

## Company Update

# Rapid Response Revival

## UK gov't report recommends AED mandates

2<sup>nd</sup> April 2024

The UK All-Party Parliamentary Group (APPG) for Defibrillators published its 'Concluding Report' for its 'Inquiry into defibrillator access and sudden cardiac arrest survivorship in the UK'. The APPG for Defibrillators undertook a detailed inquiry to understand the impact of out-of-hospital sudden cardiac arrest on society and public services, as well as the need for improved access to defibrillators.

### Key findings:

- Existing AEDs are expensive, which limits their adoption and availability;
- AEDs aren't where they need to be, with 80% of cardiac arrests occurring at home; and
- New initiatives are training school students in CPR and defibrillator use. Future steps could be taken by incorporating first aid and CPR training as part of driver training.

### Report recommendations

- Improve defibrillator access by **considering mandating them in all public buildings, new homes and emergency vehicles**;
- Monitor the mandatory rollout of AEDs in schools program (defib4schools) to ensure every pupil has access to AEDs;
- Mandate defibrillator training as part of CPR training already included in the school curriculum.
- The **Government should encourage and welcome advancements in defibrillator technology** and promote and advance new technology in first aid assistance, including initiatives like GoodSAM.

### Conclusion

The findings and **recommendations of the APPG on defibrillators are overwhelmingly positive for Rapid Response Revival and CellaED and include mandating AEDs be placed in new homes and emergency vehicles.** The findings add to a growing list of government initiatives and policy changes from around the world, recognising failures of existing emergency response and AED policies. The group's findings perfectly align with CellaED's affordability, useability and portability. For more details on government initiatives, see our initiation of coverage report published on 11<sup>th</sup> March 2024.

## Rapid Response Revival

### Public Unlisted

Sector	Medical Devices
Currency	Australian dollar (AUD)
Date	2 <sup>nd</sup> April 2024
Valuation (per share)	\$200 - \$220
Share price	\$40.00
Market cap	\$61.3m
Free float	-
Dividend	-
Yield	-

Year-end 30 June	FY22	FY23	FY24e	FY25e
Revenue	\$3.8m	\$9.5m	\$14.4m	\$25.7m
COGS	-	-\$2.4m	-\$4.2m	-\$11.6m
Employees	-\$7.5m	-\$9.3m	-\$11.2m	-\$14.5m
Professional fees	-\$4.4m	-\$4.0m	-\$4.6m	-\$4.6m
Other costs	-\$6.2m	-\$9.8m	-\$4.9m	-\$6.5m
EBITDA	-\$14.5m	-\$13.0m	-\$10.2m	-\$13.3m
EBIT	-\$15.5m	-\$13.5m	-\$10.7m	-\$13.6m
Net profit	-\$15.6m	-\$13.7m	-\$11.1m	-\$13.6m
Earnings per share	-\$9.64	-\$7.24	-\$7.27	-\$9.82
Op. cash flow	-\$13.2m	-\$14.4m	-\$15.6m	-\$13.3m
Free cash flow	-\$14.4m	-\$14.5m	-\$15.6m	-\$14.6m
Cash / net debt	\$0.7m	\$0.3m	-\$4.3m	\$11.1m



### Analysts

Andrew Wilkinson awilkinson@vennbrown.com

On Wednesday, 20<sup>th</sup> March, the UK All-Party Parliamentary Group (APPG) for Defibrillators<sup>1</sup> published its 'Concluding Report' for its 'Inquiry into defibrillator access and sudden cardiac arrest survivorship in the UK'. The APPG for Defibrillators undertook a detailed inquiry into the UK's policy and wider landscape surrounding defibrillator access and sudden cardiac arrest survival in the UK. The primary aim of the inquiry was to understand the impact of out-of-hospital sudden cardiac arrest on society and public services, as well as the need for improved access to defibrillators.

The APPG's recommendations add to a growing list of initiatives, and policy changes and reviews being undertaken by governments around the world<sup>2</sup>.

The key findings from the inquiry were:

1. **Existing AEDs are expensive:** In the UK, existing defibrillators cost £750 – £2,000, which manufacturers report impacts demand (CellAED costs £340). The **report comments that the industry lacks entry-level AEDs at lower prices**. While not mentioning CellAED, the report says, *"the APPG has been made aware of promising technological developments in the field."* The CellAED fits perfectly within the desired "entry-level" price point.
2. **AEDs aren't where they're most needed:** During the inquiry, MPs were presented with data showing that public access AEDs were only used in one in ten cardiac arrests, with hesitancy to use a defibrillator a common reason for the low usage rate. During the inquiry, one of the most discussed topics was the need to improve access to defibrillators and *"to guarantee that they are placed in areas where they are most required"*. The group acknowledged that 80% of cardiac arrests occur in people's homes.
3. **New initiatives are training more people in first aid:** New initiatives are underway to improve first aid training in communities and to incorporate first aid training, including CPR and defibrillator use, in school curricula. The APPG also raised the prospect of the UK joining nearly half of the countries in Europe that teach CPR training as part of obtaining a driving licence.

The APPG made several recommendations across four topic areas: defibrillator access, first aid training, survivorship support, and solution providers. There were several recommendations relevant and beneficial to Rapid Response Revival CellAED:

- **Defibrillator access**
  - **Mandate defibrillators to be in every public building in the same way as smoke alarms;**
  - **Consider mandating defibrillators in all new homes;**
  - **Mandating defibrillators in all emergency service vehicles; and**
  - Publish progress on the defibs4schools<sup>3</sup> programme.

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<sup>1</sup> The UK All-Party Parliamentary Groups (APPGs) are informal, cross-party groups formed by Members of Parliament (MPs) and Members of the House of Lords to discuss specific interests or issues. They bring together politicians from different parties to collaborate on topics ranging from healthcare and environment to international relations. While they don't hold legislative power, these groups play a significant role in influencing policy debates and fostering dialogue between parliamentarians, experts, and stakeholders.

<sup>2</sup> For a more detailed list of these initiatives see our Rapid Response Review Initiation of Coverage report published on the 11<sup>th</sup> March 2024 - Government legislative support. The report is available at [www.vennbrown.com/research](http://www.vennbrown.com/research).

<sup>3</sup> The defibs4schools is a government mandated program requiring all state schools have defibrillators.

- **First aid training**
  - Mandate defibrillator training as part of CPR training already included in school curriculums;
  - The inclusion of CPR training for primary school children; and
  - Consider integrating first aid training, including CPR, into the process of obtaining a driving license.
- **Solution Providers**
  - **Encourage and welcome advancements in defibrillator technology** with the Government accelerating the advancement and acceptance of pioneering defibrillator solutions.
  - Promote and advance new technology in first aid assistance, including initiatives like GoodSAM<sup>4</sup>.

The findings and recommendations of the APPG report are overwhelmingly positive for Rapid Response Revival and CellaED. While we don't expect regulations mandating AEDs in public buildings and new homes to come about in the near term, the inquiry and report bring these ideas into the public discourse and highlight that such mandates are indeed possible. The findings highlight the critical impact price and useability have on AED use, two factors the CellaED addresses directly by being 50-85% cheaper than competing AEDs, and arguably the easiest to use device on the market.

The inquiry adds another voice to the growing discussion around the ineffectiveness of public access defibrillators, with several recent studies indicating that in most situations, they don't save lives (see Brookes, S (2024). Public access defibrillation is a failed strategy. *Canadian Journal of Emergency Medicine*. <https://doi.org/10.1007/s43678-023-00633-9>).

Finally, the emphasis on CPR and defibrillator training is also hugely beneficial as it will greatly increase public awareness of sudden cardiac arrest, including treatment that almost always requires defibrillation. Just as in the past, the purchase of home fire extinguishers and fire blankets was often initiated by children in the household, so too CPR and defibrillator trained school students might lead to greater awareness and uptake of CellaED, which is the first and currently only, personal defibrillator designed for home use.

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<sup>4</sup> The GoodSAM app is a mobile phone app that alerts and directs first aid trained volunteers to the site of someone suffering a cardiac arrest. Founded in the UK in 2013, GoodSAM aims to radically change the response to cardiac arrests. GoodSAM operates in various countries around the world and reports that over a million registered responders are using its app.

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