

# 2hr Screener: Cognition AI

## HQ Location: New York City, New York

|                                      |  |
|--------------------------------------|--|
| <b>Year Founded</b>                  | 2023   |
| <b>Latest Valuation (post money)</b> | \$2.00B  |
| <b>Total Raised</b>                  | \$206.00M  |
| <b>Notable Investors</b>             | Khosla Ventures, Founders Fund, Alpha Wave Global, 8VC, Pear, Definition, Neo, South Park Commons, Anti Fund   |
| <b>Product Overview</b>              | <ul style="list-style-type: none"><li>• Cognition AI, also known as Cognition Labs, is an artificial intelligence company based in San Francisco.</li><li>• The company specializes in developing AI software, with its flagship product being "Devin," an autonomous AI software engineer.</li><li>• Devin is designed to handle entire software development projects from start to finish, including writing code, debugging, testing, and executing tasks without human intervention.</li><li>• This AI tool distinguishes itself from other coding assistants by managing complex engineering tasks that require long-term reasoning and planning.</li><li>• Devin operates within a sandboxed environment using common developer tools and can collaborate with users through a chatbot interface.</li><li>• Cognition AI aims to revolutionize software development by allowing engineers to focus on more creative tasks while Devin handles routine coding work.</li></ul>                 |
| <b>Core Technology</b>               | <ul style="list-style-type: none"><li>• Cognition AI's technology for Devin is centered around long-term reasoning and planning.</li><li>• Devin operates in a sandboxed environment, which means it has a controlled space equipped with essential tools like a shell, code editor, and browser. This setup allows Devin to autonomously handle complex engineering tasks by making thousands of decisions, similar to how a human would approach these tasks.</li><li>• The key to Devin's capabilities is its use of generative AI techniques, which enables it to create, debug, and deploy code independently. It can learn and adapt by accessing online resources, allowing it to work with unfamiliar technologies.</li><li>• Devin's design focuses on mimicking human-like decision-making processes, enabling it to foresee multiple steps in a project. This makes Devin not just an assistant but a capable AI worker that can manage entire projects from start to finish.</li></ul> |
| <b>Previous Funding Notes</b>        | <ul style="list-style-type: none"><li>• <b>Series A (2024):</b> \$21.00M</li><li>• <b>Series B (2024):</b> \$185.00M</li></ul>   |

|  |  |
|--|--|
| <p><b>Intro</b></p>                        | <ul style="list-style-type: none"> <li>• <b>Technology/Product:</b> Cognition AI operates an applied AI lab focused on developing AI software that functions as a fully autonomous software engineer, with their flagship product being "Devin," capable of handling entire software development projects independently.</li> <li>• <b>Berkeley Link:</b> Couldn't find</li> </ul>   |
| <p><b>Initial Highlight/Traction</b></p>   | <ul style="list-style-type: none"> <li>• <b>Devin's Performance in SWE-:</b> Devin, Cognition AI's autonomous AI software engineer, has demonstrated impressive capabilities by correctly resolving 13.86% of GitHub issues without assistance in the SWE-bench test. This performance significantly surpasses the previous state-of-the-art models, which managed only 1.96%.</li> <li>• <b>USP:</b> Cognition AI's Devin is a breakthrough in AI development, acting as a fully autonomous software engineer that manages entire projects, unlike tools like GitHub Copilot that only assist with coding. Devin can build simple websites and apps in less than 20 mins.</li> <li>• <b>Strong Market Growth:</b> Cognitive computing market is projected to reach \$188.20B by 2033, growing at a compound annual growth rate (CAGR) of 26.3%. Market is estimated to grow from \$18.03B (2023) to \$50.76B (2024).</li> <li>• <b>Co-founding Team:</b> Scott Wu won 3 gold medals at the International Olympiad in Informatics &amp; came 3rd place in Google Code Jam (2021). Steven Hao was named one of the top engineers at Scale AI (2024). Walden Yan is a serial entrepreneur, he co-founded 3 companies; DeepReason was acquired for \$7.3 million &amp; GameFi is estimated to generate over \$5B in revenue for 2024, increasing by \$2B from 2023..</li> </ul>         |
| <p><b>Initial Risks/Considerations</b></p> | <p><b>Internal Risks</b></p> <ul style="list-style-type: none"> <li>• <b>Reliability:</b> Ensuring that Devin consistently performs complex tasks accurately without errors is crucial for maintaining customer trust.</li> <li>• <b>Talent Acquisition:</b> Recruiting and retaining top AI talent can be challenging, which could slow down business implementation timeline.</li> <li>• <b>Operational Costs:</b> High costs associated with developing and maintaining advanced AI systems could impact financial sustainability.</li> </ul> <p><b>External Risks</b></p> <ul style="list-style-type: none"> <li>• <b>Competition:</b> Codeium (\$1.25B Valuation, 2024), Imbue (\$1.00B Valuation, 2023), and Sourcegraph (\$2.62B Valuation, 2021).</li> <li>• <b>Financials:</b> Since Cognition AI is still a new startup, they currently have earned no revenues.</li> <li>• <b>Capability Concerns:</b> While Devin AI is promising, there are doubts about its actual capabilities and reliability in handling complex tasks without human oversight. This skepticism can impact user adoption and trust.</li> <li>• <b>Regulatory Challenges:</b> The evolving regulatory landscape, such as the EU Artificial Intelligence Act, imposes stringent requirements on AI systems, which could affect Cognition AI's ability to deploy its technologies globally.</li> </ul> |
| <p><b>Follow Up Questions</b></p>          | <ul style="list-style-type: none"> <li>• Who are the primary customers of Cognition AI's products, such as Devin? How does Cognition tailor its offerings to meet the specific needs of different industries or sectors? How does Cognition AI incorporate user feedback into the development process to meet needs?</li> <li>• What specific strategies are in place to transition from high valuation to generating substantial revenue?</li> <li>• How does the company plan to monetize Devin effectively?</li> <li>• What is Cognition AI's long-term vision for Devin and its role in the broader landscape of AI-driven software development tools?</li> </ul>  |

**Decision:** Continue (P2)

**Further Info:** Cognition AI presents a very unique solution to an important issue. If developed properly, it has a lot of potential to grow. However, the lack of available financial information is very worrying, specifically the fact that they have not earned revenues or launched yet.