

Preliminary Results Presentation

Year ended 31 January 2014

29 April 2014

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Chief Executive Officer

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To be read in conjunction with the preliminary results announcement

- Strong year - total revenues were up 20% to £8.63m (2012/13: £7.21m)
- LiDCO product revenues* up 25% to £6.87m (2012/13: £5.49m)
- Maiden profit before tax** £0.28m (2012/13: loss £0.34m)
- EBITDA** of £1,151,000 (2012/13: £515,000)
- Cash flow positive with cash of £2.36m at period end (2012/13: £2.06m)
- Grant of patent in US and Japan for LiDCO*rapid* graphical user interface
- Studies show outcome improvement with use of LiDCO's technology
- Growth in UK sales reflects wider adoption of fluid management:
 - UK surgical disposables up 59%; UK LiDCO product revenues up 48%
- LiDCO*rapid*^{v2} with Unity software registered for use in both the EU and USA
- Non invasive nature of technology considerably widens use within hospitals

*Excludes 3rd party products ** Before share based payments

Income Statement Summary

- Total revenue up 20%
 - Disposable revenues up 33% to £5.15m
- LiDCO product revenue (excl. 3rd party products) up 25%
- UK revenue (excl. 3rd party sales) up 37%
- 303 monitors installed (2012/13: 276)
- Disposable units up 23% to 60,857
- Earnings per share 0.15p (2012.13: loss 0.07p)

	Year to Jan 2014 £'000	Year to Jan 2014 £'000
Revenue	8,631	7,213
Cost of sales	(2,736)	(2,389)
Gross profit	5,895	4,824
Administrative expenses	(5,660)	(5,041)
Operating profit/(loss)	235	(217)
Net finance expense	(18)	(42)
Profit/(loss) before tax	217	(259)
Income tax	82	142
Profit/(loss) after tax	299	(117)
Earnings/(loss) per share (p)	0.15	(0.07)

Cash flow and working capital

- Cash positive
- £220k reduction in inventories
- Repayment of finance lease £191k
- Lower development expenditure
- Closing cash £2.37m
- Outstanding loans £175k

	Year to Jan 2014 £'000	Year to Jan 2013 £'000
Profit/(loss)Loss before tax	217	(259)
Net cashflow from operating activities	1,566	(143)
Cash used in investing activities	(1,052)	(1,371)
Net cash flow before financing	514	(1,514)
Net cash flow - financing activities	(201)	2,233
Net change in cash	313	719
Opening cash	2,060	1,341
Closing cash	2,373	2,060

- Strong growth in home UK market, particularly in the high risk surgical area
- 2013/14 H1 benefited from the immediate sales related to the launch of LiDCO*rapid*^{v2} and the NTAC/CQUIN initiatives
- Highest ever increase in installed base with a total of 139 monitors installed (2012/13: 91)
- Unit sales of surgery disposables increased by 59% to 23,570 (2012/13: 14,855)
- Studies show benefits derived from better monitoring and intra operative fluid management

UK surgery growth

Year	LiDCOrapid Monitors			LiDCOrapid Disposables		
	H1	H2	Total	H1	H2	Total
2008/09	7	20	27	45	862	907
2009/10	15	19	34	995	1,530	2,525
2010/11	20	25	45	2,315	3,610	5,925
2011/12	19	30	49	4,745	3,990	8,735
2012/13	27	50	77	6,295	8,560	14,855
2013/14	74	46	120	11,015	12,555	23,570



Average usage per monitor per month for surgery disposables was 5.7 compared with 5.11 for the previous year

LiDCOrapid with 345 monitors is driving growth of installed base

78 Non invasive modules (CNAP) installed

Table includes placed monitors

- Re-established a direct US sales force
 - Initially focused on understanding the status of the LiDCO*rapid*^{V1} installed base
 - Targeting increasing use in active accounts
 - Re-establishing the monitor pipeline
- Strengthened the sales team to 5 including 3 clinical specialists
- Received FDA clearance (Sept) for non invasive module and US patent granted for LiDCO's combined monitor graphical user interface
- Revenues £857k (2012/13: £1.1m)
- First full year of direct sales installed 23 monitors and sold 5,560 surgical disposables & profitable
- Continue to explore national and regional distribution and licensing arrangements in the US to help access the full market

- Partners are Argon and Nihon Kohden with 120 branch offices and +1,000 sales representatives
 - Key territory to target, as second largest market for hemodynamic monitoring after US
 - Market is potentially worth \$240 - \$480m pa in disposable sales
 - Partners distribute the LiDCO*rapid*^{v1} monitor and disposable kit in Japan
- Revenue for the year is down at £269k (2012/13: £332K) due to a small reduction in monitor sales
- Underlying sales of disposables to hospitals grew in the period
- Working with partners to establish LiDCO use in surgical environment
- Pursuing registration of the LiDCO*rapid*^{v2} with non-invasive blood pressure module

EU

- Strong performance from speciality distribution partners
- Significant increase in revenues from European distributors
 - Sales increased 54% to £959,000 (2012/13 £622,000)
 - Monitor sales of 49 units (2012/13: 19 units)
 - Disposables up 14% to 10,650 units (2012/13: 9,350 units)
- Attained CE marking in Feb 2014 for the LiDCO*rapid*^{v2} with Unity software
- First sales of LiDCO*rapid*^{v2} through our European distributor network
- New distributors appointed in: Italy, Romania & Serbia

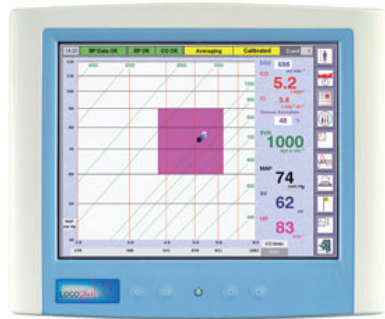
Rest of World

- Sales increased by 61% to £379,000 (2012/13: £235,000)
- Expect further distributor appointments in the emerging markets

Market moving towards parameter convergence

LiDCO has developed the most advanced range of hemodynamic monitoring solutions

LiDCOplus



- A computer-based platform monitor used in the Intensive Care Unit for real-time continuous display of hemodynamic parameters including cardiac output, oxygen delivery and fluid-volume responsiveness (PPV% and SVV%)
- Added Lithium calibration – ICU focus
- Use of LiDCOplus has reduced length of stay by 12 days in high risk surgery patients

LiDCOview



- An easy-to-use graphical display of historical LiDCOplus and LiDCOrapid hemodynamic data
- Used for the review of historical data for research and education purposes
- Unique research tool
- BIS™ (depth of anesthesia) to display will be added

LiDCOrapid



- A cardiac output monitor designed specifically for use in the operating theatre for fluid and drug management
- Enables anesthetists to get accurate and immediate feedback on the patient's fluid and hemodynamic status – a key measure of overall well-being before, during and after surgery
- Patented graphical user interface

LiDCOrapid^{v2} with Unity Software



- First monitor in the world to be designed specifically for multi-parameter monitoring of both depth of anesthesia and fluids
- Allows the connection of two modules to the LiDCOrapid v2 to co-display Covidien's depth of anesthesia parameter (BIS™) and CNSystem's continuous non-invasive blood pressure monitoring (CNAP)
- Patents granted and pending to protect co-display of depth of anesthesia and LiDCO parameters

High margin single-use disposables (sensors and smartcards) to go with above equipment

LiDCO*rapid*^{v2} Platform with Unity Software

LiDCO's new platform technology for surgery and key growth driver

Description:

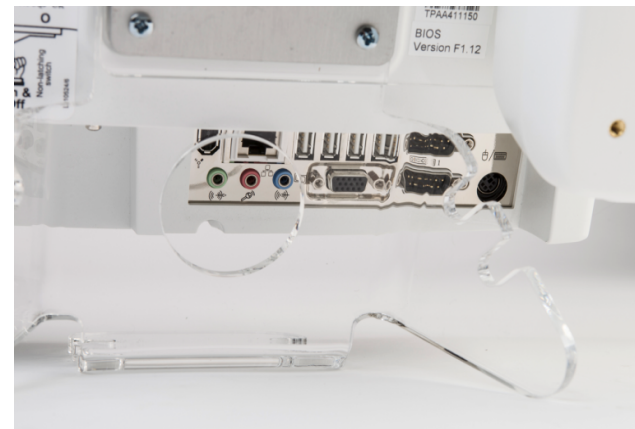
- First monitor in the world to be designed specifically for multi-modal monitoring of both depth of anesthesia and fluids

Features:

- Continuous arterial line or non-invasive blood pressure for fluid and blood flow monitoring
- Level of consciousness (BIS™ integration)
- Additional functions can now be simply added via USB modules – targets are under review

Benefits to LiDCO:

- Doubles market opportunity



Clinical evidence

Date	The Study	Benefits
May '13	Ashford and St Peter's Hospital NHS Foundation Trust incorporated LiDCO <i>rapid</i> ^{v2} into their ERP for patients undergoing bowel surgery	Patients returned home almost a week earlier than previously
June '13	Royal Surrey Country Hospital used the LiDCO <i>rapid</i> monitor to successfully monitor cardiac output and guide intravenous fluid therapy Published in British Journal of Surgery	Reduces the length of stay by three days for patients undergoing open liver resection Post operative complications were reduced (7% Vs. 27%)
January '14	Publication of AAGBI guidelines	Positive reinforcement for LiDCO's product strategy that allows MMM to be achieved with the use of single monitor – the LiDCO <i>rapid</i> ^{v2}
March '14	Publication of "A Cost-Effectiveness Analysis of Postoperative Goal-Directed Therapy (GDT) for High-Risk Surgical Patients"	Study concludes that GDT adoption is both cost effective as well as clinically effective

- **CNSystems** – CNAP™ non invasive technology
 - Impact – doubling market opportunity
- **Covidien** – BIS™ – depth of anaesthesia/brain function monitoring
 - Important in: UK (NICE), Japan (NK sells BIS™), US (BIS™ market leader)
 - BIS™ is part of LiDCO's multimodal surgical monitor
- **Nihon Kohden/Argon** – sales & marketing partners in Japan
- **ICU Medical** – License agreement (future royalty stream)

Key issues to progress further – technology & cost of market access

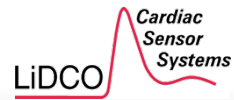
- Most evolved multimodal non invasive monitor
- LiDCO technology + OEM relationships on key parameters
- Product targeted at surgery & has potential for use in additional high volume alternate locations of use
- Crucially LiDCO*rapid*^{N2} has potential to double disposable use in existing hospital customer base
- Significant disposable growth can be expected:
 - in existing accounts / territories
 - new hospital accounts
 - with new territory partners

- Solid platform to deliver further growth
- Business now profitable and cash generative
- Strong market position with our clinically proven, cost effective and patented core technology
- Strong take up of LiDCO monitors by the NHS over the last year
- Much of the business costs now covered by predictable income from higher margin disposable sales. Excellent opportunity to drive further profit growth through:
 - additional monitor installations in our key markets
 - the completion of distribution and licensing arrangements in the US
 - further geographical expansion in the Far East and Middle East
 - increasing usage within our existing customer base & by widening the locations of use

Appendices

Arterial Line and Non-Invasive Disposables Market

Addressed by LiDCOrapid^{v2}

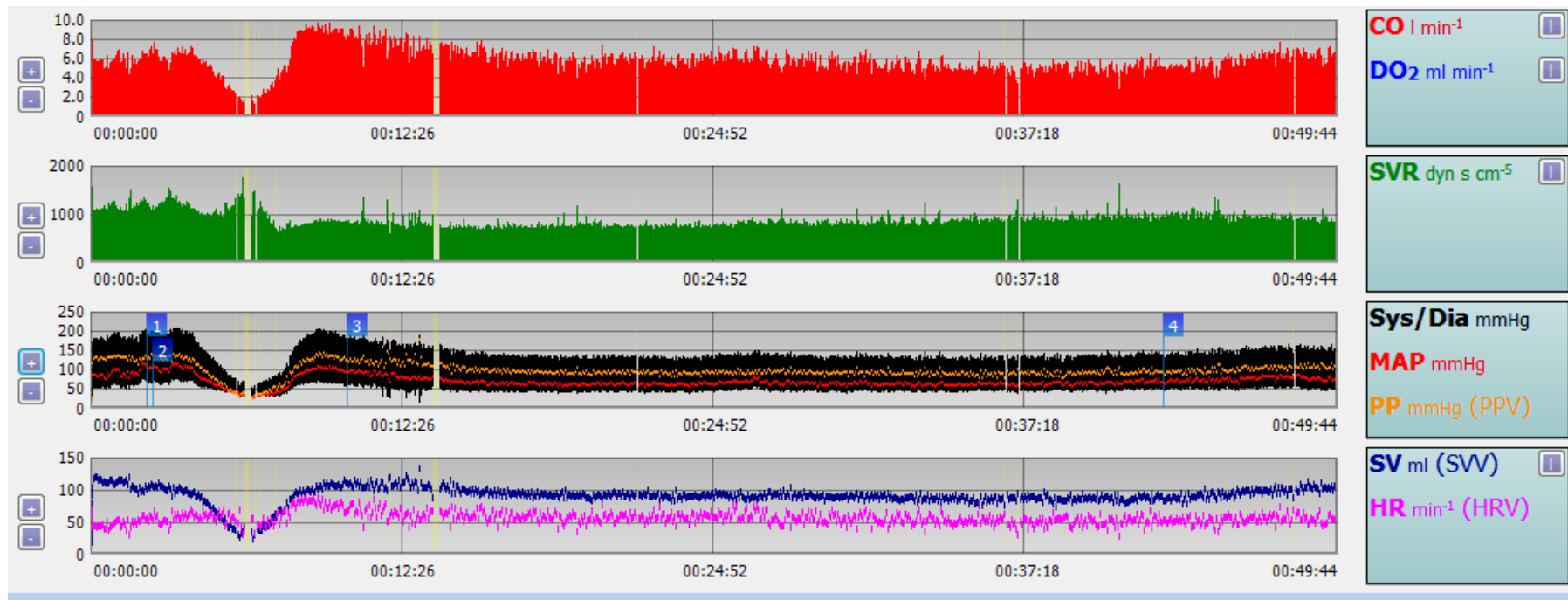


Peri-operative Surgical Fluid & Hemodynamic Monitoring Market				
Territory	UK	US	JAPAN	EU
Arterial line pts.	340,000	1,700,000	680,000	2,560,000
Non arterial line pts	340,000	1,700,000	680,000	2,560,000
Total pts. / annum	680,000	3,400,000	1,360,000	5,120,000
Average price Disposable (\$)	\$102	\$195	\$352	\$150
Disposable market value / annum	\$69.4m	\$663m	\$478m	\$768m

Total market for disposables addressed by LiDCOrapid^{v2} \$1,978m

Source: Management and published data

Blood flow fall across induction and its correction using LiDCO*rapid*



Balance Sheet

	31 Jan 2014	31 Jan 2013
	£'000	£'000
Non-current assets	2,602	2,393
Current assets		
Inventory	2,051	2,271
Trade & other receivables	2,222	2,506
Cash	2,373	2,060
Total current assets	6,646	6,837
Current liabilities		
Trade & other payables	(1,550)	(1,573)
Deferred income	(274)	(263)
Borrowings	(175)	(183)
Total current liabilities	(1,999)	(2,019)
Net current assets	4,647	4,818
Long term liabilities	0	(341)
Net assets	7,249	6,870

Summary cash flow

	Year ended 31 Jan 2014 £'000	Year ended 31 Jan 2013 £'000
Profit/(loss) before tax	217	(259)
Net cash inflow/(outflow) from operating activities	1,566	(143)
Cash flows from investing activities		
Purchase of plant, property & equipment	(342)	(360)
Purchase of intangible assets	(723)	(1,015)
Finance income	13	4
Net cash used in investing activities	(1,052)	(1,371)
Net cash inflow/(outflow) before financing	514	(1,514)
Cash flows from financing activities		
Finance expense	(31)	(46)
Repayment of finance lease	(190)	(156)
Issue of ordinary share capital	20	2,435
Net cash (outflow)/inflow from financing activities	(201)	2,233
Net Increase in cash and cash equivalents	313	719
Opening cash and cash equivalents	2,060	1,341
Closing cash and cash equivalents	2,373	2,060

Revenues by region

	Year to January 2014				Year to January 2013			
	Monitors	Disposables	Other	Total	Monitors	Disposables	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
LiDCO products								
UK - Surgical	475	1,794	130	2,399	354	976	106	1,436
UK - Critical care	233	1,641	129	2,003	173	1,465	128	1,766
UK - Total	708	3,435	259	4,402	527	2,441	234	3,202
US - direct	84	766	7	857	19	273	2	294
US - distributor	-	-	-	-	411	384	7	802
Japan	165	104	-	269	232	100	-	332
Europe	309	631	19	959	115	484	23	622
Rest of World	167	209	3	379	33	199	3	235
	1,433	5,145	288	6,866	1,337	3,881	269	5,487
3rd party sales								
UK	-	1,765	-	1,765	-	1,726	-	1,726
Total sales	1,433	6,910	288	8,631	1,337	5,607	269	7,213

Unit sales/installations by region

	Year to January 2014		Year to January 2013	
(incl placed monitors)	Monitors	Disposables	Monitors	Disposables
	Units	Units	Units	Units
LiDCO products				
UK - Surgical	120	23,570	77	14,855
UK - Critical care	19	13,655	14	12,300
UK - Total	139	37,225	91	27,155
US - direct	27	7,022	2	3,108
US - distributor	0	0	65	3,930
Japan	55	2,000	80	2000
Europe	49	10,650	19	9350
Rest of World	33	3,960	19	3,870
	303	60,857	276	49,413