

# Denver medical startup looks to expand investor base through crowdfunding

The Denver startup's founder sees two main options for raising more money. In the meantime, they're looking to crowdfunding.

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Robert Niichel is the founder and CEO of SmartTab.  
Courtesy SmartTab

By [Joshua Mann](#) - Reporter

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Denver-based medical startup SmartTab is preparing for its next level of funding, and its founder is considering the options.

The primary two paths the company could take would be a Series A round from institutional investors or a listing on the London Stock Exchange, said CEO [Robert Niichel](#), who founded the company in 2016. At that point, SmartTab would look to raise \$20 million to \$25 million, Niichel said.

The London Stock Exchange would be an easier listing to get ahold of than one on the Nasdaq, for instance, and the company could always look to transfer its listing later if needed, Niichel said.

“So that’s a very good conduit to raise money,” Niichel said.

In the meantime, SmartTab is looking to raise about \$1 million via a crowdfunding investment campaign being done through StartEngine. The company is offering equity on the platform, where it’s found takers for about \$141,000 in company shares. The campaign will run until the end of April.

“Since StartEngine approached us, I thought it was a way to expand our investor base,” Niichel said. “We believed it was a way to get more chatter out there, get the word out more.”

To an extent the campaign has done those things, though Niichel said he had hoped it would have a little more momentum by this point.

“I think reality is, people look at (SmartTab) on crowdfunding, and they might view it as a little too futuristic,” Niichel said. “We run into that a little bit.”

That dynamic helped the company get a better handle on what kinds of questions people have about what it’s looking to do, which Niichel said helps it prepare better for its Series A or initial public listing on the London Stock Exchange, whichever route it takes. The investors in both those paths would be institutional, so Niichel doesn’t foresee similar issues with potential investors seeing the product as too futuristic.

SmartTab was recently the only Colorado company selected as a finalist for South By Southwest's Pitch competition. SmartTab, a Colorado Inno 2020 Inno on Fire honoree, is developing an ingestible drug-delivery system that would inject medication internally.

Funding needs

In public documentation reported to the U.S. Securities and Exchange Commission surrounding the crowdfunding campaign, SmartTab indicated that it had about \$195,000 in cash at the most recent year end and a net loss at about \$991,000 for the year. A substantial portion of its spending for the year went toward new equipment purchases, for instance, so the burn rate is more complicated than the net loss divided by 12 months. Also, Niichel could invest more of his own money or secure funding from other investors if he needs to, he said.

“I don’t think about running out of cash. I do think about the speed of getting through our next clinical study, that’s what we need to do,” Niichel said. “We have interested investors now, but I think a lot of these bigger companies — once we have additional data from that, it’s going to really open a lot of doors.”

The company has raised about \$5 million to date and hasn’t had any issues with cash so far, Niichel said.

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