



LiDCO Group Plc
Proposed Placing & Notice of General Meeting

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

**Proposed Placing of 47,916,666 Ordinary Shares and Subscription of 2,083,334 Ordinary Shares at a price of 6 pence per share
and
Notice of General Meeting**

LiDCO (AIM: LID), the hemodynamic monitoring company, is pleased to announce that it has conditionally raised £3.0 million, before expenses, through a placing and subscriptions. finnCap Ltd ("finnCap"), as the Company's broker, has conducted a placing of 47,916,666 new ordinary shares in the Company ("Ordinary Shares") (the "Placing Shares" and the "Placing") with new and existing institutional investors at a price of 6 pence per share (the "Placing Price") and subscriptions with the Company of 2,083,334 new Ordinary Shares (the "Subscriptions") at the Placing Price with certain Directors of the Company.

The Placing and Subscriptions are conditional upon, *inter alia*, shareholder approval.

The Placing demonstrates continued strong support by certain existing key shareholders and new institutions. The net proceeds of the Placing and Subscriptions will provide growth capital to accelerate growth into the US market, which the Directors believe has the most significant growth opportunity at present, as well as growing sales through additional resource in other international markets, whilst maintaining its market leading status in the UK.

Matt Sassone, Chief Executive Officer, commented: *"We are delighted with the support shown by both existing and new investors, which resulted in the Placing being oversubscribed. This is an exciting time for the Company, we believe we are well positioned to pursue additional growth from substantial US opportunities and other distributor markets. The proceeds from the Placing and Subscriptions will allow the Company to focus on developing sustainable, repeatable businesses outside its core UK market."*

LiDCO Group Plc

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1. Information on LiDCO

LiDCO is a supplier of minimally invasive and non-invasive hemodynamic monitoring equipment to hospitals, principally used in the treatment of high-risk patients in both critical care units and in the operating theatre. The equipment monitors the amount of blood flowing around the body, helping clinicians and nurses to ensure that vital organs are kept adequately perfused with oxygenated blood by the adjustment of supportive fluid and drugs. LiDCO's computer-based patented technology has been shown by independent studies to statistically reduce mortality, complications, length of stay or the overall costs associated with high risk elective surgery, emergency surgery or intensive care. Independent clinical studies show that the optimisation of the hemodynamic status of high-risk patients produces better outcomes. Overall, the base of installed monitors generate high margin recurring revenues through the Company's single patient use disposable products.

LiDCO makes direct sales to hospitals in the UK (through a team of five sales persons together with five clinical trainers) and the USA (through a team of three sales persons together with two clinical trainers), with a network of distributors and master distributors to sell into a further 29 countries. All sales outside of the UK & USA are managed by one distributor manager together with the chief executive officer. The Company is focused on building on its solid platform in the UK (which accounted for approximately 60 per cent. of the Group's own product revenue for the year to 31 January 2016), whilst pursuing additional growth from substantial opportunities in the USA and its distributor markets.

2. Background to the Placing, Subscriptions and use of proceeds

The Company is proposing to raise, in aggregate, £3.0 million (before expenses) by means of the Placing and Subscriptions. The New Ordinary Shares will represent approximately 20.5 per cent. of the Enlarged Issued Share Capital. The aggregate net proceeds after costs related to the Placing and Subscriptions are expected to be approximately £2.8 million.

The Placing Price of 6 pence per New Ordinary Share represents a discount of 14 per cent. to the closing mid-market price of 7 pence on 6 December 2016, being the last Business Day prior to this announcement.

Use of Proceeds:

LiDCO intends to use the net proceeds from the Placing and Subscriptions to accelerate growth into the US market, which the Directors believe has the most significant growth opportunity at present, as well as growing sales through additional resource in other international markets, whilst maintaining its market leading status in the UK. This growth strategy will deploy increased sales resource and undertake a more extensive and focused marketing effort. The Directors believe the net proceeds will allow the Company to focus on developing sustainable, repeatable businesses outside its core UK market.

The Company has been developing its next generation monitor with adapted software and intends to introduce a differentiated pricing model in target markets for customers with high annual usage. This new model would allow customers high usage of the monitor for an upfront fee. The Directors believe that this will reduce the time taken to close business, encourage high patient volume, increase technology adoption and should provide greater forward visibility of revenue.

3. Details of the Placing and Subscriptions

The New Ordinary Shares, when issued, will rank in full for any dividend or other distribution declared, made or paid after Admission and otherwise equally in all respects with the existing Ordinary Shares.

Application will be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on AIM by not later than 8.00 a.m. on 28 December 2016, or such later date as the Company and finnCap may agree, which in any event shall be not later than 31 January 2017.

Placing Agreement

The Placing is conditional upon, amongst other things,

- i. the passing of the Resolutions at the General Meeting;
- ii. the conditions in the Placing Agreement being satisfied or (if applicable) waived and the Placing Agreement not having been terminated in accordance with its terms prior to Admission;
- iii. the conditions in each of the Subscription Agreements being satisfied or (if applicable) waived and each of the Subscription Agreements not having been terminated in accordance with their terms prior to Admission, and the Company having received the proceeds of the Subscriptions for release conditional only upon Admission having occurred; and
- iv. Admission of the New Ordinary Shares to trading on AIM becoming effective by not later than 8.00 a.m. on 28 December 2016 or such later date (being not later than 8.00 a.m. on 31 January 2017) as the Company and finnCap may agree.

Accordingly, if any of these conditions are not satisfied or, if applicable, waived, the Placing and the

Subscriptions will not proceed.

Pursuant to the terms of the Placing Agreement, finnCap as agent for the Company, has agreed to use its reasonable endeavours to procure places for the Placing Shares at the Placing Price; the Placing is not being underwritten. The Placing Agreement contains customary warranties from the Company in favour of finnCap in relation to, inter alia, the accuracy of the information contained in the documents relating to the Placing and certain other matters relating to the Company and its business. In addition, the Company has agreed to indemnify finnCap in relation to certain liabilities that it may incur in respect of the Placing. finnCap may terminate the Placing Agreement in specified circumstances (including for breach of warranty at any time prior to Admission, if such breach is reasonably considered by finnCap to be material in the context of the Placing) and in the event of a force majeure event or material adverse change occurring at any time prior to Admission. If this right is exercised, the Placing will not proceed. The Placing Agreement is not subject to any right of termination after Admission. The Placing Agreement provides for payment by the Company to finnCap of certain commissions relating to the Placing Shares.

Subscription Agreements/Directors Participation

Pursuant to the terms of the Subscription Agreements an aggregate of 2,083,334 New Ordinary Shares will be issued at the Placing Price for an aggregate subscription of £125,000.

The Subscription Agreements are each conditional on (i) the passing of the Resolutions, (ii) the Placing Agreement becoming unconditional and not having been terminated before Admission, and (iii) Admission. The Directors participation in the Subscriptions and their resultant holdings (including their spouses) are as set out below:

<i>Director</i>	<i>Date of this announcement</i>		<i>Number of Subscription Shares</i>		<i>Immediately following the Placing and Subscription</i>
	<i>Number of Existing</i>	<i>Percentage of existing</i>	<i>Number of</i>	<i>Number of</i>	<i>Percentage of enlarged</i>

	<i>Ordinary</i>	<i>issued</i>	<i>Subscription</i>	<i>New Ordinary</i>	<i>issued</i>
	<i>Shares</i>	<i>share capital</i>	<i>Shares</i>	<i>Shares</i>	<i>share capital</i>
Matthew G Sassone	-	-	250,000	250,000	0.1%
Paul L Clifford	659,660	0.34%	-	659,660	0.3%
Ian G Brown	200,000	0.10%	-	200,000	0.1%
Phil Cooper	-	-	1,666,667	1,666,667	0.7%
Theresa A Wallis	331,037	0.17%	166,667	497,704	0.2%
Total	1,190,697	0.61%	2,083,334	3,274,031	1.3%

4. Current Trading and Prospects

The Group notified its half year results for the six months ended 31 July 2016 on 11 October 2016, stating that LiDCO had had a strong start to the year, aligned to the tactical initiatives implemented in the previous year.

The Directors believe that LiDCO has established itself as a leading edge innovator in the hemodynamic monitoring market, which the Directors believe has the potential to be a \$2 billion per annum market opportunity by revenue, and that is well positioned to grow consistently and win market share in global geographies.

The Directors foresee the current financial year as one of sales growth and cash generation, allowing the Company to continue to work to achieve the growth opportunities that the Directors believe are available. The net proceeds of the Placing and Subscriptions will assist with this strategy of developing overseas markets, accelerating revenue growth and reinforcing its leadership position in the UK.

5. Related Party Transactions

Where a company enters into a related party transaction, under the AIM Rules the independent directors of the company are required, after consulting with the company's nominated adviser, to state whether, in their opinion, the transaction is fair and reasonable in so far as its shareholders are concerned.

Phil Cooper, Matt Sassone and Theresa Wallis have conditionally agreed to subscribe for an aggregate of 2,083,334 New Ordinary Shares under the Subscription Agreements at the Placing Price. As directors of the Company, they are each a related party for the purposes of the AIM Rules. The Independent Directors consider having consulted with the Company's nominated adviser, finnCap, that the terms of the Subscription by each such related party are fair and reasonable insofar as the Company's shareholders are concerned.

6. Total Voting Rights

In accordance with the UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules, immediately following Admission the issued share capital of the Company will be 244,174,908 ordinary shares of 0.5 pence each. The total number of voting rights in the Company will therefore be 244,174,908 which may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

7. General Meeting

The General Meeting is to be held at the offices of finnCap at 60 New Broad Street, London, EC2M 1JJ on 23 December 2016 at 10.00 a.m. at which the following resolutions will be proposed:

- Resolution 1: an ordinary resolution to extend the Directors' general authority to allot securities under section 551 of the Companies Act 2006;
- Resolution 2: a special resolution to extend the Directors' authorities to allot securities for cash under section 570 of the Companies Act 2006;

The Directors propose to extend the current authorities and to provide authority to allot securities for cash in the aggregate nominal amount of £250,000 (equivalent to an additional

50,000,000 New Ordinary Shares) for the purposes of the Placing and the Subscriptions.

Following the Placing and the Subscriptions, the existing residual general authority to allot ordinary shares under section 551 of the Companies Act 2006 will remain available, limited to a nominal amount of £323,625, equivalent to 64,725,000 New Ordinary Shares (representing approximately 26.5 per cent. of the Enlarged Issued Share Capital), and the existing residual authority to allot securities for cash under section 570 of the Companies Act 2006 will remain available, limited to a nominal amount of £97,085, equivalent to 19,417,000 New Ordinary Shares (representing approximately 8.0 per cent. of the Enlarged Issued Share Capital). These authorities subsist until the earlier of the 2017 Annual General Meeting and 30 June 2017.

8. Recommendation

The Directors consider the Resolutions to be proposed at the General Meeting to be in the best interests of the Company and the Shareholders as a whole. Consequently, the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of the 1,190,697 Ordinary Shares held, directly or indirectly, by them representing approximately 0.61 per cent. of the total voting rights of the Company.

Placing and Subscription Statistics

Placing price	6 pence
Number of Ordinary Shares in issue	194,174,908
Number of Placing Shares	47,916,666
Number of Subscription Shares	2,083,334
Gross proceeds of the Placing and Subscriptions	£3.0 million
Net proceeds of the Placing and Subscriptions	£2.8 million
Enlarged Issued Share Capital on Admission*	244,174,908
Placing and Subscription Shares as a percentage of the Enlarged Issued Share Capital*	20.5%
ISIN	GB0030546849
SEDOL	3054684

**Assuming no new Ordinary Shares are issued prior to the date of the General Meeting*

Expected timetable for Admission

Announcement of the Placing and Subscriptions	7 December 2016
Posting of Circular	7 December 2016
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 21 December 2016
General Meeting	10.00 a.m. on 23 December 2016
Admission and dealings in the New Ordinary Shares	8.00 a.m. on 28 December 2016
	28 December 2016

Expected date for CREST accounts to be credited for the Placing Shares (where applicable)

Dispatch of definitive share certificates (where applicable) for Placing Shares and the Subscription Shares on or around

11 January 2017

Definitions

Admission	the admission of the Placing Shares and the Subscription Shares to trading on AIM, becoming effective in accordance with the AIM Rules
AIM	the market of that name operated by London Stock Exchange plc
AIM Rules	the AIM Rules for Companies, published by London Stock Exchange plc
Board or Directors	the board of directors of the Company
Business Day	any day on which banks are usually open in England and Wales for the transaction of business, other than a Saturday, Sunday or public holiday
Company or LidCO	LidCO Group plc
Enlarged Issued Share Capital	all of the Ordinary Shares in issue on Admission
finnCap	finnCap Ltd
Form of Proxy	the form of proxy for use by Shareholders in connection with the General Meeting
General Meeting	the general meeting of the Company to be held at finnCap Ltd, 60 New Broad Street, London, EC2M 1JJ at 10.00 a.m. on 23 December 2016, notice of which is set out at the end of the Circular
Group	the Company and its subsidiary undertakings
Independent Directors	Paul Clifford and Ian Brown
New Ordinary Shares	the 50,000,000 new ordinary shares of 0.5 pence each in the capital of the Company to be issued in connection with the Placing and Subscriptions
Ordinary Shares	ordinary shares of 0.5 pence each in the capital of the Company
Placing	the conditional placing of the Placing Shares pursuant to the Placing Agreement
Placing Agreement	the agreement dated 7 December 2016 between the Company and finnCap relating to the Placing, details of which are set out in paragraph 3 above
Placing Price	6 pence per New Ordinary Share
Placing Shares	47,916,666 New Ordinary Shares

Resolutions	the resolutions set out in the Notice of General Meeting
Shareholders	holders of Ordinary Shares
Subscriptions	the conditional allotment and issue of 2,083,334 New Ordinary Shares by the Company pursuant to the Subscription Agreements
Subscription Shares	2,083,334 New Ordinary Shares to be issued in aggregate pursuant to the Subscriptions
Subscription Agreements	the agreements dated 7 December 2016 between the Company and (i) Phil Cooper, (ii) Matt Sassone and (iii) Theresa Wallis relating to the Subscriptions, details of which are set out in paragraph 3 above

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 ("MAR"). That inside information is set out in this announcement and has been disclosed as soon as possible in accordance with paragraph 7 of article 17 of MAR. Therefore, those persons that received inside information are no longer in possession of inside information relating to the Company and its securities.

Certain statements in this announcement are forward-looking statements which are based on the Company's expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. The information contained in this announcement is subject to change without notice and neither the Company nor finnCap assumes any responsibility or obligation to update publicly or review any of the forward-looking statements contained herein.

finnCap, which is regulated by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the matters described in this announcement. Persons receiving this announcement should note that finnCap not be responsible to anyone other than the Company for providing the protections afforded to clients of finnCap or for advising any other person on the arrangements described in this announcement. finnCap has not authorised the contents of, or any part of, this announcement and no liability whatsoever is accepted by finnCap for the accuracy of any information or opinion contained in this announcement or for the omission of any information.

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