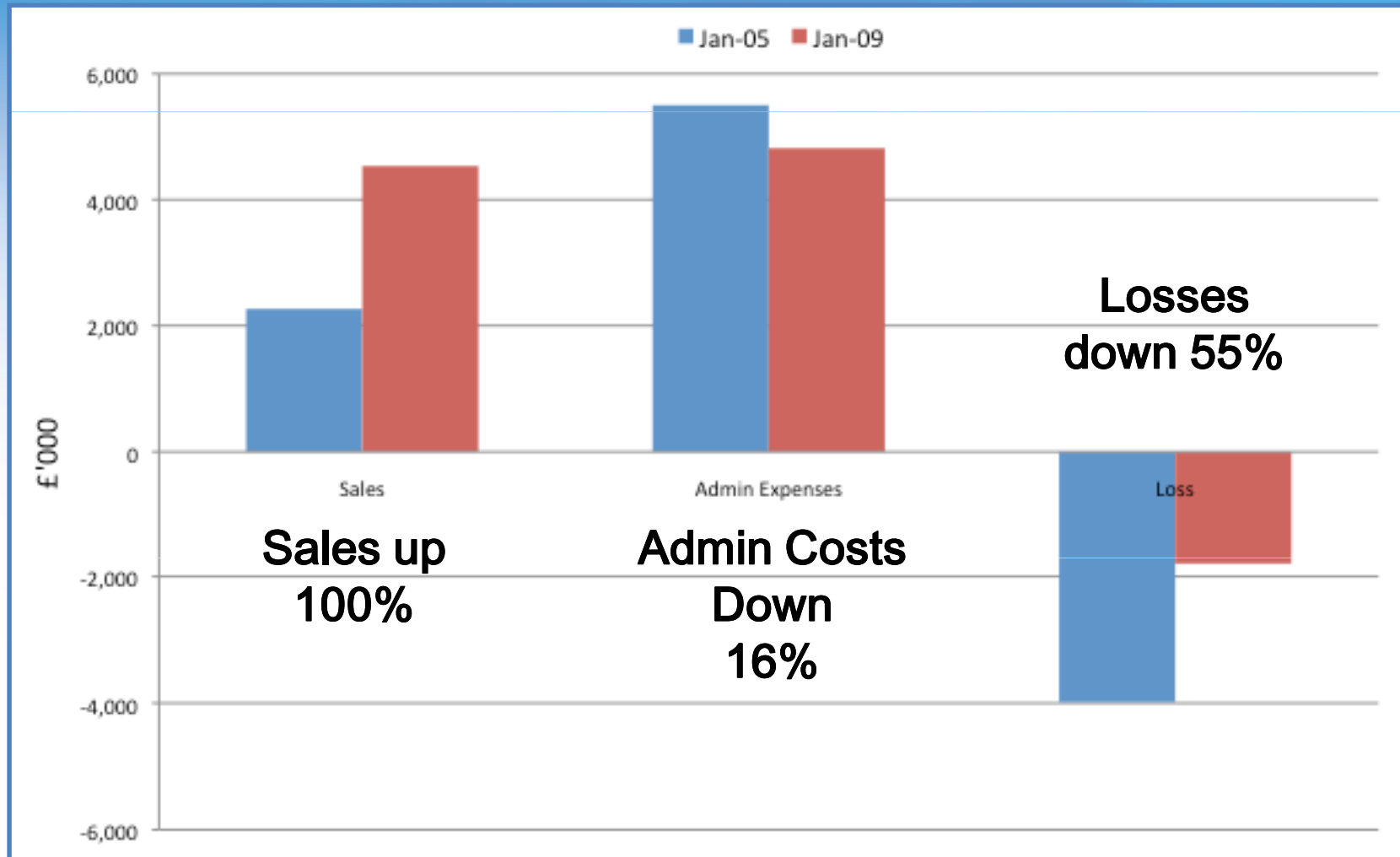
	2009 £'000	2008 £'000
<b>Non-current assets</b>		
Property, plant and equipment	671	833
Intangible assets	746	747
	<b>1,417</b>	<b>1,580</b>
<b>Current assets</b>		
Inventory	1,053	839
Trade and other receivables	1,686	1,329
Current tax	120	120
Cash and cash equivalents	487	2,234
	<b>3,346</b>	<b>4,522</b>
<b>Current liabilities</b>		
Trade and other payables	(906)	(707)
Deferred income	(37)	(41)
Borrowings	(618)	(663)
	<b>(1,660)</b>	<b>(1,311)</b>
<b>Net current assets</b>	<b>1,786</b>	<b>3,211</b>
<b>Total assets less current liabilities</b>	<b>3,203</b>	<b>4,791</b>
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	710	710
Share premium	22,631	22,660
Merger reserve	8,613	8,613
Retained earnings	(28,676)	(27,016)
<b>Total equity</b>	<b>3,179</b>	<b>4,757</b>
<b>Non-current liabilities</b>		
Finance lease liability	24	34
<b>Total non-current liabilities</b>	<b>24</b>	<b>34</b>
<b>Total equity and non-current liabilities</b>	<b>3,203</b>	<b>4,791</b>



## Business Review - Summary Table

	Year to 31 Jan 2009	Year to 31 Jan 2008	Increase/ (decrease)	Increase/ (decrease) %
Revenue by type (£'000)				
- Monitors	1,958	1,934	24	1%
- Sensors/cards	2,495	1,986	509	26%
- Fee per Use & Rentals	78	78	(0)	0%
- Licence Fees	0	53	(53)	-100%
- Total Revenues	4,532	4,051	608	12%
Monitors (Units)	328	151	175	116%
Sold	310	150	160	
Placed	16	1	15	
Sensor and Fee per Use Sales (Units)	30,125	26,081	4,044	16%
Installed Base (year end)	1,510	1,184	326	28%

# Continue progress towards profitability



# Objective 2:

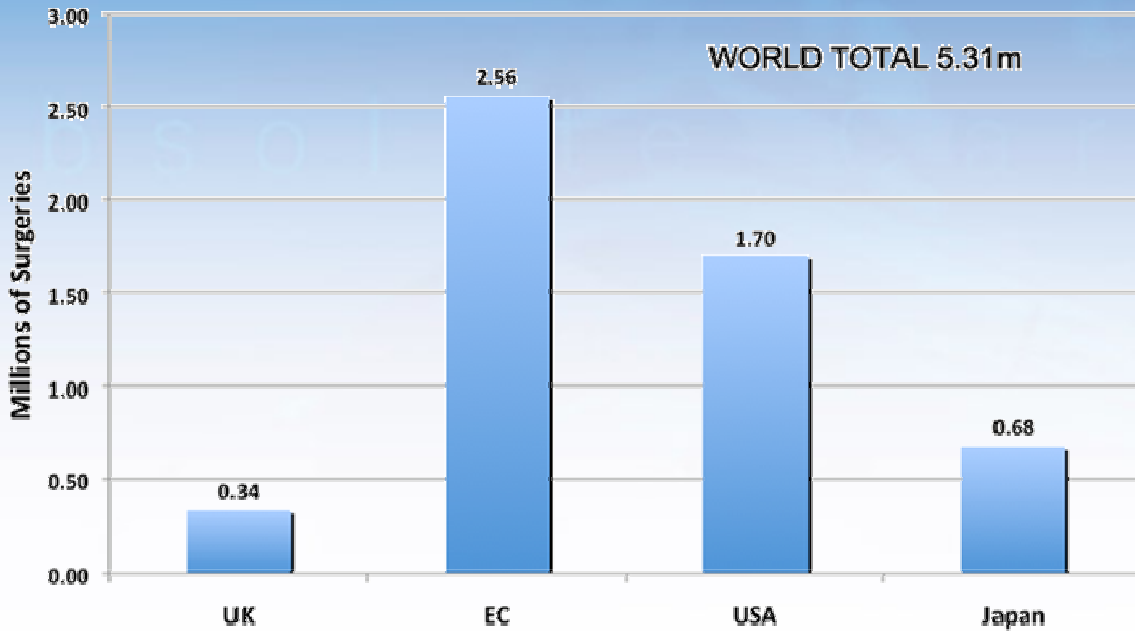
## Strengthen the product range & address the surgery market

The LiDCO*rapid* provides

- Comprehensive anesthesia solution with a low in-service requirement
- Strong competitive positioning:
  - o ease of use
  - o reliability
  - o precision
- Based on proven technology – PulseCO algorithm used in LiDCO*plus*
- Triples accessible market potential
- Ease of use/sale, high margin and market potential attractive to additional speciality distributors
- Revenue driver – incremental to existing LiDCO*plus* monitor

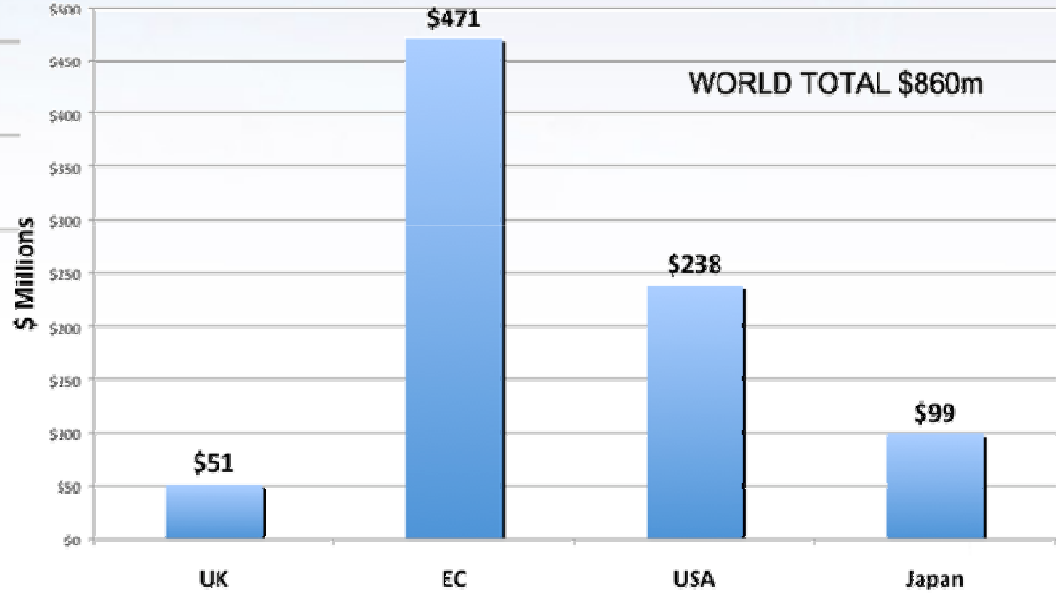
# Major surgery market

Numbers of Major Surgery Procedures



TOTAL SURGERIES	AVGE PRICE	MARKET SIZE
5.31M	\$162	\$860M

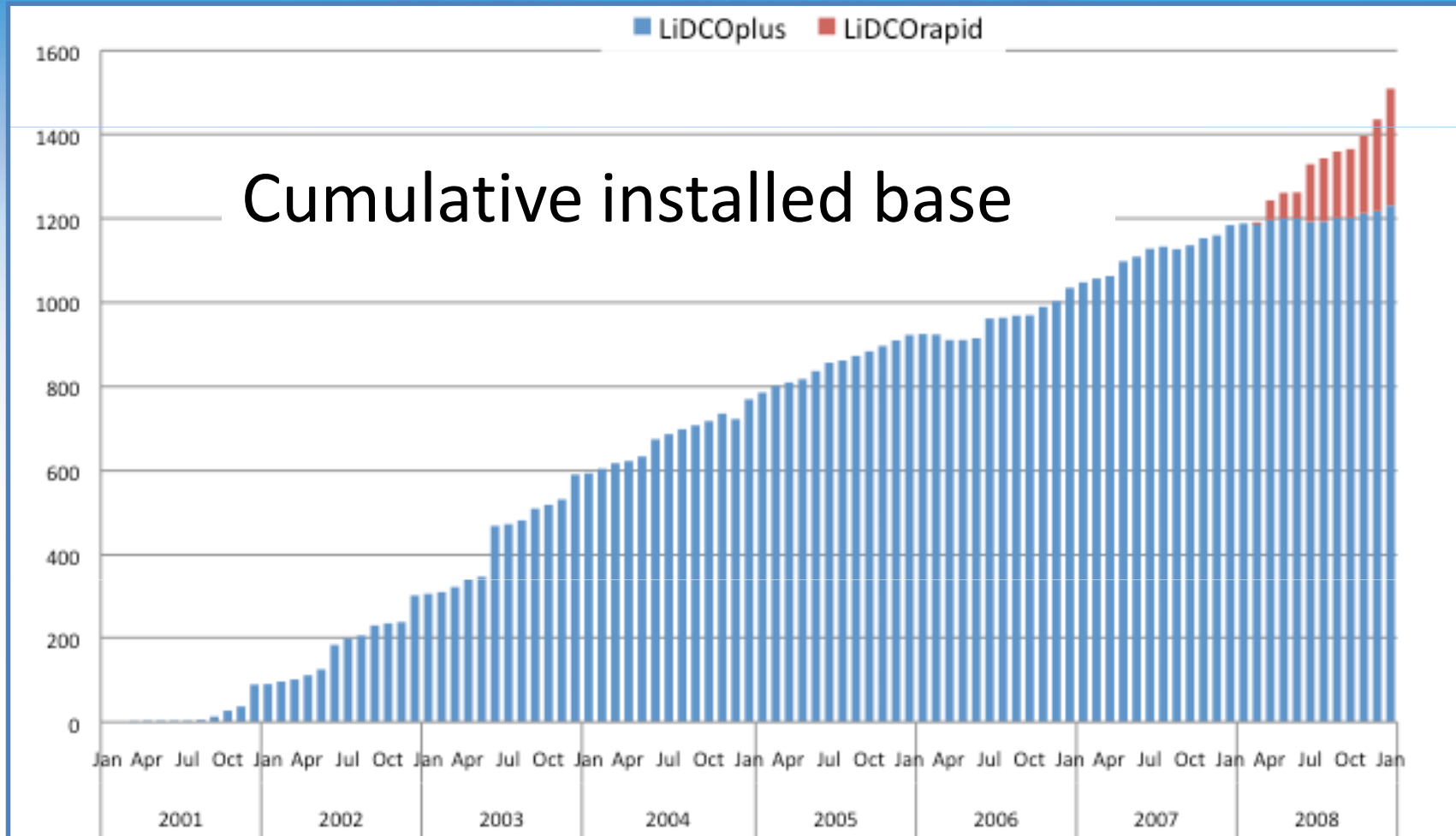
Market Size - Major Surgery (\$m)



Reference: Pearse et al., Critical Care 2006, 10:R81  
(doi:10.1186/cc4928)

# Objective 3:

Accelerate the growth of the installed base



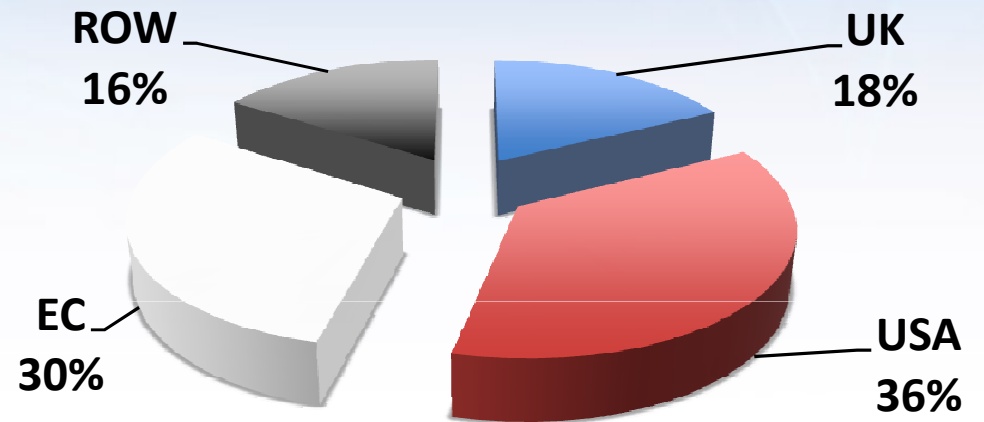
**The installed base increased by 326 monitors**

# Market acceptance

Monitor installed base now @ 1510 units up 28%

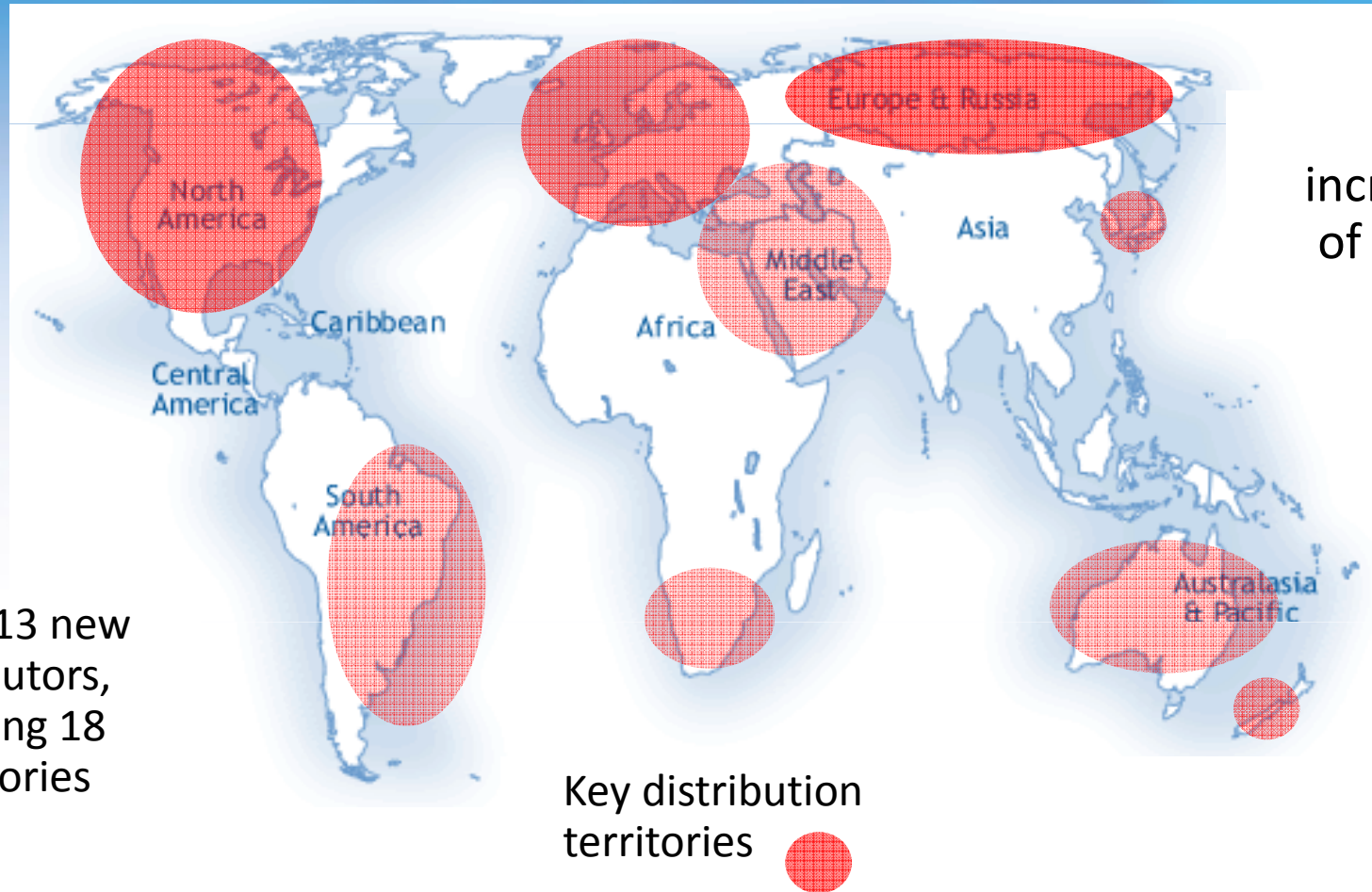


## Location of Monitor Installed Base



# Objective 4:

## Significantly broaden the network of distributors



added 13 new distributors, covering 18 territories

considerable increase in number of sales personnel

direct sales/nurse educator teams (14 people) in the UK and USA

**LiDCO products are now available in 47 countries worldwide**

# LiDCO™ Validating the market

- BD, one of the world's leading medical device companies, has extended its marketing collaboration with LiDCO
- BD will provide sales and marketing support worldwide to LiDCO's UK Sales team and network of distributors
- BD's medical division will also be directly marketing LiDCO*rapid* in Japan after registration and reimbursement
- BD sell medical disposables including arterial pressure transducers
- Joint marketing with LiDCO will help with sales of BD's existing transducer business and improve access to the market for LiDCO





# LiDCO™ Research and Development

- LiDCO's R&D efforts are focused on increasing customers' access to our minimally invasive hemodynamic monitoring
- R&D is carried out in-house through our experienced team with specialist knowledge of: sensor manufacture, signal processing and user interface design

## Main Projects

- Version 1.02 LiDCO*rapid* – launch Q2 2009
- Universal pressure waveform module – launch Q4 2009/ Q1 2010
- LiDCO*plus* – improvements to user interface - launch Q2/3 2009
- Language localization - launch 2010



- The move away from the use of the older, invasive catheter products towards the newer, less invasive devices reflects a permanent shift in attitude of both hospitals and insurers
- The worldwide market for hemodynamic monitoring products grew by 28% from £68m to £87m during 2008. Following on from a 33% growth in the prior year.
- LiDCO*rapid* can reduce in half the use of central venous catheters in high-risk surgery
- We have also demonstrated that use of our technology on high-risk surgery patients can reduce:
  - complications by more than one third
  - costs by £4,800
  - hospital stay per patient by an average of 12 days
  - saving hospitals up to £2m per year.



- A very productive year for LiDCO - we have achieved all the goals we set for the period
- The LiDCO*rapid* has significantly increased our addressable market
- Distribution partners have doubled monitor placements
- Recurring revenue has significantly increased in all territories
- Growing sales without disproportionately increasing cost
- Foundations now in place to significantly increase revenues and earnings
- Corporate alliance in place
- R&D focus on full access/applications

LiDCO™ Calibration

absolute Cardiac Output

# Appendices



- *LiDCOplus* version 4.0 software
  - ICU market focus - highly evolved product & software
  - Calibration, oxygen delivery targeting for goal-directed therapy
  - LiDCO business case (GDT) - saving £4,800 per patient
- *LiDCOrapid*
  - Anesthesia and acute hemodynamic care product
  - Launched April 2008
  - High volume - expands territories & distribution
- *LiDCOview*<sup>SE</sup>, *LiDCOview*<sup>PRO</sup>
  - PC based software
  - Used for data analysis/publications/research & clinical audit (GDT)
- *LiDCOlive*
  - Online remote monitoring via ethernet and a PC
  - eICU - in or out of the hospital



## What makes a product attractive to distributors?

- Substantial & growing market
- Proprietary
- Low-cost manufacture
- High margin
- Ease of sale
- Low in-service requirement
- Convincing clinical and business case

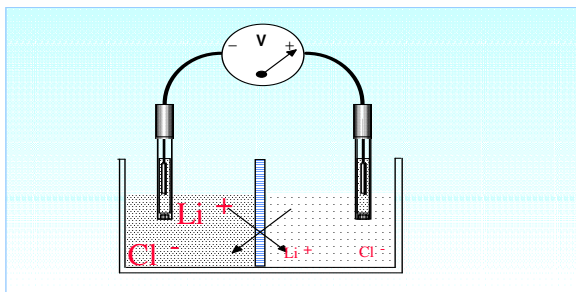
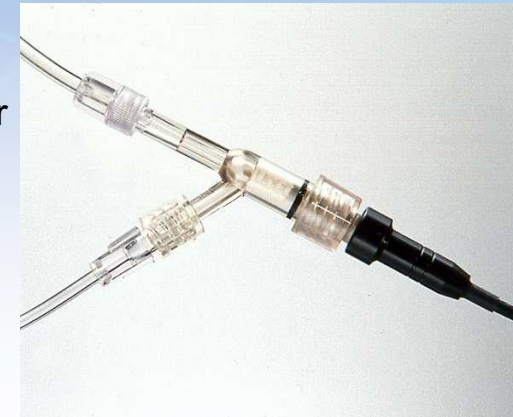


# LiDCO™ Indicator Dilution Technology

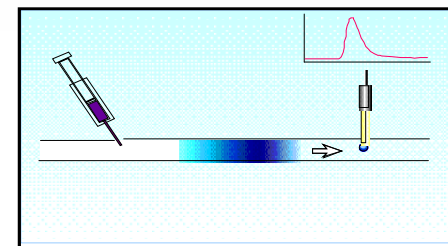
- The LiDCO disposable is used to calibrate LiDCOplus monitor
  - Proven & accepted basis for the technology
  - Indicator dilution close to 100 year history
- Lithium Dilution Cardiac Output -  
novel patent protected marker

To arterial flow regulator

To arterial line



Lithium ionophore/sensor

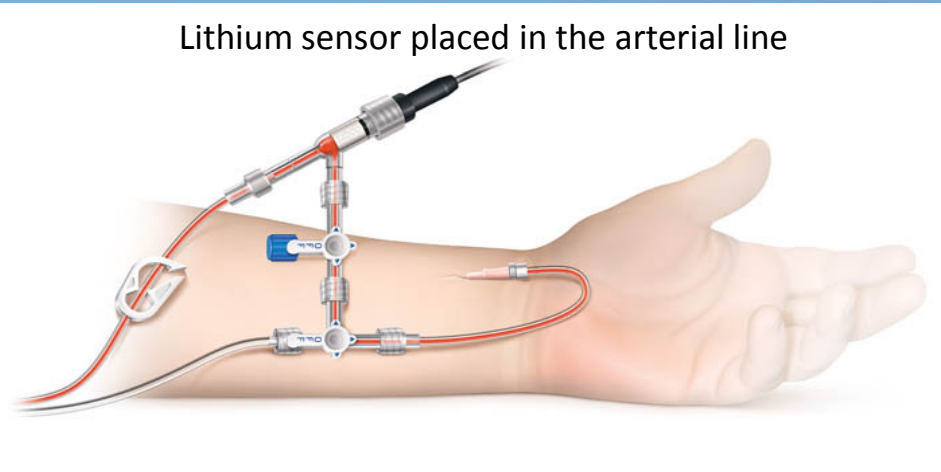


**LiDCO** **Cardiac  
Sensor  
Systems**

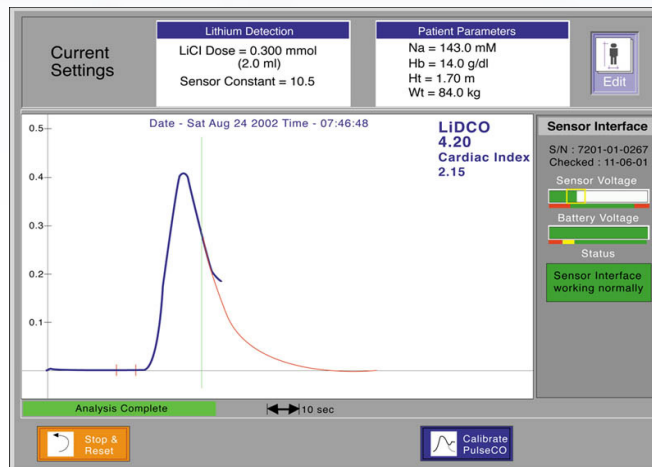
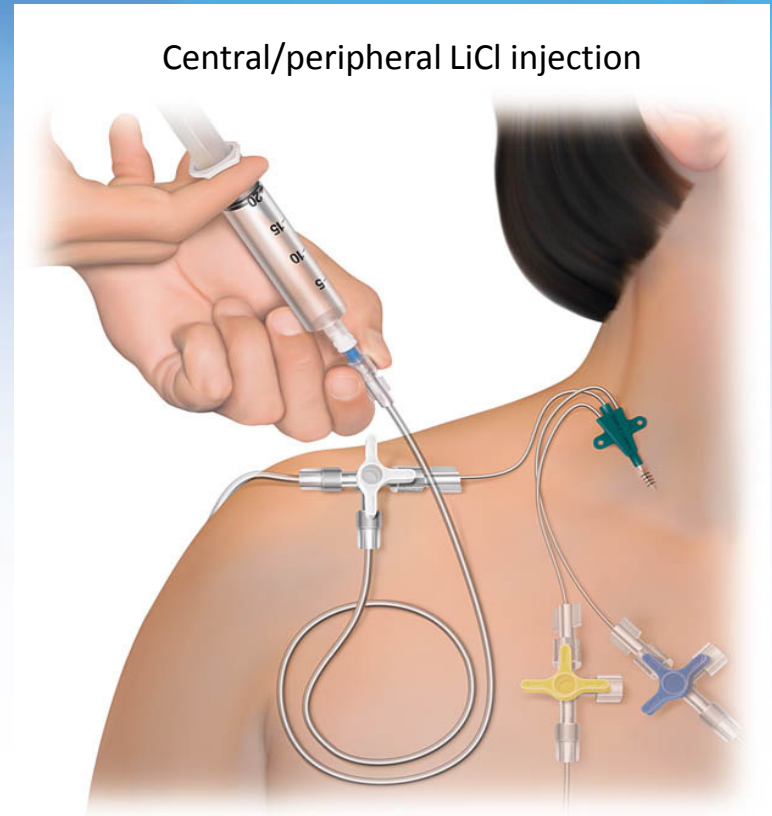
# The LiDCO System

## Lithium Calibration

Lithium sensor placed in the arterial line



Central/peripheral LiCl injection

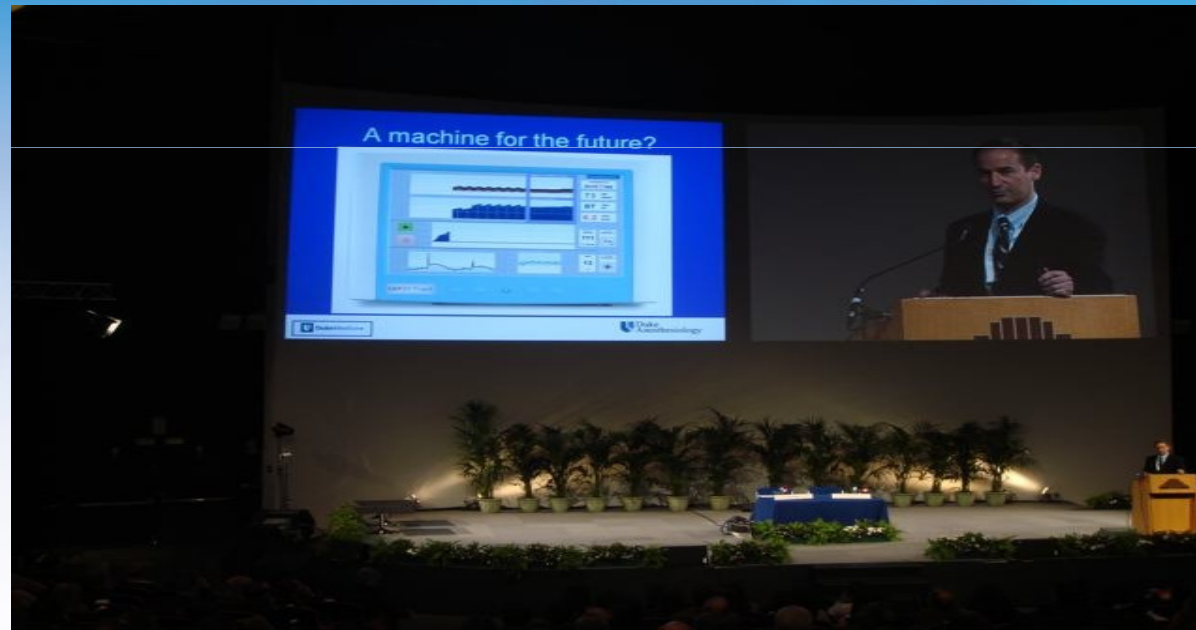


Lithium dilution curve on LiDCOplus monitor screen





# ‘A machine for the future’



*“Conclusions: A large high-risk surgical population accounts for 12.5% of all surgical procedures but more than 80% of deaths. Despite high mortality rates, fewer than 15% of these patients are admitted to the ICU.”*

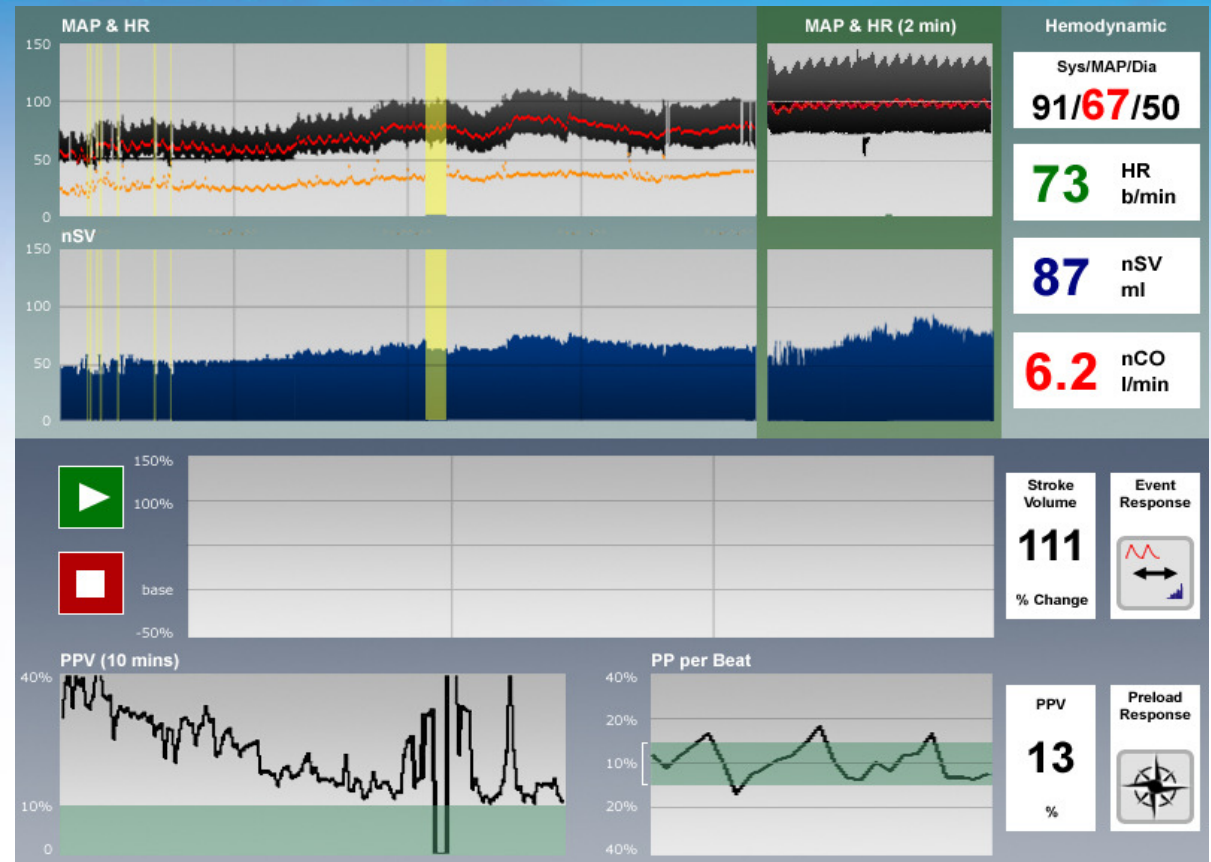
**Dr Scot Brudney, Duke University, USA**

Minimally invasive hemodynamic monitor specifically aimed at the **Surgery Anesthesia** market

Graphic and numerical display of pressures (MAP, SYS and DIA), HR, nSV and nCO, fluid response parameters: PPV and SVV

Graphic display of data from start of procedure on a beat by beat basis. Magnification window highlights last two minutes

Provides information about 'nominal' stroke volume and cardiac output. Uses proven and patented PulseCO continuous cardiac output algorithm enhanced with a demographically generated calibration factor



## ICU

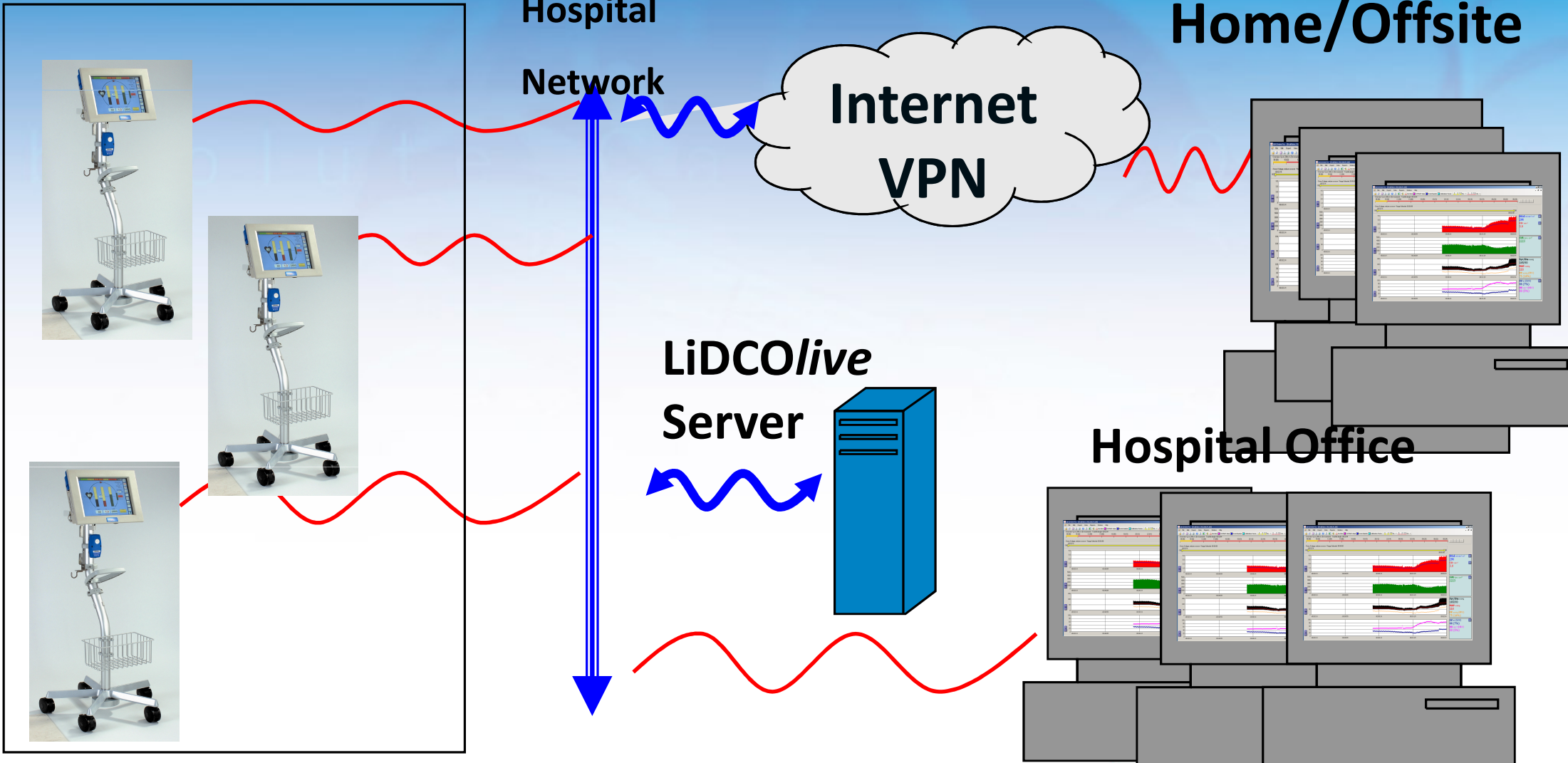
Hospital  
Network

Home/Offsite

Internet  
VPN

LiDCO*live*  
Server

Hospital Office



## Business case now available

[Client Name] NHS Trust  
Reducing the cost and improving the care of high risk surgical patients

DRAFT 1.3  
[Month] 2007

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Hospital Resource Group (HRG) procedure code	n	Urgency	Deaths	Mortality rate
Q01:Emergency aortic surgery	6,598	Emergency	2,721	41.24%
F33:Large intestine; major procedures with complicating condition(s)	5,765	Emergency	1,290	22.38%
F41:General abdominal; very major or major procedures aged over 69 years or with complicating condition(s)	11,648	Emergency	1,843	15.82%
H05:Complex hip or knee revisions	1,667	Elective	186	11.16%
H33:Neck of femur fracture; aged over 69 years or with complicating condition(s)	170,804	Emergency	15,780	9.24%
F11:Stomach or duodenum; complex procedures	3,714	Elective	312	8.40%
Q02:Elective abdominal vascular surgery	17,791	Elective	1,321	7.43%
F01:Oesophagus; complex procedures	5,594	Elective	375	6.70%
F32:Large Intestine; very major procedures	44,814	Elective	1,521	3.39%
Q03:Lower limb arterial surgery	18,247	Elective	480	2.63%
L02:Kidney major open procedure; aged over 49 years or with complicating condition	17,549	Elective	343	1.95%
H02:Primary hip replacement	123,785	Elective	507	0.41%
L27:Prostate trans-urethral resection; aged over 69 years or with complicating condition	6,196	Elective	24	0.39%
B02:Phakoemulsification cataract extraction with lens implant	89,444	Elective	50	0.06%
F82:Appendicectomy procedures; aged less than 70 years with no complicating condition	88,067	Emergency	15	0.02%

Source: Pearse et al., 2006

# LiDCO™ LiDCO - making a difference

