



LiDCO Group Plc

Year End

to 31st Jan 2011

Preliminary Results
Presentation

April 2011

- Total revenue increased by 16% to £6.24m (2009/10: £5.37m)
- Traded profitably in H2
- EBITDA positive in year £141,000
- UK sales increased 29% to £2.36m (2009/10: £1.82m)
- Recurring revenues of £3.68m, representing 59% of total revenues
- Gross profit up 28% to £4.22m; gross margin 68% (2009/10: 61%)
- Loss before tax down 68% to £490,000 (2009/10: £1.55m)
- Lowest ever annual cash outflow before financing at £433,000 (2009/10: £1.04m)
- Cash balance of £1.40m (2009/10: £1.85m)
- Loss per share 0.22p (2009/10: 0.87p)

- 524 monitors sold/placed - installed base of 2,001* units at year end
- Disposable sales of 47,948 units - up 26% (2009/10: 37,918)
- Study published showing use reduces mortality in shock patients
- LiDCO*rapid* v1.03 and blood pressure module completed in September
- LiDCO monitors now have connectivity to both Philips and GE's Centricity Clinical Information Systems
- Study showed that simultaneous monitoring of blood flow and depth of anesthesia will make it easier to optimize patients during surgery
- LiDCO study day received Royal College of Nursing accreditation
- Argon appointed LiDCO as UK distributor for their critical care products

* Restated as 7 year net monitors in market

Lidco Cardiac Calibration

	Year ended 31 January 2011 £'000	Year ended 31 January 2010 £'000
Revenue	6,237	5,367
Cost of sales	(2,021)	(2,074)
Gross profit	4,216	3,293
Administrative expenses	(4,714)	(4,832)
Loss from operations	(498)	(1,539)
Finance income	8	5
Finance expense	-	(11)
Loss before tax	(490)	(1,545)
Income tax	100	118
Loss and total comprehensive expense	(390)	(1,427)
Loss per share (basic and diluted) (p)	(0.22)	(0.87)

Summary cash flow

Summary Cash flow

	Year ended 31 January 2011 £'000	Year ended 31 January 2010 £'000
Operating Loss	(490)	(1,545)
Net cash inflow/(outflow) from operating activities	115	(443)
Net cash used in investing activities	(548)	(601)
Net cash outflow before financing	(433)	(1,044)
Cash flows from financing activities		
Repayment of finance lease	(10)	(10)
Issue of ordinary share capital	1	3,021
Invoice discounting financing facility	-	(364)
Net cash outflow/(inflow) from operating activities	(9)	2,647
Net (decrease)/increase in cash and cash equivalents	(442)	1,603
Opening cash and cash equivalents	1,846	243
Closing cash and cash equivalents	1,404	1,846

Balance Sheet

	Year ended 31 January 2011 £'000	Year ended 31 January 2010 £'000
Non-current assets	1,268	1,351
Current assets	4,167	4,709
Current liabilities	(851)	(1,227)
Net current assets	3,316	3,482
Total assets less current liabilities	4,584	4,833
Total equity	4,580	4,819
Non-current liabilities	4	14
Total equity and non-current liabilities	4,584	4,833

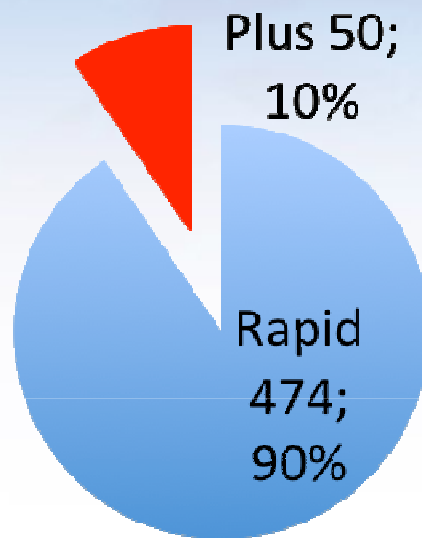
- **LiDCO*plus* version 4.0 software**
 - ICU market focus - highly evolved product & software
 - Calibration, oxygen delivery targeting for goal-directed therapy
 - LiDCO business case (GDT) - saving £4,800 per patient
- **LiDCO*rapid***
 - Anesthesia product for high risk surgery
 - Uses validated PulseCO software algorithm
 - Launched April 2008 – software now updated to v.1.03
 - High volume – expands territories & distribution
 - Universal pressure waveform module
 - Combined LiDCO*rapid* / BIS display project started
- **Connectivity to hospital information systems**
 - Via VueLink to Philips
 - GE via LiDCO specific drivers

Summary of sales table

	Year to 31 Jan 2011	Year to 31 Jan 2010	Increase/ (decrease)	Increase/ (decrease) %
Revenue by type (£'000)				
- Monitors	1,953	1,855	98	5%
- Sensors/cards/use fees	3,681	3,125	556	18%
- License Fees and other income	603	387	216	56%
- Total Revenues	6,237	5,367	870	16%
Monitors (Units)	524	565	(41)	(7%)
Sold	515	536	(21)	
Placed	9	29	(20)	
Sensor, smart card and Fee per Use Sales (Units)	47,938	37,918	10,020	26%
Monitor Base (7 year net)	2,001	1,768	233	13%

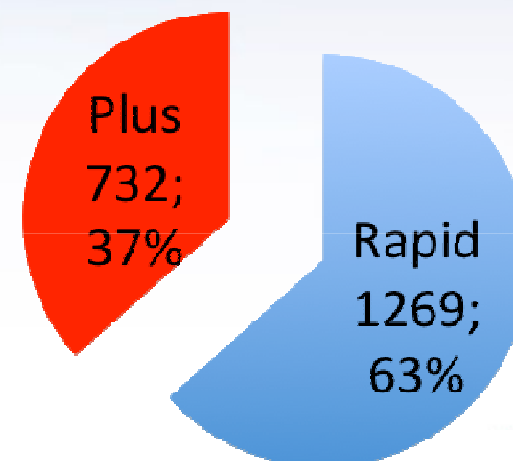
**515 monitors were sold
& only 9 placed**

Monitors



Installed base now @ 2001 monitors

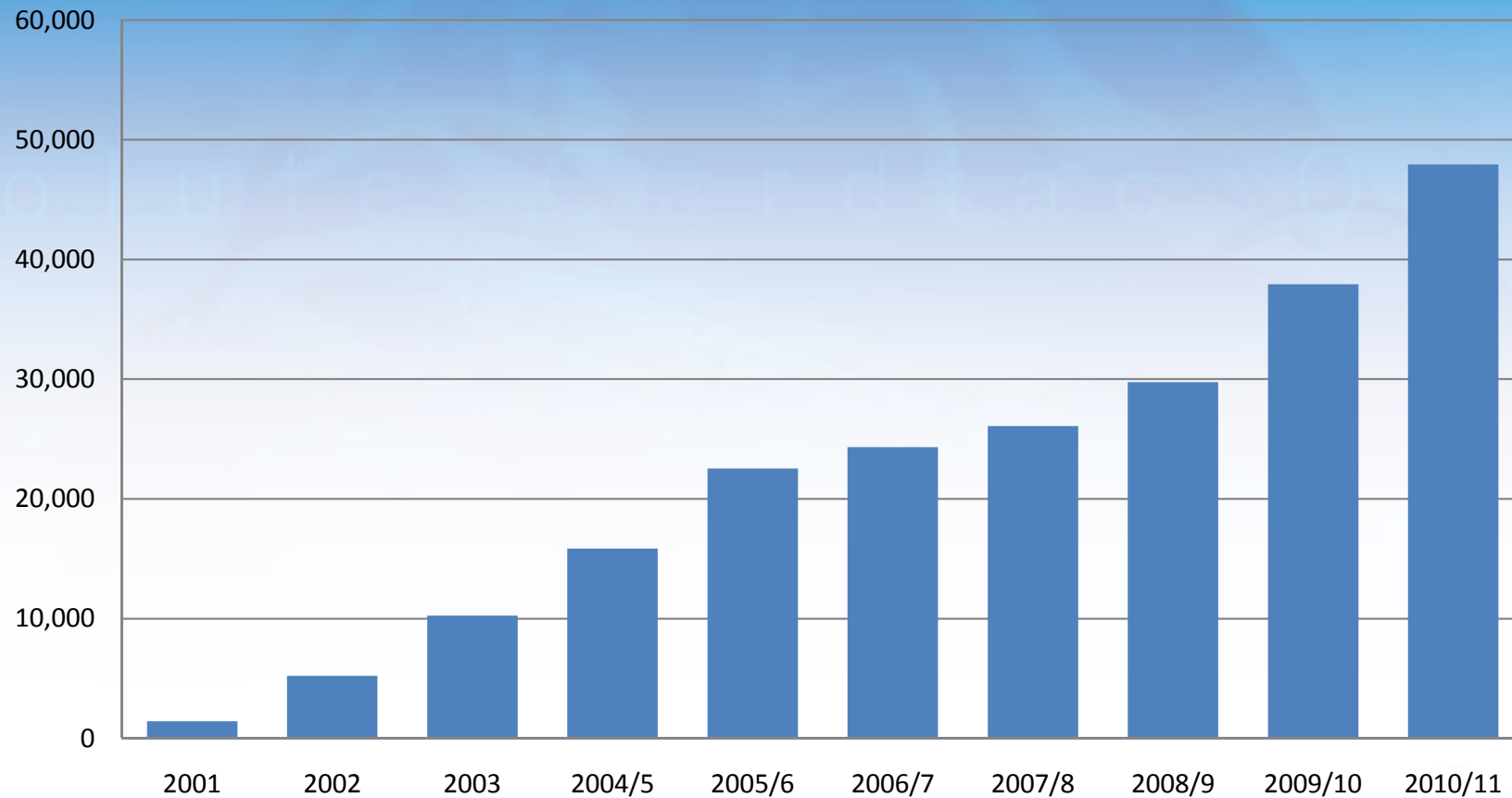
Installed Base



Installed base restated as rolling 7 year net number of monitors in the market

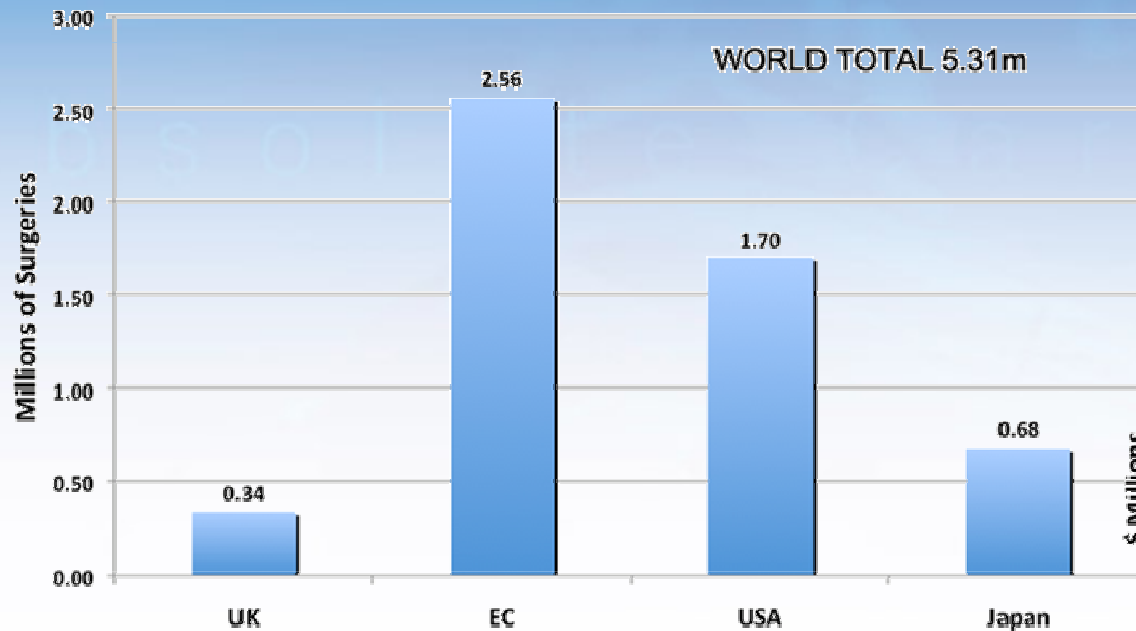
Disposable sales growth

Yearly Disposables Units Sold



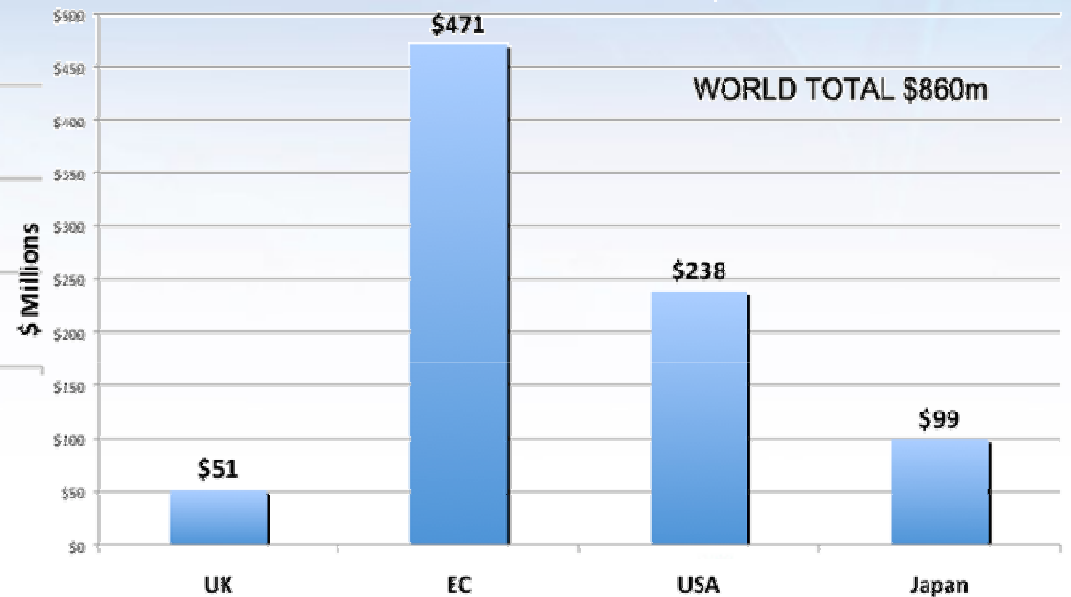
Major surgery market

Numbers of Major Surgery Procedures



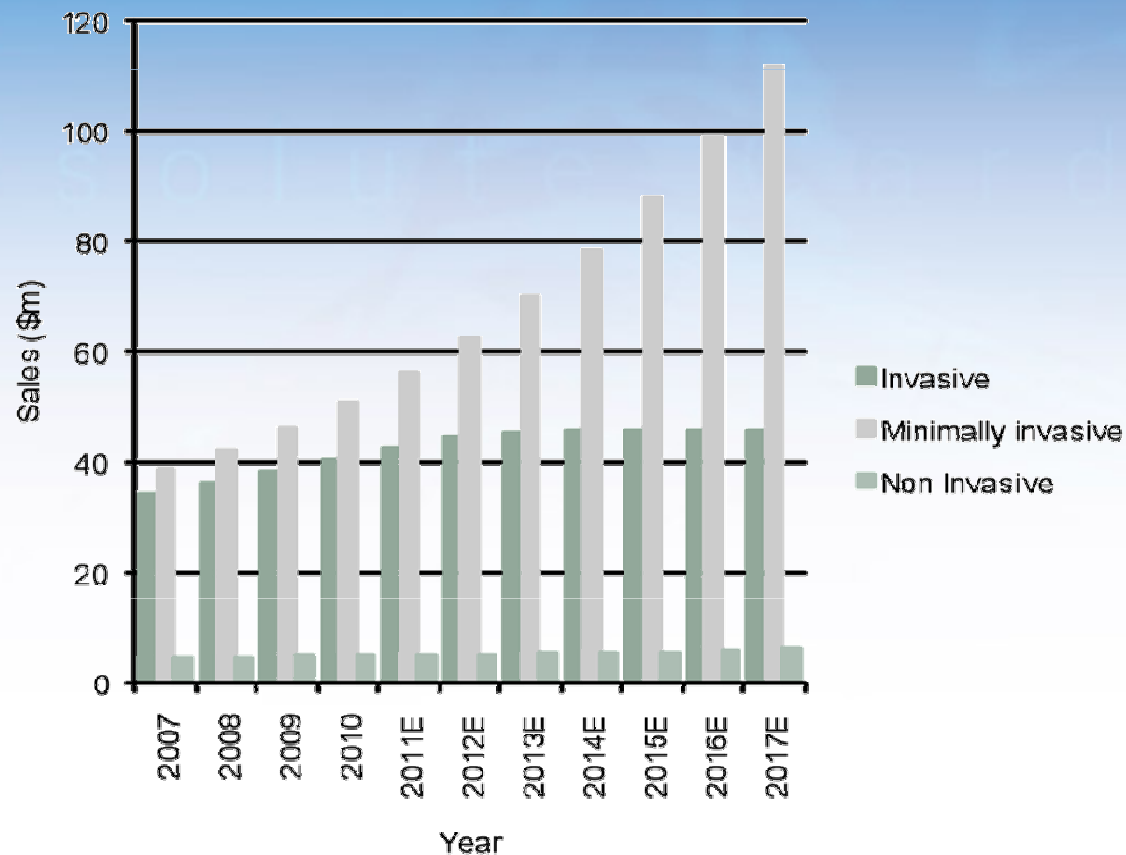
TOTAL SURGERIES	AVGE PRICE	MARKET SIZE
5.31M	\$162	\$860M

Market Size - Major Surgery (\$m)



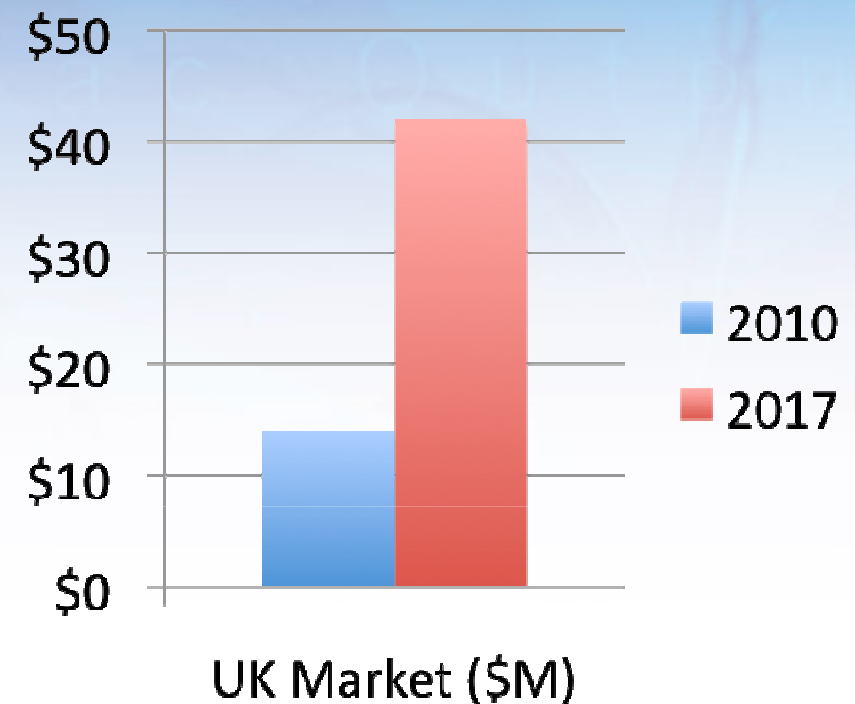
Reference: Pearse et al., Critical Care 2006, 10:R81
(doi:10.1186/cc4928)

EU cardiac output monitoring market



Source: iData Research Inc., 2011

UK minimally invasive market predicted growth @ 17% per annum



Revenue growing at 29%

- Direct sales force in domestic market 7 quota carrying sales reps
- Total revenue up 29% at £2.36m (2009/10: £1.82m)
- Monitor revenue up 52% to £0.50m (2009/10: £0.33m)
- ICU - LiDCO*plus* monitor revenue up 49% to £0.30m
- Surgery - LiDCO*rapid* monitor revenue up 118% to £0.20m
- Disposables sales of £1.80m up 21% (2009/10: £1.49m)
- LiDCO*rapid* used up to 15x per month

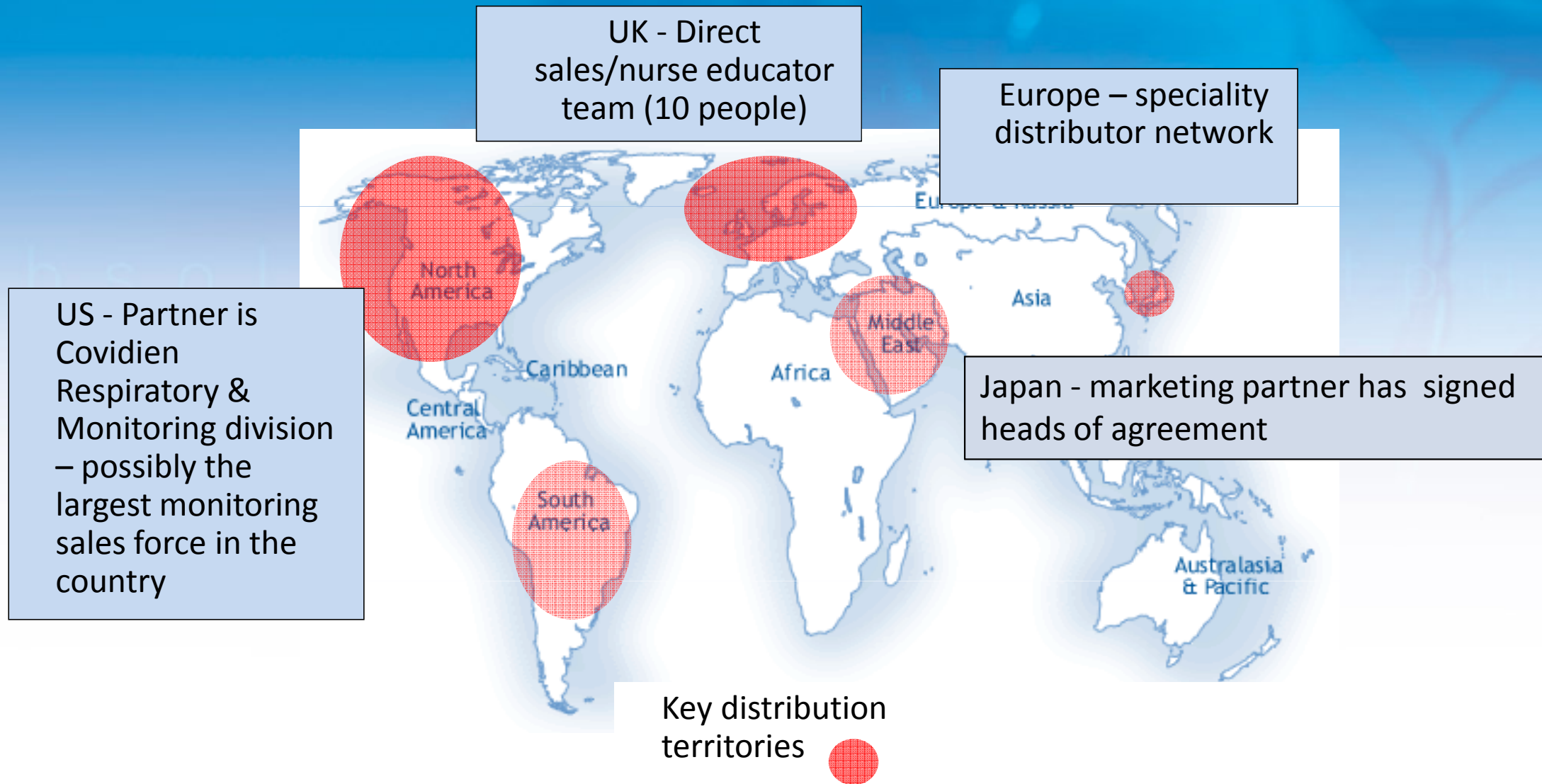
- Reducing surgical complications (invasive catheters , infections and organ failure)
 - in the USA there are an estimated ¹ 290,000 surgical site infections costing \$10bn / annum
- Use of LiDCO's technology on high-risk surgery patients can:
 - reduce complications (particularly infections) by more than one third
 - reduce hospital stay per patient by an average of 12 days & costs by £4,800 per patient
- Emerging evidence-based purchasing - pressure to reduce costs and improve efficiency
 - QIPP Quality Innovation Productivity and Prevention – changing practice
 - ERAS enhanced recovery after surgery

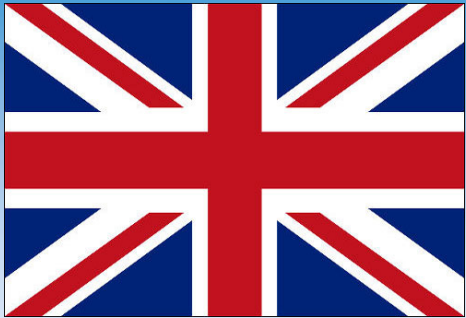
¹ The Centers for Disease Control & Prevention – quote from Wall street Journal 2nd Feb 2010

- Enhanced Recovery After Surgery (ERAS) is a concept that is broadly understood and largely being adopted due to the overwhelming body of evidence that has, and continues to be, accumulated from use of a variety of cardiac output measuring technologies
- Two most important features for technology adoption:
 - **Ease of use (78%)**
 - **Accuracy of the cardiac output trending (71%)**

These are design characteristics of the LiDCO*rapid* Monitor

- LiDCO's UK sales increased by 29% last year with disposable sales up 14,055 to 17,605 – sales growth rate currently @ 30% in 2011 trading





Argon Medical

- Argon Medical designs, manufactures and sells single-use specialty medical device disposables
- Taking over BD's critical care business world wide
- LiDCO will sell in the UK Argon Medical's arterial blood pressure monitoring sensors, acute care catheters and extended dwell catheters
- These products are well established in the UK
- The products complement and strengthen LiDCO's offering
- Sales will be to LiDCO's current customer base
- Initial sales are anticipated by the summer of 2011

Convergence required !



Main projects finished 2010

- Version 1.03 – LiDCO*rapid* launched Q3, 2010
 - Universal pressure waveform module
 - Language localisation
 - RS 232 data configuration

Projects for 2011

- Facilitating parameter convergence at the bedside
- Version 2.0 LiDCO*rapid* monitor
 - BiSpectral Index (BIS) display
- Refining the graphical user interface and core algorithm software architecture to allow for potential OEM arrangements
- Update the LiDCO*plus* monitor software to v 4.02



- Another year of commercial and financial progress
- Traded profitably in the second half of the year
- Cardiac output monitoring now the fastest growing sector within the European monitoring market
- Minimally invasive monitors now representing more than 50% of sales (source: iData Research)
- UK direct market – fastest growing market predicted to grow by 17% per annum to \$42m by 2017
- International distribution partners and growing body of evidence and awareness of LiDCO's technology
- Confident of continuing progress

Principle Calibration

Appendix

- Med-tech company quoted on AIM
- Minimally invasive hemodynamic monitoring products
- Standard of care moving from invasive catheters to less invasive
- US\$1.2bn market potential in surgery and intensive care
- 2008 launch of LiDCO*rapid* opened up the US\$800m surgery opportunity
- Increasing body of evidence showing improving outcomes
- Important for widespread technology adoption are:
 - ease of use, accuracy and broadest applicability
 - potential for parameter convergence & connectivity

- More than 100 papers published and presentations given, on LiDCO technology
- 25 abstracts and papers during the last year alone
- Positive outcome data available for both high risk surgery and shock patients
- Sole technology used in two multi-centre trials outcome – both progressing well
 - MONITOR USA transplantation donor
 - OPTIMISE (UK high risk surgery study)


LiDCO™ St George's/RCN workshops



Royal College of Anaesthetists have accredited the St George's course for 5 CME (continuing medical education) points

LiDCO has accreditation from the Royal College of Nursing ("RCN") for its LiDCO*plus* monitor competency based study day.

29 April 2010


LiDCO 

LiDCO Haemodynamic Workshop

Course Director: Dr Maurizio Cecconi
Course Co-Director: Dr Philip Newman

Faculty:
Dr Maurizio Cecconi, MD, MD(UK)
Deborah Dawson
Dr Philip Newman, FRCA
Dr Andrew Rhodes, FRCA, FRCA
Vaughan Hogg
Andrew Sykes
Nicholas Gussling

Programme:
08.30 - 09.00 Registration and Welcome
Haemodynamic Optimisation
09.00 - 09.15 Cardiovascular Physiology
09.15 - 09.30 Fluid Challenge and Stroke Volume Maximisation
09.30 - 09.45 Evidence Base
09.45 - 10.00 St George's Hospital Optimisation: How we do it
Hands on the monitors (Participants divided in two groups: Group 1 and Group 2)
10.00 - 10.30 Group 1 Hands on LiDCO
10.30 - 10.30 Group 2 Simulation
10.30 - 11.00 Group 1 Simulation
10.30 - 11.00 Group 2 Hands on LiDCO
11.00 - 11.30 Coffee
Case Based Discussion
11.30 - 12.00 Optimising the high risk patient
12.00 - 12.30 The haemodynamically unstable patient
12.30 - 13.30 Lunch
Participants divided in 3 groups (A, B, C)
13.30 - 14.15 Group A Theatre LiDCOrapid
Group B ICU LiDCOrapid
Group C ICU LiDCOplus
14.15 - 15.00 Group A ICU LiDCOrapid
Group B ICU LiDCOplus
Group C Theatre LiDCOrapid
15.00 - 15.45 Group A ICU LiDCOplus
Group B Theatre LiDCOrapid
Group C ICU LiDCOrapid
15.45 - 16.30 Coffee and Certificates



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Venues: St Georges Hospital and Simulation Centre

Blood flow fall across induction and its correction using LiDCOrapid

