

15 October 2019

**LIDCO GROUP PLC**  
("LiDCO", "Group" or the "Company")

**Half-year Report**  
**Interim Results for the six months ended 31 July 2019**

LiDCO (AIM: LID), the hemodynamic monitoring company, announces its unaudited Interim Results for the six months ended 31 July 2019.

**Financial Highlights**

- LiDCO product revenues (excluding third party products) up 10% to £3.3m (H1 2018: £3.0m)
- Total revenues (including 3<sup>rd</sup> party products) down 4% to £3.5m (H1 2018: £3.6m)
- US revenues up 47% (42% on a constant currency basis) to £0.9m (H1 2018: £0.6m)
- EBITDA loss reduced by 70% to £0.3m (H1 2018: loss £0.9m)
- Loss per share 0.34p (H1 2018: loss per share 0.52p)
- Net cash outflow of £0.5m (H1 2018: net cash outflow £1.2m) – late receipt of tax credit (£0.2m) post period end
- Strong balance sheet to support growth strategy with cash balances at 31 July 2019 of £1.2m (31 January 2019: £1.7m), and no debt

**Operational Highlights**

- Continued success with High Usage Programme ("HUP") with revenues up 115% to £0.8m (H1 2018: £0.4m)
- Global installed base of HUP monitors increased by 52 (H1 2018: 34) to 216 at 31 July 2019 (31 January 2019: 164)
- Regulatory approvals received for commercial sale of latest monitor in China and South Korea
- 159 monitors sold/placed in period (H1 2018: 132 monitors)
- Signed Latin American master distribution agreement for LiDCO products with Brazil based Elysian Fields Medical
- Appointment of Tim Hall as CFO to the Board in March 2019

**Post Period End**

- Further increase in global installed base of HUP monitors of 26 to 242 at 11 October 2019
- 130 HUP monitors in the US as at 11 October 2019 generating annualised recurring revenues of \$1.44m
- Signed non-invasive technology agreement with CNSystems Medizintechnik AG ("CNS") to incorporate latest technology improvements into CNS's continuous, non-invasive blood pressure monitoring ('CNAP') product
- Appointment of Jim Wetrich as Non-executive Director to the Board in August 2019

**Commenting, Matt Sassone, Chief Executive Officer of LiDCO, said:** *"We've had a good start to the year as we were able to transition more UK customers to HUP and it is pleasing to report that this continues into H2. In the US we are continuing to gain success from a comparatively small sales presence, which demonstrates the potential of the HUP business model. With HUP gathering more momentum, we are focussed on achieving a strong second half performance as the business moves progressively towards profitability, driven by a strong recurring revenue base."*

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

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## CHIEF EXECUTIVE OFFICER'S REVIEW

The first half results clearly demonstrate how the Company's differentiated High Usage Programme (HUP) offering and the strategic shift to a 'Software as a Service' (SaaS) model is starting to deliver. Customer experience and feedback continues to be excellent. Financially, HUP delivers greater revenue visibility alongside strong cash generation.

HUP revenues in the first six months grew 115% to £0.81m (H1 2018: £0.37m) contributing strongly to the overall performance of the business in the period. As at 11 October the Company has 242 HUP monitors placed in the market (31 January 2019: 164) that will generate annualised revenues of £2.1m. HUP contracts vary in length but are typically for three years with the customer able to extend the contract for a further one or two years. Fees are invoiced annually at the beginning of each contract year, but the income is recognised over the contract year with the unrecognised deferred income being shown on the balance sheet. Unrecognised deferred income relating to HUP contracts was £0.77m at 31 July 2019 (31 July 2018: £0.37m).

The Board has identified that, as the largest market for hemodynamic monitoring, the US offers the greatest opportunity for LiDCO. Accordingly, the Company continues to invest in gaining share in this growing market. In addition to its success to date, the Company has been able to build a substantial pipeline of opportunities as customers recognise the possibility to save money versus their current supplier, whilst being able to monitor additional patients without incremental costs. In the current environment in the US healthcare market, the proposition of managing costs whilst delivering high-value, high-quality care, means that LiDCO's HUP offering is well placed and timely.

LiDCO currently has a small direct US salesforce that is adapting to navigate a complex purchasing environment. Since launching its HUP offering, LiDCO has evolved its approach to meet customer requirements to the point that some customers are now utilising capital funding to purchase monitors as part of their HUP contract. The Board is pleased that Jim Wetrich has joined as a Non-executive Director and believe that his knowledge and relationships of the US market will help the Company shorten the US sales cycle.

In the UK, LiDCO's home market, the Company is aiming to convert its larger customers to the HUP business model. The Group initially evaluated this approach with its largest UK account in January 2018 and, encouragingly, the customer has been able to treat more patients and has increased its investment in hemodynamic monitoring. Following this success, a total of eight of LiDCO's larger customers have, as at 11 October 2019, signed multi-year HUP contracts, meaning that a total of £0.8m or 26% of LiDCO's recurring revenues in the UK have now converted to HUP.

This strategy to actively convert larger UK customers to the SaaS business model has a short-term transitional impact on revenues for two reasons: (i) customers typically de-stock smartcard inventory ahead of transitioning and (ii) revenues which would have normally been booked in the year are deferred and recognised over 12 months. Nevertheless, once established, HUP provides a better forward view of revenues and a highly competitive offering for customers.

In the UK, as previously announced, the termination of the Argon Critical Care distribution contract impacted the first half performance contributing just £0.16m compared to £0.63m in H1 2018. The Company has signed three exclusive distribution agreements for complimentary products which it expects over time to collectively exceed the financial contribution previously generated by the Argon distribution.

Outside of the Group's two direct markets, LiDCO focuses on specific countries which offer the best opportunities for geographic expansion. The take up of hemodynamic monitoring varies greatly across the world, and the Board's aim is to build a number one or two position in specific target countries that are rapidly adopting relevant clinical pathways, such as enhanced recovery after surgery. This strategy took major steps forward in the first six months of the financial year, as the Company achieved regulatory approval for its latest hemodynamic monitor LiDCOrapid<sup>v3</sup> in both China and South Korea, and appointed Elysian Fields as its master distributor in Latin America.

## Financial Results

Overall revenues were down 4% to £3.51m (H1 2018: £3.64m) as a result of the previously announced termination of the Argon Critical Care distribution contract. However, sales of LiDCO products increased 10% to £3.33m (H1 2018: £3.02m).

Gross profit increased 7% to £2.56m (H1 2018: £2.39m) with the gross margin increasing to 73.0% (H1 2018: 65.7%) due to the decline in sales of low margin third-party products.

Sales and marketing costs decreased by 16% to £1.70m (H1 2018: £2.04m) primarily as a result of cost saving measures put in place at the beginning of the year and open sales positions at that time. Operational costs, which include facilities, systems and logistics, reduced 6% to £0.51m (H1 2018: £0.54m), mainly due to lower salary costs arising from headcount reductions. Administration expenses increased to £0.70m (H1 2018: £0.63m) primarily due to recruitment expenses and increased salary costs. Product development costs were 1% below those of the prior period at £0.39m (H1 2018: £0.40m). Total operating expenses decreased by 8% to £3.30m (H1 2018: £3.60m).

The EBITDA loss for the period was reduced by 70% to £0.26m (H1 2018: £0.88m). The implementation of IFRS 16 "Leases" in the period reduced the EBITDA loss by £0.1m.

	<b>Six months ended 31 July 2019 Unaudited £'000</b>	Six months ended 31 July 2018 Unaudited £'000	Year ended 31 January 2019 Audited £'000
Loss from operations	<b>(812)</b>	(1,275)	(2,138)
Depreciation	<b>551</b>	391	832
EBITDA	<b>(261)</b>	(884)	(1,306)

Net cash inflow from operating activities was £0.13m (H1 2018: outflow £0.61m). The increase in net cash generated from operating activities arose from the reduction in EBITDA loss and favourable working capital movements, partly offset by the deferral into H2 of the R&D tax credit, of £0.19m (H1 2018: £0.14m) in respect of the previous financial year, normally received in H1.

Net cash used in investing activities, which represents purchases of plant and equipment including monitors placed on long-term loan to hospitals and capitalised R&D, was down 3% to £0.54m (H1 2018: £0.56m).

Net cash outflow from financing activities of £0.12m (H1 2018: £nil) relates to interest and capital payments in respect of property and car rentals previously classified as operating leases under IAS 17.

Net cash outflow was £0.53m (H1 2018: £1.17m) such that the Company had cash balances at 31 July 2019 of £1.19m (31 January 2019: £1.72m).

## Sales Performance

In the UK, LiDCO product revenues declined by 8% to £1.61m (H1 2018: £1.76m) due to the timing of certain large orders and the Company's decision to transition another four of its larger customers to the HUP business model. The impact of these two factors is estimated to have reduced H1 revenue by £0.2m. As explained above, the strategy to actively convert UK customers to the SaaS business model, has a transitional impact on revenues as these customers typically de-stock inventory ahead of transitioning to HUP. Overall the Company believes that it is maintaining its leading share of the UK hemodynamic monitoring market.

US revenues were up 47% (42% on a constant currency basis) to £0.89m (H1 2018: £0.61m), with the growth being driven by the continued success of the HUP offering. Capital sales in the first half increased as a result of utilising customer's capital budgets to accelerate the contracting of HUP monitors. As at 11 October the installed base of HUP monitors has grown to 130 units (31 January 2019: 95) generating annualised recurring revenues of \$1.44m.

In Continental Europe, sales were up 27% to £0.30m (H1 2018: £0.24m). The strong performance in first half, was partly due to distributors building inventory ahead of a no-deal Brexit and the success of signing new distributors in Eastern Europe.

In the Rest of World, sales grew by 27% to £0.53m (H1 2018: £0.42m). During the period the Chinese Food and Drug Administration (CFDA) approved the commercial sale of LiDCO's latest monitor and sales of stock to LiDCO's Chinese distributor ahead of its re-launch in this important growing market positively impacted H1.

Third party sales were impacted by the expected decline as a result of the termination of the Argon critical care contract by Merit Medical. In the first six months, revenues of these lower margin third party products reduced to £0.16m (H1 2018: £0.63m). The UK commercial team is focusing on launching the newly signed distribution product ranges, and whilst progress is slower than originally anticipated it is expected that with time these will replace the contribution made by the terminated Argon distribution agreement.

**Further details of the Company's performance, in terms of revenues by key geographies, are given in the table below:**

	6 months to July 2019				6 months to July 2018			
	Capital Revenues	Recurring Revenues	Other	Total	Capital Revenues	Recurring Revenues	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>LiDCO Revenues</b>								
UK	221	1,369	23	1,613	163	1,564	31	1,758
US	112	771	4	887	22	579	4	605
Europe	68	223	9	300	93	136	7	236
Rest of World	357	167	4	528	179	236	2	417
	<b>758</b>	<b>2,530</b>	<b>40</b>	<b>3,328</b>	457	2,515	44	3,016
<b>3rd Party Revenues</b>								
UK	-	183	-	183	-	627	-	627
<b>Total Sales</b>	<b>758</b>	<b>2,713</b>	<b>40</b>	<b>3,511</b>	457	3,142	44	3,643

*Capital revenues include the sales of monitors and other equipment to customers. Recurring revenues include sales of smartcards, sensors, software licenses and service contracts. Japan revenues have now been included within Rest of World.*

### Strategic plans

LiDCO's strategy is to build shareholder value through the commercialisation of LiDCO monitoring systems and associated high margin repeat revenues. Increasing the numbers of productive LiDCO-enabled monitors should ultimately increase the amount of repeat revenues generated from customers.

Geographical expansion is key to LiDCO's capacity to address the worldwide opportunity for sales of its technology. The Company is focused on the US as the largest market for hemodynamic monitoring and has invested in commercial operations there to accelerate revenue growth whilst maintaining LiDCO's leadership position in the UK.

LiDCO will continue to invest in research and development to maintain its technology leadership and deliver further differentiation of LiDCO's offering. The Board believes that the quality of LiDCO's products, along with promotion of its highly differentiated and attractive pricing model for customers with high annual usage, will drive significant market share gains in the US and other target markets.

Excellence in product design, manufacturing and sales and marketing are at the core of LiDCO's values. Patent protection is sought where possible for LiDCO products and their position is supported by a growing body of data showing their clinical benefit and cost-effectiveness.

## **Brexit**

The Board continues to follow progress in Brexit negotiations, and has actioned plans in case the UK exits the European Union (EU) on 31 October 2019 without a withdrawal agreement. The following steps are being implemented as necessary to limit the risk of Brexit having an adverse impact on the Company.

LiDCO is in the process of moving all current CE marks to a domicile within the EU for regulatory purposes. This action has minimal impact to the business with the exception of the need to change LiDCO product labelling over time.

The Company's Lithium Chloride registration as a pharmaceutical is in the process of relocating from the UK Medicines and Healthcare products Regulatory Agency (MHRA) to another EU regulatory agency. The Company will continue to monitor the changing regulatory requirements and evaluate the viability of business in individual European markets when considering the regulatory costs.

Default arrangements under World Trade Organisation rules generally levy no tariffs on medical products. However, the Company has decided to move some inventory into Europe to mitigate any potential supply disruption.

The Board believes that Brexit will have no material impact on staffing and talent retention.

The Board continues to hope that a no deal situation will be avoided and that, as a minimum, trade with EU entities will be unaffected for the duration of a transitional period.

## **Premises**

The Company has been informed by the landlord of its premises in London that they wish to redevelop the property and will not renew the lease at the end of its current term in June 2021. Contracts are currently being finalised in respect of a new short-term lease, which provides benefits to both parties, to replace the existing lease for the remainder of the term. The Company is progressing plans to find alternative premises.

## **Outlook**

LiDCO continues to make good progress with its High Usage Programme in the US and, having established a foundation of prestigious accounts in the US, the Company is well-positioned to take further market share in the world's largest hemodynamic monitoring market. There is a substantial pipeline of advanced opportunities for new HUP accounts and, while predicting the timing of conversion to signed contracts remains an imprecise art, the volume and value of such high visibility contracted revenue opportunities continues to grow. The Board therefore expects to see further benefits as LiDCO's pipeline conversion progresses in the US. In addition, the Board recognises the mid-term benefits of transitioning its larger UK customers to the same HUP model.

As a result, it is expected that the second half will build on the good start to the year as the appeal of the HUP business model continues to attract customers. Overall the Board expects significant LiDCO sales momentum when compared with the second half of last year and, with overheads remaining largely flat on the prior year, the Board expects performance will benefit from the operational gearing in the business.

**Matt Sassone**  
**Chief Executive Officer**  
**15 October 2019**

**CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT**  
**For the six months ended 31 July 2019**

		<b>Six months ended 31 July 2019 Unaudited £'000</b>	Six months ended 31 July 2018 Unaudited £'000	Year ended 31 January 2019 Audited £'000
	Note			
<b>Revenue</b>	4	<b>3,511</b>	3,643	7,324
Cost of sales		<b>(948)</b>	(1,251)	(2,489)
Gross profit		<b>2,563</b>	2,392	4,835
Sales and marketing		<b>(1,702)</b>	(2,038)	(3,787)
Operations		<b>(507)</b>	(542)	(1,010)
Administration		<b>(704)</b>	(626)	(1,235)
Product development		<b>(393)</b>	(396)	(798)
Total operating expenses		<b>(3,306)</b>	(3,602)	(6,830)
Operating loss before share-based payments		<b>(743)</b>	(1,210)	(1,995)
Share-based payment charge		<b>(69)</b>	(65)	(143)
Operating loss		<b>(812)</b>	(1,275)	(2,138)
Finance income		<b>1</b>	1	1
Finance expense		<b>(9)</b>	-	-
Loss before tax		<b>(820)</b>	(1,274)	(2,137)
Income tax		<b>(1)</b>	9	196
<b>Loss for the period and total comprehensive expense attributable to equity holders of the parent</b>		<b>(821)</b>	(1,265)	(1,941)
<b>Loss per share (basic and diluted)</b>	5	<b>(0.34p)</b>	(0.52p)	(0.80p)

**CONDENSED CONSOLIDATED BALANCE SHEET**

At 31 July 2019

	31 July 2019 Unaudited £'000	31 July 2018 Unaudited £'000	31 January 2019 Audited £'000
<b>Non-current assets</b>			
Property, plant and equipment	1,013	1,018	949
Right to use assets	367	-	-
Intangible assets	2,125	2,011	2,083
	<b>3,505</b>	<b>3,029</b>	<b>3,032</b>
<b>Current assets</b>			
Inventory	1,539	2,118	1,880
Trade and other receivables	1,440	2,218	1,928
Tax receivable	188	-	188
Cash and cash equivalents	1,188	2,056	1,717
	<b>4,355</b>	<b>6,392</b>	<b>5,713</b>
<b>Current liabilities</b>			
Lease liabilities	(218)	-	-
Trade and other payables	(963)	(1,918)	(1,374)
Deferred income	(766)	(371)	(837)
	<b>(1,947)</b>	<b>(2,289)</b>	<b>(2,211)</b>
<b>Net current assets</b>	<b>2,408</b>	<b>4,103</b>	<b>3,502</b>
<b>Non-current liabilities</b>			
Lease liabilities	(131)	-	-
	<b>(131)</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>5,782</b>	<b>7,132</b>	<b>6,534</b>
<b>Equity attributable to equity holders of the parent</b>			
Share capital	1,221	1,221	1,221
Share premium	30,342	30,342	30,342
Merger reserve	8,513	8,513	8,513
Retained earnings	(34,294)	(32,944)	(33,542)
<b>Total equity</b>	<b>5,782</b>	<b>7,132</b>	<b>6,534</b>



**CONDENSED CONSOLIDATED COMPREHENSIVE CASH FLOW STATEMENT**  
**For the six months ended 31 July 2019**

	<b>Six months ended 31 July 2019 Unaudited £'000</b>	Six months ended 31 July 2018 Unaudited £'000	Year ended 31 January 2019 Audited £'000
<b>Loss before tax</b>	<b>(820)</b>	(1,274)	(2,137)
Finance income	(1)	(1)	(1)
Finance expense	9	-	-
Depreciation and amortisation charges	551	391	832
Share based payments	69	65	143
Decrease/(increase) in inventories	341	(764)	(526)
Decrease in receivables	465	1,038	1,318
(Decrease)/increase in payables	(411)	102	(442)
(Decrease)/increase in deferred income	(71)	(297)	169
Income tax (paid)/received	(2)	126	135
<b>Net cash inflow/(outflow) from operating activities</b>	<b>130</b>	(614)	(509)
<b>Cash flows from investing activities</b>			
Purchase of property, plant & equipment	(232)	(238)	(351)
Purchase of intangible assets	(309)	(320)	(651)
Finance income	1	1	1
<b>Net cash used in investing activities</b>	<b>(540)</b>	(557)	(1,001)
<b>Cash flows from financing activities</b>			
Finance expense	(9)	-	-
Principle elements of lease payments	(110)	-	-
<b>Net cash outflow from financing activities</b>	<b>(119)</b>	-	-
<b>Net decrease in cash and cash equivalents</b>	<b>(529)</b>	(1,171)	(1,510)
Opening cash and cash equivalents	1,717	3,227	3,227
Closing cash and cash equivalents	1,188	2,056	1,717

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

For the six months ended 31 July 2019

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
At 1 February 2018	1,221	30,342	8,513	(31,744)	8,332
Share based payment expense	–	–	–	143	143
Transactions with owners	–	–	–	143	143
Loss and total comprehensive expense for the year	–	–	–	(1,941)	(1,941)
<b>At 31 January 2019</b>	<b>1,221</b>	<b>30,342</b>	<b>8,513</b>	<b>(33,542)</b>	<b>6,534</b>
Share based payment expense	–	–	–	69	69
Transactions with owners	–	–	–	69	69
Loss for the half year	–	–	–	(821)	(821)
<b>At 31 July 2019</b>	<b>1,221</b>	<b>30,342</b>	<b>8,513</b>	<b>(34,294)</b>	<b>5,782</b>

## **NOTES TO THE INTERIM STATEMENT**

### **1. BASIS OF PREPARATION**

The Group's interim report for the six months ended 31 July 2019 was authorised for issue by the directors on 15 October 2019. The consolidated interim financial information, which is unaudited, does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. Accordingly, this condensed report is to be read in conjunction with the Annual Report for the year ended 31 January 2019, which has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and any public announcements made by the Group during the interim reporting period.

The statutory accounts for the year ended 31 January 2019 have been reported on by the Group's auditors, received an unqualified audit report and have been filed with the registrar of companies at Companies House. The unaudited condensed interim financial statements for the six months ended 31 July 2019 have been drawn up using accounting policies and presentation expected to be adopted in the Group's full financial statements for the year ending 31 January 2020, which are those set out in note 1 to the Group's audited financial statements for the year ended 31 January 2019 together with the new accounting policies that have been applied from 1 February 2019 included in note 3.

Having reviewed the Group's operations and forecasts, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the unaudited condensed interim financial statements.

### **2. ACCOUNTING POLICIES**

The interim financial information has been prepared on the basis of the recognition and measurement requirements of IFRS, which were the accounting policies used in the Report and Accounts for the Group for the year ended 31 January 2019. The accounting policies are those used in the last annual accounts and include the new accounting policies that have been applied from 1 February 2019 as set out in Note 3 below.

### **3. CHANGES IN ACCOUNTING POLICIES**

On 1 February 2019 the Group adopted IFRS 16 "Leases", which has been issued by the IASB to replace IAS 17 "Leases". The Group has used the "modified retrospective approach" to the implementation of IFRS 16 under which a lessee does not have to restate comparative information.

IFRS 16 changes lease accounting for lessees in that:

- Lease agreements give rise to an asset representing the right to use the leased item and a liability for future lease payments. Previously under IAS 17, a liability was not recorded for future operating lease payments, which were disclosed as commitments;
- Lease costs are recognized in the form of depreciation of the right to use asset and interest on the lease liability which will be discounted at either the interest rate implicit in the lease or, when this is not determinable, the expected incremental borrowing rate for the Group for the item under lease. Under IAS 17, operating lease rentals were expensed on a straight-line basis over the lease term within operating expenses;
- Net cash inflows from operating activities and payments classified within the cash flow from financing activities both increase, as, under IFRS 16, payments made at both the lease inception and subsequently are characterized as repayments of lease liabilities and interest. Net cash flows are not impacted by IFRS 16.

The adoption of IFRS 16 does not affect revenue recognition of the Group.

The impact of the adoption of IFRS 16 on the Group consolidated balance sheet as at 31 July 2019 is shown in the table below.

	Reason for change	31 July 2019 under IAS 17 £'000s	IFRS 16 adjustments £'000s	31 July 2019 as reported £'000s
Non-current assets	Recognition of right to use asset for rented items previously classed as operating leases	3,138	367	<b>3,505</b>
Current assets	Adjustment for previously recognized prepayment relating to property lease	4,378	(23)	<b>4,355</b>
Current liabilities	Recognition of current portion of lease liability for rented items	(1,729)	(218)	<b>(1,947)</b>
Non-current liabilities	Recognition of lease liability due greater than one year for rented items	-	(131)	<b>(131)</b>

The impact of the adoption of IFRS 16 on the Group consolidated comprehensive income statement, EBITDA and the Group consolidated cash flow statement are shown in the table below.

	Reason for change	6 months to 31 July 2019 under IAS 17 £'000s	Reversal of IAS 17 entries £'000s	IFRS 16 adjustments £'000s	6 months to 31 July 2019 as reported £'000s
Operating expenses	Removal of IAS 17 lease costs and recording of depreciation of right to use assets	(3,310)	119	(115)	<b>(3,306)</b>
Finance expense	Recording of interest on lease liability	-	-	(9)	<b>(9)</b>
Loss before tax	Net of above changes	(816)	119	(124)	<b>(821)</b>
EBITDA	Removal of lease costs from operating expenses	(380)	119	-	<b>(261)</b>
Net cash inflow from operating activities	Lease cost payments recorded within financing activities	11	119	-	<b>130</b>
Net cash used in financing activities	Recognition of lease liability payments	-	-	(119)	<b>(119)</b>

#### 4. REVENUE AND SEGMENTAL INFORMATION

The Group has one segment - the supply of monitors, disposables and support services associated with the use of the LiDCO's cardiac monitoring equipment. Geographical and product type analysis is used by management to monitor sales activity and is presented below:

## Revenue and result by geographical region

	Six months ended 31 July 2019 £'000	Six months ended 31 July 2018 £'000	Year ended 31 January 2019 £'000
<b>Group revenue</b>			
UK – LiDCO products	1,613	1,758	3,559
UK – third party products	183	627	1,134
USA	887	605	1,376
Continental Europe	300	236	467
Rest of World	528	417	788
	<b>3,511</b>	<b>3,643</b>	<b>7,324</b>

	Six months ended 31 July 2019 £'000	Six months ended 31 July 2018 £'000	Year ended 31 January 2019 £'000
<b>Result</b>			
UK – LiDCO products	485	643	1,305
UK – third party products	27	125	227
US	(124)	(736)	(779)
Europe	152	(7)	132
Rest of World	211	130	163
Total	751	155	1,048
Unallocated costs	(1,563)	(1,430)	(3,186)
Operating loss	(812)	(1,275)	(2,138)

## Revenue by type

Capital revenues	758	457	1,051
Recurring revenues	2,530	2,515	5,040
Distributed third party disposables	183	627	1,134
Total product revenue	3,471	3,599	7,225
Other income	40	44	99
Total revenues	<b>3,511</b>	<b>3,643</b>	<b>7,324</b>

The Group can identify trade receivables and trade payables relating to the geographical segments. As noted above, the Group has one segment and other assets and liabilities together with non-sales related overheads are not accounted for on a segment by segment basis. Accordingly, segment assets, liabilities and segment cash flows are not provided. Service contract income is included within recurring revenue.

During the period there were no customers that accounted for more than 10% of the Group's total revenue (H1 2018: nil).

## **5. LOSS PER SHARE**

The calculation of the loss per share for the six months to 31 July 2019 is based on the loss for the period of £821,000 (H1 2018: £1,265,000) and the weighted average number of shares in issue during the period of 244,174,908 (H1 2018: 244,174,908).

## **6. DISTRIBUTION OF THE INTERIM STATEMENT**

Copies of this statement will be available for collection free of charge from the Company's registered office at 16 Orsman Road, London N1 5QJ. An electronic version will be available on the Company's website, [www.lidco.com](http://www.lidco.com).

The Company's presentation of its interim results for the six months ended 31 July 2019 will also be available from today on the LiDCO website [www.lidco.com](http://www.lidco.com).