

**Medical**

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**Cortical Dynamics seeking growth capital for brain monitoring medical tech – MD**

 **Proprietary Intelligence**

<p>Headline:</p>	<p><b>Cortical Dynamics seeking growth capital for brain monitoring medical tech - MD</b></p>
<p>Main body:</p>	<p><b>Cortical Dynamics</b>, a Perth, Australia-based brain monitoring medical technology company, is actively seeking AUD 2m (USD 1.4m) for a 15% stake in the company, on a pre-raise valuation of AUD 12m, said Managing Director Gary Todd.</p> <p>The company is seeking funds for research and development, regulatory approvals, sales and marketing activities, and working capital. It plans to close the raise on 15 November 2019, he said.</p> <p>Cortical Dynamics' corporate advisor is <b>BlueMount Capital (Queensland)</b> but it is keen to hear from other advisors which can introduce professional, retail and angel investors as well as strategics in the medtech space, Todd said. The company has 22 patents registered in Australia, New Zealand, the US, Europe, Japan and China. It welcomes approaches from investors in any of these markets, he added.</p> <p>Cortical Dynamics' largest shareholders, after the raise, will be Perth-based <b>Trandcorp</b> with about 7.4%, <b>Swinburne University Ventures</b> with 6.7%, and Melbourne-based <b>Copper Systems</b> with 5.6%. <b>Grandbridge</b> [ASX:GBA], which is also the lead manager for the raise, will have about 5%, Todd said.</p> <p>Incorporated in 2004, Cortical Dynamics has raised AUD 1.2m from crowdfunding and grants to date, and envisages a trade sale within five years, Todd added.</p> <p>Cortical Dynamics' core product is its Brain Anaesthesia Response Monitor (BARM), which received Australian Therapeutic Goods Administration (TGA) and European CE Mark approvals in 2015, he noted.</p> <p>The company is currently focused on ramping up sales in Australia, New Zealand, South Korea, Europe and the UK, Todd said. It is in the process of opening an office in the UK to facilitate the capital raising process and improve sales there. It will be appointing distributors in targeted European markets, he added.</p> <p>The brain anaesthesia monitoring market consists of about eight core competitors including <b>Medtronic's</b> [NYSE:MDT] Bispectral Index (BIS) and <b>GE Healthcare's</b> E-Entropy monitoring system, the MD said. BARM, however, is the only monitor with algorithms based on a model of brain</p>

electrical activity derived from physiological principles, with others using statistically based empirical approaches, he added.

Cortical Dynamics' Cortical Input (CI) pain monitoring product will be submitted for TGA approval by mid-2020, Todd said

The brain anaesthesia monitoring market is expected to be valued at USD 1.6bn in 2020, while the pain monitoring market is expected to be valued at USD 8.6bn by 2022, he added.

With a notable trend in hospital activity shifting to same-day procedures, Cortical Dynamics' products are aimed at enhancing patient care, lowering hospital costs through a reduction in drug use, and increasing bed turnaround in theatre and post-operative recovery rooms, Todd said.

**Steinepreis Paganin** is the company's legal advisor and **HLB Mann Judd** is its auditor.

by Louise Weihart in Sydney

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<b>Target:</b>	Cortical Dynamics
<i>Accountant:</i>	HLB Mann Judd
<i>Financial advisor:</i>	BlueMount Capital
<i>Lawyer:</i>	Steinepreis Paganin
<i>Lead Manager:</i>	Grandbridge Limited
<b>Source :</b>	Proprietary Intelligence
<b>Size :</b>	< 50m (AUD)
<b>Value :</b>	12m AUD (Pre-raise valuation)
<b>Stake Value :</b>	15%
<b>Grade :</b>	Confirmed
<b>Alert :</b>	Australian M&A Intelligence
<b>Intelligence ID:</b>	2922279



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