East Coast RESEARCH

ASX: BB1

BlinkLab Ltd

Revolutionising Autism and ADHD Diagnosis with AI-Powered smartphone technology

Healthcare

We initiate coverage on BlinkLab Limited (ASX: BB1) with a current fair valuation of $1.74, representing a 545% expected upside from the current share price of $0.27. BB1 is an innovative healthcare company that has developed a unique smartphone app that, across a number of clinical studies, has shown to be highly accurate and better than competitors and traditional approaches in its ability to diagnose autism at much earlier ages. Apart from autism, BB1 is steadfastly developing an ADHD offering, with US-based autism revenues expected in the 2026/27 period, whilst US-based ADHD revenues are expected to ramp up in 2028. Although headquartered in Australia, BB1 boasts a core management team of world-renowned neuroscientists, including experts affiliated with prestigious institutions like Princeton University. This ensures that the technology powering BB1's app is firmly rooted in cutting-edge, scientifically validated research conducted by leading minds in the field. BB1 recently commenced its FDA 510(k) registrational study, with its chances of success being very high due to factors we discuss in this report. In time, BB1 plans to also enter the EU market.

Strong diagnostic value proposition based on proven science

BB1's most advanced offering is a smartphone-based app that can, with high accuracy (higher than competitors), diagnose autism in children as young as 18 months of age. By doing so, BB1 is helping to solve an immense healthcare problem. Traditional diagnostic approaches are prone to subjective human judgement errors and lead to autism diagnosis on average at around 5 years of age, which is often too late for early intervention methods that have been proven to work and save significant costs for the health care system. This is because the app leverages the power of AI, machine learning and is based on the principles of neuroscience. The app works by analysing participant's facial expressions and eye blink responses to certain stimuli sequences that have been scientifically proven to be associated with neurodevelopmental conditions such as autism and ADHD.

On track to achieve FDA clearance

Achieving FDA 510(k) clearance would allow BB1 to ramp revenues in the US. 510(k) clearance is based on a predicate device being already in the market. Since BB1's offering has already proven its diagnostic efficacy across a number of robust clinical studies that have been done, including showing diagnostic accuracy rates higher than both of its key competitors in the US who are already cleared by the FDA, we objectively assess BB1's likelihood of achieving 510(k) clearance as being very high. The FDA recently positively praised BB1's registrational study design and methodology.

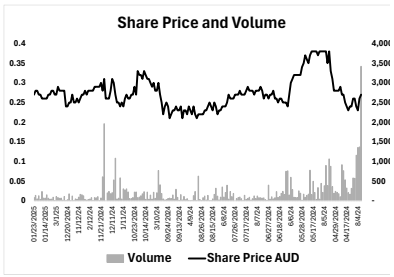
Valuation

We value BB1 at A$1.53 per share in a base-case scenario and A$1.95 per share in an upside-case scenario. Incorporated in our valuation are several layers of conservative assumptions that reduce the addressable market size that BB1 can tap into, its market share, the price it can charge and other factors. Consequently, we can confidently put forth an attractive investment thesis for BB1.

Valuation (A$m)	Base case	Bull case
Present value of FCF (EV)	241	307
Debt	0.2	0.2
Cash (adjusted)	3.0	3.0
Equity value (A$)	**244**	**309**
Assumed Total Diluted Shares O/S (m)	**159**	**159**
Implied price (A$ cents)	**1.53**	**1.95**
Current price (A$)	0.27	0.27
Upside (%)	*468.5%*	*622.2%*

Date	3 Feb 2025
Current Price (A$)	0.27
Target Price (A$)	1.53-1.95
Price / NAV (x)	0.15x
Market Cap (A$m)	16.23
52-week L/H (A$)	0.20 / 0.41
Free Float (%)	39.0%
Bloomberg	BB1.AU
Reuters	BB1.AX

Price Performance (in A$)



Business description

BlinkLab (ASX: BB1), listed on the ASX in April 2024 founded by Princeton neuroscientists, has developed a smartphone-based diagnostic platform for neuropsychiatric conditions like autism, ADHD, and schizophrenia. Its flagship product, an AI-driven autism diagnostic test, screens children as young as 18 months—years earlier than traditional methods.

Analyst

Rahul Tiwari

rahul.tiwari@shares invalue.com.au

Disclosure - Readers should note that East Coast Research has been engaged and paid by the company featured in this report for ongoing research coverage.

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Investment Rationale

BB1 possesses an impressive vision, operates in market segments that are material in size (Autism Spectrum Disorder / ADHD diagnosis), and with the support of a tier 1 management team has developed a proven, neuroscience based AI and Machine Learning driven technology platform that has a strong competitive moat due to 'network effects'.

BlinkLab Limited (ASX: BB1) is an innovative digital healthcare company founded by world-leading neuroscientists at Princeton University, who leveraging smartphones, computer vision, AI and machine learning to diagnose neurodevelopmental conditions, developed a diagnostic app - "BlinkLab Dx 1 diagnostic app", which, across a number of robust clinical studies, has demonstrated proven diagnostic outperformance, for Autism Spectrum Disorder (ASD), versus key competitors and traditional diagnostic methodologies. Effectively, BB1's technology has created a diagnostic platform for the effective, early and easy-to-use smartphone app-based diagnosis of a number of neurodevelopmental conditions, apart from just ASD - notably ADHD but also, in time, others such as schizophrenia and dementia. Although the primary near-term focus of the Company is on scaling up within the US ASD diagnostic market, this is closely followed by plans to also enter the ASD diagnostic market in the EU and commercialise its app's ADHD diagnostic offering across both the US and then EU. Concurrently, the company is engaged in conducting clinical studies aimed at developing its patented machine learning and AI-augmented technology's ability to diagnose other conditions, such as dementia. This is because BB1's ultimate vision is to become a leader in digital psychiatry diagnostic applications by leveraging its core technology and the strength of its leadership team, which is highly skilled across tier-1 scientific research and healthcare technology commercialisation. Consequently, the size of the revenue generation opportunity addressable by BlinkLab is quite substantial. As shown in our valuation section, although we have added several conservative layers of assumptions that limit the revenue potential that BlinkLab can avail, our valuation for BB1 still results in a credible bullish investment thesis for BB1.

Proven ability to solve a needed problem

BB1's attractive investment opportunity is linked to its app's ability to accurately diagnose ASD in young children by primary care providers at ages as young as 18 months, which marks a significant improvement vs current traditional diagnostic approaches, which see ASD typically being diagnosed at 5 years of age. This diagnostic outperformance is based on BlinkLab's patented machine learning and AI-augmented diagnostic software that is embedded into a smartphone app, allowing the capture of facial expressions and eye blink responses to audio and visuals that are delivered via a smartphone. Participants' responses are measured by the smartphone's camera and microphone and are processed in real time using state-of-the-art image processing technology. Because biomarkers such as eyeblink conditioning, prepulse inhibition and startle habituation are all strongly correlated with neuropsychiatric conditions, including ASD and ADHD, and because BB1's patented machine learning model gets better the more tests that it does, Blinklab's ASD diagnostic accuracy has shown to not just improve over time but also to be materially better than its competitors' offerings. Although BB1's main current focus is on ASD, it is also rapidly ramping up its app's diagnostic capabilities for ADHD, followed by other neurodevelopment conditions. Since all these conditions, including ASD, place onerous cost burdens on patients, their families and the wider healthcare system, early treatment-based intervention is imperative because it has been proven to work. BlinkLab's device allows for earlier diagnosis because the smartphone mode of delivery is easier to use (no requirements for hardware), the stimuli-based reflex analysis smartphone tests are not sensitive to cross-cultural language barriers and the tests themselves have been proven to be highly accurate across a number of clinical studies that BB1 has done, allowing for

earlier diagnosis that leads to earlier effective treatment. BB1's app's diagnostic ability in being able to determine true positive results for ASD (low false negative rate), which is referred to as the test's sensitivity in its most recent study, improved to 91% from an earlier 85%. Similarly, the test's specificity, which is its ability to determine true negatives (low false positive rate), rose to 85% from an earlier 84%. These results were achieved in a large-scale extensional study that was cumulatively comprised of 441 participants, which is well above the benchmark number needed for statistical significance. The study was done in partnership with leading ASD researchers, including Princeton University and the Turning Pointe Autism Foundation in Illinois, adding to the credibility of its results and increasing our conviction that BB1 will also successfully complete its currently in-progress FDA 510(k) study. Investors should note that BB1 has a demonstrable record of achieving successful results in clinical studies that stretch back a few years, even before the time BB1 was listed on the ASX.

Competitive advantage coincides with material Under-Valuation

The nature of BB1's business model and technology endow it with a strong, durable, competitive foundation and related capacity to scale up revenues expeditiously after FDA 510(k) clearance for ASD. This is because its smartphone-based app is easier to use in terms of time taken, does not need cumbersome hardware, and has the flexibility of being able to be used outside of clinical settings. In addition to the aforementioned, BB1's offering is a first mover in terms of an offering that has all these qualities in addition to having better diagnostic accuracy, leading to the strong likelihood that more people will be inclined to use its app vs competitors and the overall market size opportunity for ASD and ADHD just in the US is very significant. Furthermore, given BB1's technology's use of machine learning and AI, the more people that use its app, the more biomarker data BB1 has, allowing its predictive diagnostic algorithms to become even better (across a spectrum of neurodevelopmental disorders), leading to even more people then wanting to use its app and so on and so forth. As seen in our valuation section, we have included a number of layers of conservative assumptions in our financial estimates, which include but are not limited to: assuming only US-based revenues (excluding the EU opportunity), limiting the ASD and ADHD US market size, assuming pricing across both the Base and Upside cases that is actually lower than what BB1's credible pricing plan is - based on its offering's diagnostic value proposition, assuming conservative % market share for BB1 in the US ASD and ADHD markets despite BB1 possessing several key relative competitive advantages vs its main competitors apart from just higher diagnostic accuracy, and adding material risk based discounts **(arguably too high based on the actual high likelihood of FDA clearance)** to projected revenues due to BB1 still needing to achieve US FDA 510(k) clearance for its diagnostic offerings. **Despite this, we find BB1's weighted average intrinsic valuation across our Base and Upside Case to be $1.74, which represents the scope of a 545% investment upside compared to BB1's current stock price of $0.27.** BB1's current discount valuation is linked to investor caution about BB1 currently being pre-revenue and still in the process of receiving US FDA 510 (k) clearance, allowing it to enter the ASD diagnostic market in the US. However, 510(K) clearance relates to a company being able to showcase that its offering is similar in nature to a predicate already in the market. Because another competitor has already received 510(k) approval (EariTec) based on the predicate being Cognoa's ASD offering, and since BB1's app has demonstrated notably higher ASD diagnostic sensitivity and specificity rates than both those companies, and it has recently commenced its 510(k) clinical study in the US and received positive approval from the FDA regarding the study's proposed design, we are confident that it is only a matter of time

As explained further in our valuation section, although our valuation for BB1 is bullish it has been derived consequent to assuming several conservative assumptions. For instance, it is highly likely that BB1 will receive CE mark certification allowing it to launch in EU where BB1 already has strong strategic partners. Our valuation for BB1 does not take into account the EU opportunity at all, and yet we still arrive at a valuation that indicates BB1's strong undervaluation.

before the market recognises the very attractive investment opportunity that BB1 presents. **However, this aspect is also the main risk to our valuation thesis: FDA 510(k) clearance, with other risk factors discussed in detail below**.

Corporate History - well established prior to listing

Although BlinkLab was incorporated in 2021 and was listed on the ASX on April 4 2024, the company's journey to becoming an innovative, AI-augmented healthcare company that provides smartphone-based applications to assist in the early and accurate diagnosis of neurodevelopmental conditions such as autism and ADHD began many years earlier. The company's core management, which is comprised of globally renowned academic and industry-leading researchers, has been successfully working on BlinkLab's underpinning technology since 2007. Consequently, investing in BlinkLab equips investors with the real and material benefit of avoiding technological development risk in addition to avoiding material dilutive near-term funding requirements because prior to BlinkLab's IPO, the Company had availed seed funding, pre-IPO capital raising and government grants and industry sponsorship - prior to the IPO, approximately $4.4m had already been spent, with the funds received prior to incorporation primarily used to develop and validate the diagnostic capabilities of the platform, whilst the funds raised from the seed raising and Pre-IPO capital raising utilised toward software development and clinical studies.

In terms of software development, in 2021 BlinkLab partnered with one of Europe's foremost software development companies on the application development of its iPhone iOS platform and, later on, BlinkLab completed the fine tuning of its iOS application and back end systems resulting in an effective version of its software being available for download via the Apple App store.

In terms of clinical studies, as discussed in more detail later, prior to its 2024 IPO, BlinkLab had already conducted multiple clinical trials and studies that showcased the efficacy of its technology. These studies included a large and very successful 2023 Autism focussed diagnostic study in Morrocco, which leveraged data from BlinkLab's earlier successful proof of concept studies. 280 participants were recruited for this study, comprising 43 neurotypical girls, 57 girls diagnosed with autism spectrum disorder (ASD), 54 neurotypical boys and 126 boys diagnosed with ASD. In support of the efficacy of BlinkLab's patented machine learning algorithms, BlinkLab's device achieved an average sensitivity of 85% (proportion of true positive cases identified) and an average specificity of 84% (proportion of true negatives correctly identified). In 2024, in partnership with Turning Pointe Autism Foundation in Illinois, Princeton University, and the National Center for the Disabled in Morocco, BlinkLab expanded on this original study by adding more participants (new sample size 441) and using a newly refined version of its patented machine learning model, which included a novel set of digital biomarkers, leading to improved sensitivity of 91% and specificity of 85% achieved by the new version of its app - 'BlinkLab Dx 1'. This result, based on a sample size that materially exceeds the minimum requirements for statistical significance, demonstrates the strong efficacy of the Company's technology (ASD predictive accuracy rates are notably higher than competitor's offerings), providing a high degree of confidence that BlinkLab's recently commenced FDA registration trial will meet the requirements for regulatory approval – BlinkLab's app's precision rates are notably higher than those of its two key competitors in the USA who have already received FDA approval. Additionally, BlinkLab's app-based technology, unlike those 2 competitors', does not require significant use of hardware and can be used remotely outside of clinical settings for initial

diagnosis, providing BlinkLab with another angle of competitive advantage and the ability to scale more rapidly.

Technology Developed by tier 1 academics, with commercialisation also helped by other industry experts

BlinkLab's earliest conception period stretches back to the late 1990s at the world-renowned Department of Neuroscience at Erasmus University Medical Centre in the Netherlands. At the time, Co-Founder and Scientific Advisor to BlinkLabs, Chris de Zeeuw and his PhD student, Sebastiaan Koekkoek, Co-Founder and Chief Scientific Officer of the Company, began experimenting with how eyeblink conditioning methods could be used to investigate the function of the cerebellum, in terms of its role in learning and memory formation.

With time, as these studies further developed, high-speed video recording and magneto-sensitive chip systems were developed to capture the tiniest of eye movements on mice as they were learning tasks. This work culminated in some landmark, very well-received publications in academic journals and also transitioned to human clinical studies work that pivotally revealed similarity in "eyeblink conditioning phenotype" between human patients and mouse models for autism spectrum-related disorders, setting the stage for BlinkLab's later multiple successes across clinical studies targetting ASD diagnosis in children.

BB1's history stemming from academic research in tier 1 universities and having world renowned academics in its Management Team adds strong credence to it being able to ensure that the science and technology aspects of its businesses risk and opportunities including achieving FDA 510 (k) clearance will be effectively managed.

In 2007, Hendrikus Johannes Boele (co-founder and Chief Executive Officer of the company) joined Dr Koekkoe's research team. Dr Boele continued improving the experimental procedures for eyeblink conditioning and kept publishing these finding in high-ranked journals. Consequently, Dr Koekkoek and Dr Boele started receiving invitations from leading scientists in the cerebellar community, and from pharmaceutical and commercial parties to collaborate on eyeblink conditioning instrumentation.

Among the early adopters were Dr Javier Medina (University of Pennsylvania, currently Baylor College of Medicine, and current Scientific Advisor to BlinkLab) and Dr Samuel S.-H. Wang (Princeton University, current Chair of the Advisory Board of BlinkLab). Hence, it is important to note that it was the success of the early scientific work of BlinkLab's management team that attracted the attention of the likes of Princeton University, which later on, in collaboration with BlinkLab, helped to develop the technology into its current use form of being an innovative smartphone-based rapid diagnostic application that utilises machine learning and AI.

In 2010, Peter Boele (Co-Founder and Chief Technology Officer of the Company) joined the team. Mr Boele helped by getting funding from the European Research Council to develop BlinkLab's neurobehavioral testing methodologies further. In the same year, Dr Koekkoek, Mr Boele, and Dr Boele started to use a mobile laboratory called Neurobus for neurometric testing. Since mobile technology allowed patients to be tested at home, it resulted in more reliable and larger data sets, helping to lay down the principles of the BlinkLab mobile application, which was developed later. Investors should note that this mobile laboratory was sponsored by the likes of Dell and Intel, in addition to other renowned European medical research institutes; hence, even well before BlinkLab's IPO, even earlier forms of its technology were being noticed, and this was due to the high-quality pedigree of the scientists involved in BlinkLab's formation and their work on BlinkLab's technology that utilised their scientific research.

In 2018, leveraging off 2017 collaboration with Princeton University that included work with future BlinkLab cofounder and current BlinkLab Scientific Advisor, Princeton Professor of Neuroscience Samuel Wang, on eyeblink conditioning experiments in infants who were at risk of ASD, Dr Boele moved to Princeton to focus on ASD and brain development. Although Peter Boele had a few years earlier coded the initial version of the BlinkLab app for smartphone use, at the time, smartphone technology was not advanced enough to be compatible with BlinkLab's sophisticated tests. However, in 2018, the team revisited the idea of smartphone-neurobehavioral testing. Peter Boele programmed the first diagnostic application, and they successfully completed the first human study in 18 subjects in 2020, showing that an ordinary mobile phone can be turned into a device for conducting effective neurobehavioral evaluations at scale.

Thereafter, in 2020, Princeton University patented the idea of smartphone-neurobehavioral testing, with prototype development funded by the Princeton Accelerator Fund. In 2021, co-founders of the BlinkLab technology partnered with one of the top European software development companies to start work on the commercial version of the application for the iPhone platform and then in late 2021, BlinkLab entered into an exclusive licence agreement with Princeton University pursuant to which it has been granted an exclusive worldwide licence to use, sub-licence, develop, modify and commercialise the Licenced IP.

It is important for prospective investors to note that apart from the Princeton IP, which BlinkLab has an exclusive license to commercialise, BlinkLab has filed additional patents in relation to the IP that it has subsequently developed independently of the Princeton License Agreement. **Recognising how crucial patent development and protection are to achieving innovation-based leadership, which the Company has achieved, BlinkLab has, even since its seed funding round in August 2021, emphasised the development of its own intellectual property (IP and software).**

In addition to the tier 1 science and technology experts who developed BlinkLab's innovative machine learning and AI-augmented smartphone diagnostic app, BlinkLab's commercialisation journey is also being helped by some well-credentialed industry experts with proven scale-up experience. BlinkLab's Chairman, Brian Leedman, has previously co-founded five ASX-listed healthcare companies, including a digital healthcare company, ResApp Health, that was acquired by Pfizer in September 2022. ResApp Health was a smartphone-based diagnostic play that successfully achieved 510(k) FDA clearance or its sleep apnea diagnostic. Hence, the lessons learned from this experience were successfully applied by BlinkLab's senior leadership to effectively structure BlinkLab's recently commenced FDA studies in terms of defining trial protocols and hospital adherence.

BlinkLab's Executive Director, Anton Uvarov, has previously succesfully cofounded and taken to IPO two other biotech companies in addition to his prior experience working in Biotechnology Equity Research on Wall Street. Additionaly, BlinkLab's Company Director, Richard Hopkins is an experienced biopharma executive with over 20 years' experience in corporate leadership roles with public biotechnology companies.

Consequently, based on the well credentialed Management Team across science, technology and commercialisation and given the clinical studies successes achieved thus far it is likely that Blinklab will be able meet its pivotal short – medium term strategic goals such as succesfully completing the FDA registrational study enroute to receiving 510 (k) FDA approval allowing BlinkLab to commence its revenue ramp in the USA.

BlinkLab has a strong overarching vision.

Investors with a longer term investment outlook beyond BlinkLab's acheivement of near term strategic goals such as securing 510(k) FDA approval in the USA should note the broader and more powerful vision that BlinkLab has for its technology and device's end uses.

Although BlinkLab's vision for its technologies' end uses extends beyond ASD and ADHD, its main near-term focus is on rapidly commercialising firstly its ASD offering, followed by an ADHD one. **Ultimately, it sees its neuroscience-based, machine learning, and AI-augmented technology as helping it become a leader in the field of digital psychiatry applications**. This is an admirable goal that is premised on the efficacy of BlinkLab's core technology and the strength of its leadership team. Hence, it is achievable, providing scope for significant investment returns to investors.

BlinkLab's technology & how it works

The BlinkLab Device effectively consists of the BlinkLab App and the BlinkLab Portal. The BlinkLab App is a mobile application available for download in the App Store for patients (currently on iOS only), caregivers and parents; it is effectively a front-end tool that helps collect test subjects' information and responses to the BlinkLab Tests in real-time. The BlinkLab Portal - the back end - includes a fully built secure database and content management system (CMS) as well as a portal that allows for full customisation of the neurometric tests as well as data analysis, annotation and visualisation tools.

The BlinkLab Device combines fundamental neuroscience with state-of-the-art artificial intelligence and machine learning. The device administers the BlinkLab tests, and it does not depend upon any verbal or social interaction. Hence, it can be effectively used at a very early age. The device allows real-time detection of facial expressions, including eyes and eyelids, and uses encrypted data transfer and storage to protect patient privacy. The results from these responses are recorded by smartphone and uploaded to a confidential and secure online platform, and the data is then analysed using automated facial recognition and image processing techniques.

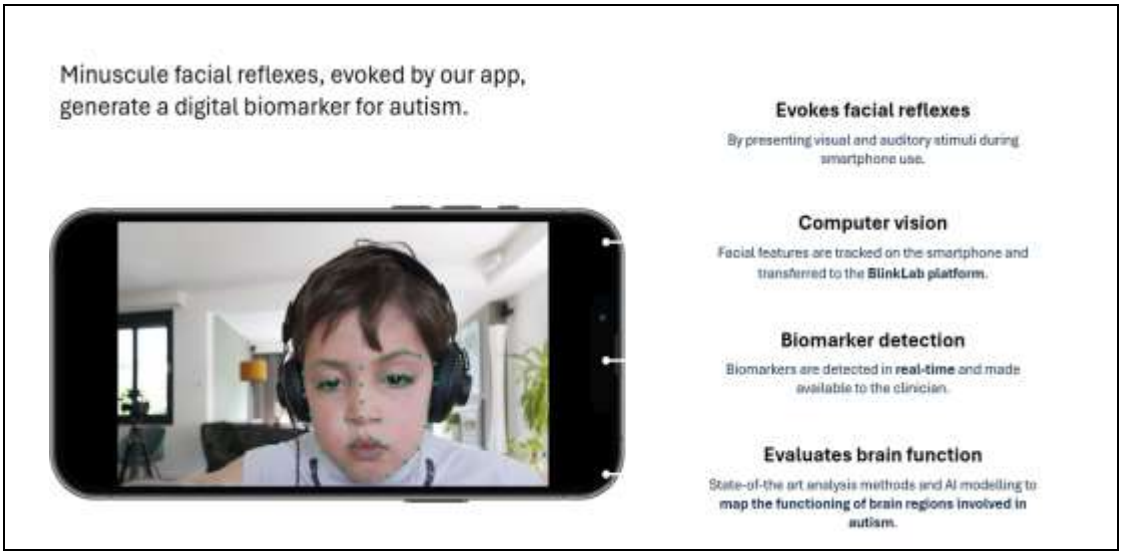
BlinkLab's goal based on its commendable vision for its technology to also address the diagnostic needs of other neurodevelopmental conditions adds material upside investment return potential to the stock, higher than even our recommendation's. The company possesses the assets in terms of technology and management expertise to be able to achieve this objective.

The main current use of the BlinkLab Device is intended for use by healthcare providers as an aid in the diagnosis of ASD for children aged 18 months and older who are at risk for developmental delay based on concerns of a parent, caregiver, or healthcare provider. Although the BlinkLab Device is not intended for use as a stand-alone diagnostic device but as an adjunct to the diagnostic process, it can be used remotely by patients with the subsequent need for a health practitioner's recommendation. In time, BlinkLab will seek to also address the need for early diagnosis of ADHD (near-term opportunity), schizophrenia and other neurodevelopmental conditions, which will be subject to the Company conducting larger feasibility clinical studies in ADHD and schizophrenia (diagnostic tests on these other disorders apart from ASD have already been done and will continue into the future).

The BlinkLab Tests work by capturing the participants' facial expressions and eye blink responses to audio and visual stimuli that are delivered via a smartphone (refer to **Figure 1** below). Participants' responses are measured by the smartphone's camera and microphone and are processed in real-time using state-of-the-art image processing technology and then transferred securely to the analysis portal. Within the analysis portal, BlinkLab's machine learning algorithms perform statistical analysis, checking for several biomarkers that indicate whether a child has ASD or ADHD. BlinkLab's technology takes advantage of the fact

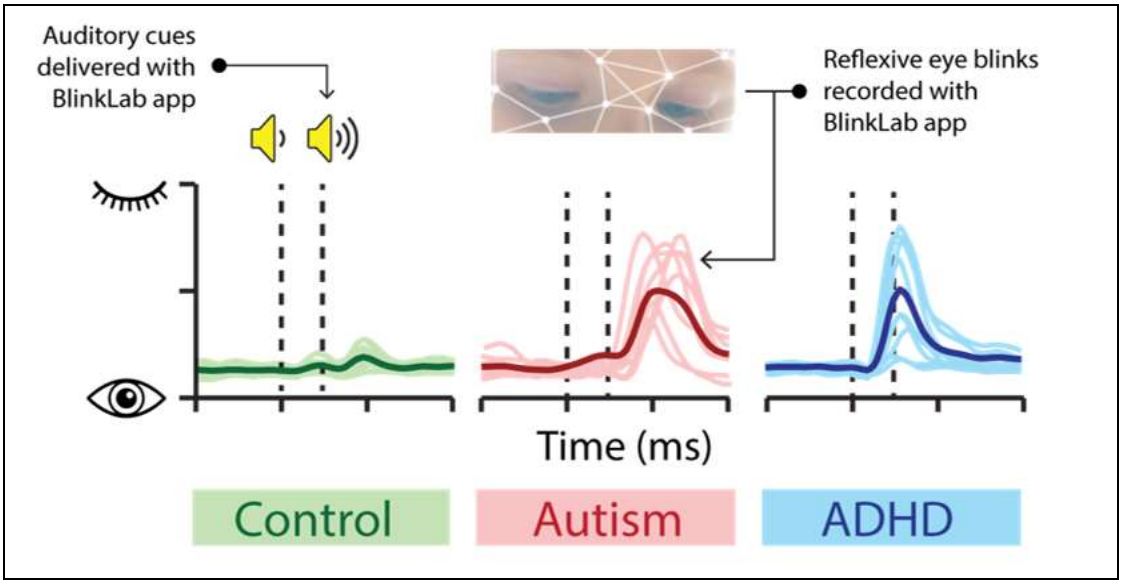
that biomarkers such as eyeblink conditioning, prepulse inhibition and startle habituation are all strongly correlated with neuropsychiatric conditions, including ASD and ADHD (refer to **Figure 2** below), which are areas of the Company's main current focus but also across other disorders such as Schizophrenia and Dementia – hence BlinkLab's technology's total addressable market has the potential to rapidly grow, beyond the already material sized opportunity presented by ASD and ADHD, as the Company also in time addresses these other end markets.

Figure 1: How BlinkLab's test works



Sources: Company

Figure 2: Biomarker response to stimuli and ASD/ ADHD



Sources: Company

What problem does BlinkLab solve?

The current state of play leads to a much later diagnosis of ASD and ADHD for young children, leading to an unnecessarily high-cost burden – for healthcare systems and for the families and children of the sufferers of these conditions. BlinkLab's innovative technologies that avail the power of smartphones, machine learning, and AI can diagnose these conditions in children as young as 18 months old, which is a significant improvement from the current state of play with current methodologies associated with a diagnosis at around 5 years.[1], which is often beyond the window period of effective early intervention.

The earlier these conditions are diagnosed, the earlier timely medical intervention and care can be administered, and as a result, the higher cost of treating these conditions at a later point in time can be minimised. These higher costs are significant and relate to issues such as higher parental care burden due to missing the window period of more effective early treatment, higher later-in-life costs to the sufferers of these conditions due to factors such as higher rates of unemployment and also a higher impost on the health care system. In the USA, lifetime costs borne by the individual afflicted with ASD total USD $ 3.6M[2]. Intervention for ASD and ADHD that starts early during brain development has been noted to yield optimal clinical results and is associated with a 40-60% reduction in costs later in life.

BlinkLab's technology has proven ability to solve a real world health care problem that needs to be solved – earlier the diagnosis of conditions such as ASD lead to earlier treatment interventions that have been clinically proven to work.

The cost savings for the healthcare system are also significant. The issue of the material cost to the Australian taxpayer due to the NDIS' expenditure on autism diagnosis and treatment (NDIS's most common disability and its single largest expenditure) has, in recent times, been a topical issue – refer below to **Figure 3**. Hence, there is a significant unmet need for early diagnosis that BlinkLab's technology can cater to. This is based on BlinkLab's smartphone tool being able to help health care providers more accurately identify children with neurodevelopmental conditions such as ASD at earlier stages than compared to current methodologies – **Figure 4** below contrasts the general current delayed state of play with ASD diagnosis with BlinkLab's ability to offer an accelerated path to diagnosis.

Figure 3: Autism's cost burden on the Australian Health Care System

Sources: Company

[1] https://www.autismspeaks.org/autism-statistics-asd

[2] 3 Cakir et al. (2020) The lifetime social cost of autism: 1990-2029, Research in Autism Spectrum Disorder

Figure 4: BlinkLab's ability to offer a significant improvement (earlier) in the timelines for ASD diagnosis and treatment

Sources: Company

BlinkLab's solution vs competitors and existing approaches

Shortening the time to diagnosis for ASD in children is a key goal for any new diagnostic tool – as established earlier, this helps to lower the eventual cost burden for ASD treatment both for sufferers, their families and the overall healthcare system.

In this regard, BlinkLab's technology markedly outperforms both the traditional approach for ASD diagnosis which is via a questionnaire called M-Chat and BlinkLab's two other main competitors in the ASD diagnosis market both of whom already have FDA clearance – Cognoa and EarliTec Diagnostics.

Under current diagnostic approaches, ASD diagnosis usually commences with a child's parent or caregiver expressing concerns about speech delays or other neurodevelopmental concerns. Primary care providers such as Paediatricians and General Practitioners (GPs) are usually the first medical professionals to interact with these children. In the USA, it is recommended practice that every child undergo ASD assessments at their 18 and 24-month checkups with their paediatrician or GP. In these visits, the main screening tool for ASD is the Modified Checklist for Autism in Toddlers with Follow-Up (M-CHAT/F). M-CHAT/F is a two (2) stage tool that includes a 23-item parent questionnaire and a follow-up interview designed to reduce false positives.

M-CHAT/F screening is afflicted with a very high rate of false negatives, with a sensitivity rate of only around 39%[3], meaning that most children diagnosed with autism in their later years initially screened negatively by M-CHAT (i.e. low detection rates for M-CHAT).. Consequently, there is a low level of confidence associated with using the M-CHAT/F screening tool in terms of issues in administering the actual test and relying on its results. **In contrast, BlinkLab's app is very easy to use and has a high rate of diagnostic accuracy.**

Due to the chronic shortage of ASD behavioral specialists in the USA, there is an immense need for ASD diagnosis to occur at the primary health care practitioner stage – BB1's device allows this to happen.

The issues associated with the effectiveness of the current screening tool lead to a very low level of ASD diagnosis in primary care settings in the USA, with only around 1% of ASD patients in the USA being diagnosed by primary care providers, leading to an onerous reliance on the very limited number of paediatric subspecialists and behavioural specialists in the USA to make definitive ASD diagnoses. For instance, currently, in the USA, there is an extreme shortage of behavioural specialists, given that the country only has around 800[4] behavioural specialists that need to cover 19 million children. As a result, there are material delays of up to 24 months in the final ASD diagnosis for sufferers, which, as noted earlier, gives rise to adverse economic consequences.

Hence, there is a strong need for a new solution for ASD diagnosis that expedites the diagnostic timeline, increases diagnostic accuracy and increases the ability of primary carers to diagnose autism in young children and then provide them with timely remedial treatment options. Some of these newer proposed solutions to this problem are affected by issues such as the need to use cumbersome hardware, as opposed to BlinkLab's user-friendly smartphone app, and hence an inability to conduct ASD diagnostic tests outside of clinical settings. Apart from being unpleasant for the patients, these types of tests

[3] *Pediatrics* (2019) 144 (4)

[4] https://cognoa.com/waitlist-crisis-report/ & *Pediatrics* (2024) 153 (2)

that require instruments and other types of sensors near and attached to the face of child-aged patients are also affected by issues such as their unpleasantness, leading to variation in performance; additionally, these tests are also not conducive to scale based deployment due to their equipment and hardware needs. In contrast, the advantage that BlinkLab possesses is that the easy-to-administer smartphone app-based mode of diagnosis leads to patients performing with less variability on BlinkLab's tests in comparison, which is also reflected in the notably higher ASD diagnostic accuracy associated with BlinkLab's tests in comparison to its closest USA competitors.

Another advantage that BlinkLab's technology has is that its tests are reflex-based and, therefore, do not require verbal or social interaction, leading to them being conducive for large-scale cross-cultural human studies that examine several neurodevelopmental conditions such as ASD and ADHD and others. The scientific literature has shown that performance in eyeblink conditioning, prepulse inhibition and startle habituation are strongly correlated with several conditions, including ASD, Schizophrenia, Dementia, Parkinson's and Huntington's disease. In addition to being used as a diagnostic tool, BlinkLab's technology can also provide objective concrete markets for ASD subtyping to reduce heterogenicity in ASD and hence enable more specific and effective treatment options.

However it needs to be emphasised how important early ASD diagnosis is in terms of allowing for early intensive behavioural interventions that are focussed on improving language and social interaction skills and hence help with achieving better educational outcomes. This is precisely the problem that BlinkLab's device is able to solve and solve better than current approaches such as the M-CHAT/F and key competitor offerings.

Competitor Analysis

BlinkLab's device has 2 main competitors that have both received FDA approval to market their solutions for ASD diagnosis – Cognoa and EarliTec Diagnostics. Despite possessing first and early mover advantages over BlinkLab, our conservative assessment is that both Cognoa and EarliTec are placed in strategically weaker positions than BlinkLab due to their lower ASD diagnostic accuracy and weaker ability to become at scale diagnostic solutions.

Figure 5 below contrasts the key sensitivity (the higher this metric, the fewer false positives) and specificity rates (higher, the fewer the false negatives) across these companies and BlinkLabs.

Cognoa

Cognoa's flagship tool is an autism spectrum disorder (ASD) diagnostic software, Canvas Dx, which received the FDA De Novo classification in June 2021. Canvas Dx is designed for healthcare providers (HCPs) evaluating ASD in children aged 18 months to 5 years who are at risk of developmental delays. Caregivers use a smartphone app to complete a questionnaire and upload a video of the child's behaviour, while HCPs independently complete an online medical questionnaire. The collected data is processed by a machine-learning algorithm, which generates an assessment of the likelihood of ASD if sufficient information is provided.

However Canvas Dx suffers from a key weakness – as per the clinical data, Canvas DX delivered results in only 32% of cases tested. Cognoa notes that the software purposefully does not provide results in instances where the input data lacks necessary granular level detail. Including those indeterminate results leads to Cognoa Dx's sensitivity falling to 52%

and specificity to 19%. Hence, despite Canvas DX's first mover advantage and resultant benefits in being able to interface with key healthcare providers prior to competitors and the software's advantage of being able to be remotely used (similar to BlinkLab's device), Cognoa's tool's high rate of inconclusive results will be a material hurdle for its ability to scale across both the US and in other countries.

EarliTec Diagnostics

EarliTec Diagnostics received FDA 510(k) authorization for its product, the "EarliPoint Evaluation," in June 2022. The approval was based on Cognoa's product being a predicate device. EarliPoint is designed to aid clinicians in diagnosing and assessing autism spectrum disorder (ASD) in children aged 16 to 30 months. The tool functions by tracking a child's eye movements using specialized cameras as they view age-appropriate videos and images. The collected data is then analyzed against standard developmental benchmarks for the child's age to identify potential deviations in social learning.

While EarliPoint demonstrates higher predictive value compared to Cognoa, its usage requires specialised equipment, including an eye tracker, a dedicated camera, and a tablet for data collection. The diagnostic process involves a visit to a specialist and heavily relies on observational endpoints. Therefore, in comparison to BlinkLabs' device which can be used remotely outside of clinical settings and can generate results in as little as 30 minutes, Earlipoint's offering's reliance on hardware will likely inhibit its ability to scale faster than BlinkLab's once BlinkLab also achieves 510 (k) approval which is likely given BlinkLab Dx 1's higher diagnostic accuracy rates and its application for FDA clearance being based on 2 predicate offerings in the market.

Therefore, as detailed more in the market sizing and valuation section, although our bullish investment thesis for BlinkLab is actually not premised on it needing to grab a very material share of the ASD and ADHD diagnostic markets in the USA, it is quite possible that Blink Lab will actually be able to obtain larger market share than we have assumed in our valuation based on BlinkLab's technology outperforming its competitors on many key attributes.

Figure 5: BlinkLab's ASD diagnostic outperformance vs its main competitors

BlinkLab outperforms FDA-approved digital peers

We are leaders in the rapidly growing space of digital diagnostics and therapeutics.

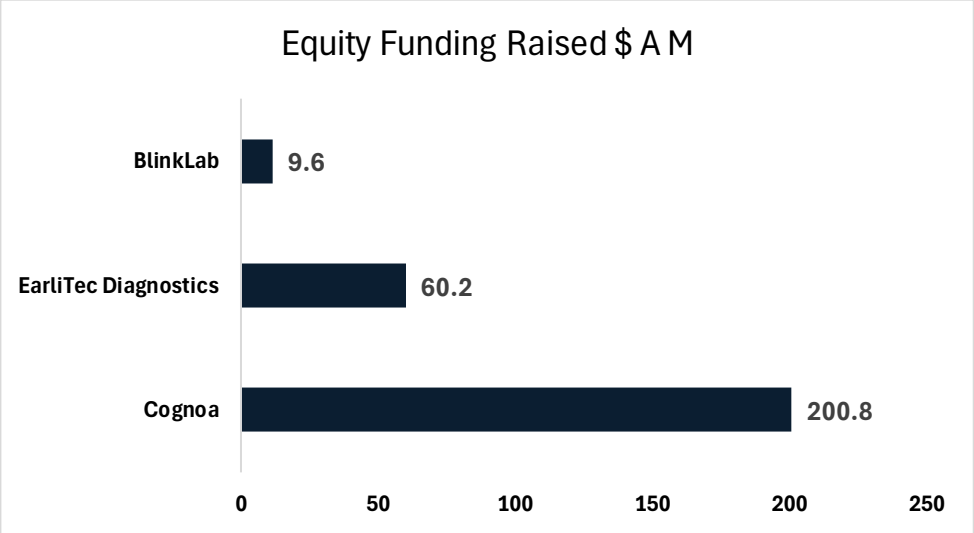
	blinklab	cognoa	ETD
Sensitivity	91%	52%*	71%
Specificity	85%	19%*	81%
Smartphone-based	Yes	Yes	No
FDA approval	No - *510(k)*	Yes - *De Novo*	Yes - *510(k)*

* for all study completers (Cognoa's device provided indeterminate output in 68% of the cases)

Sources: Company

Equity Funding Raised thus far, scalability and current cash position

Figure 6: Equity Capital funding raised thus far – BB1 vs its main competitors



Sources: S&P Cap IQ, East Coast Research

BB1's business model's innate lower need for cash, higher ability to scale up, and decent level of liquidity currently on its Balance Sheet minimize the short-term need for dilutive equity capital raises. As shown more in the valuation section, there will be the need for further equity capital raises as BB1 ramps its business, but these can rightfully be viewed as being for growth funding and hence being accretive in nature.

As seen above in **Figure 6**, the quantum of equity capital raised thus far by BlinkLab across both pre and post-IPO funding rounds is far less than both EarliTec and Cognoa. Although this difference is partly explainable by BlinkLab's current position before the product launch, BlinkLab's offering is intrinsically more scaleable and hence less reliant on dilutive fundraising. BlinkLab's offering of a smartphone app that has shown a high rate of ASD diagnostic accuracy and that can give reliable results in just 30 minutes is fundamentally less reliant on growth funding than the offerings of its two main competitors. Apart from the smartphone aspect, accuracy and speed of diagnosis, this innate lower requirement for dilutive funding itself is a catalyst for quicker adoption and scale, providing BlinkLab with an additional aspect of strategic competitive advantage. Although Cognoa's offering is also effectively smartphone-based, as noted above, its diagnostic shortcomings limit its scale-up ability and hence lead to more non-self cash flow generated funding requirements.

As of 31 December 2024, BlinkLab had a cash balance of A$4.4 million following the $7 million IPO in April, hence the Company is well funded to meet its near terms objectives of succesfully completing a FDA registrational study and engaging strategic cost effective marketing channels to further its brand awareness.

More on ASD and ADHD and why early intervention matters

Autism Spectrum Disorder

ASD is a developmental disorder characterised by challenges in social interaction, communication, and repetitive behaviours. It is a spectrum condition, meaning symptoms and severity vary . It often appears in early childhood, with signs including delayed speech, difficulty with social cues, and restrictive interests.

While there is no cure, interventions focus on improving skills and quality of life:

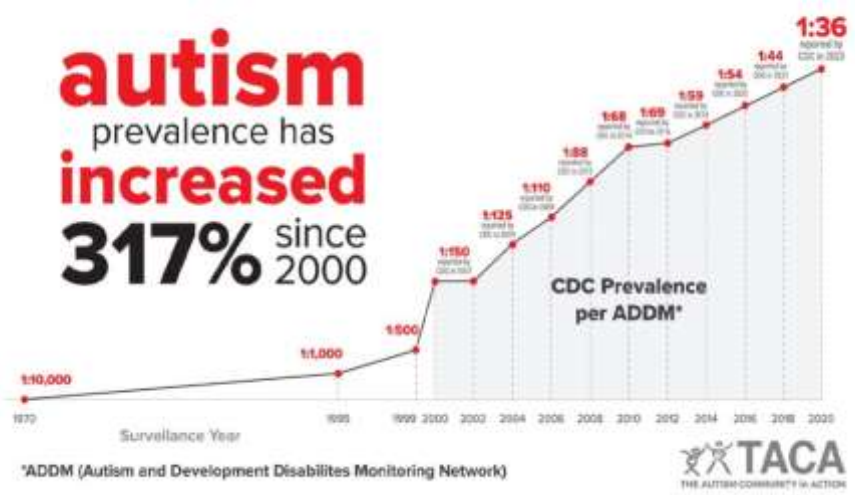
- **Behavioral Therapies:** Applied Behavior Analysis (ABA) and other therapies to encourage positive behaviors.
- **Speech and Occupational Therapy:** To improve communication and daily living skills.
- **Medications:** To manage symptoms like anxiety or hyperactivity.
- **Educational Programs:** Tailored learning environments to support developmental needs.

Why Early Intervention Works and hence the strong need for BlinkLab's technology

Early intervention is critical because the brain is most adaptable during the early years of life. Intensive support during this period can enhance social, communication, and cognitive skills, potentially reducing the severity of symptoms and improving long-term outcomes. Early intervention leverages neural plasticity, helping children develop foundational skills that are harder to build later in life. Hence, BlinkLab's device can play a strong role in this space, given its ability to diagnose ASD more accurately and at scale at earlier stages compared to the main current methodology and competitor offerings. As noted earlier, BlinkLab's technology can significantly shorten the ASD diagnosis age from 5-6 years to 2-3 years.

Rising ASD prevalence rates

Figure 7: Rising ASD prevalence rates over time



Sources: The Autism Community in Action

Autism Spectrum Disorder diagnoses in the United States have risen significantly over the past two decades. In 2000, approximately 1 in 150 children were identified with ASD. By 2020, this prevalence increased to about 1 in 36 children, according to estimates from the

CDC's Autism and Developmental Disabilities Monitoring (ADDM) Network – refer above to **Figure 7**.

Although the number of diagnosed cases has risen steadily, this does not necessarily indicate an increase in the true incidence rate of ASD. Several factors are involved, including:

- an increase in public awareness of ASD has led to higher numbers of people seeking diagnoses.
- advancements in screening tools and diagnostic methods have enabled earlier and more accurate identification of ASD.

Hence, as we discuss more in the market sizing section, as the high rate of ASD diagnostic accuracy for BlinkLab's device becomes more widely known, more parents and caregivers will be encouraged to get their children tested for ASD, likely leading to an even greater addressable market size for BlinkLab.

Attention Deficit Hyperactivity Disorder (ADHD)

Attention Deficit/Hyperactivity Disorder (ADHD) is a neurodevelopmental disorder characterised by persistent patterns of inattention, hyperactivity, and impulsivity that interfere with daily functioning or development. It is commonly diagnosed in childhood but can persist into adolescence and adulthood.

In terms of current prevalence rates, as of 2020-2022, approximately 11.3% of U.S. children between the ages of 5-17 years have been diagnosed with ADHD at some point.[5]

ADHD treatment often involves a combination of pharmacological and behavioural therapy approaches. What helps the commercial opportunity set available to BlinkLab is the fact that, similar to the case with ASD, early diagnosis and treatment are pivotal to achieving better long-term health and economically favourable cost outcomes for sufferers, their families and the wider health system.

BlinkLab has already completed over 8,000 individual diagnostic tests since its incorporation, including on patients diagnosed previously with ASD, ADHD and Schizophrenia. In 2022, under stringent clinical study conditions, BlinkLab's technology was shown to be effective in monitoring the effects on patients from the most commonly used medication to treat ADHD, methylphenidate (Ritalin). This study showed that the BlinkLab device could measure the effect of methylphenidate in ADHD patients in real time a few hours after the intake of medication, indicating that the BlinkLab Device can be used as a part of a drug-device combination (in combination with methylphenidate or other drugs) that will have an inbuilt precise dosing and monitoring mechanism.

Going forward, BlinkLab plans to build upon this study in addition to initiating larger feasibility clinical studies on ADHD and schizophrenia. In this regard, in late 2024, BlinkLab announced its key participation in the landmark Monash University Autism/ADHD Magnet Project. The Project aims to uncover new data-driven subtypes of autism and ADHD by utilising deep phenotyping data, including BlinkLab Dx 1 biomarkers. These subtypes may offer improvements over current categorical diagnoses and pave the way for more personalised approaches to diagnosing and treating ASD and ADHD in the future.

[5] National Health Interview Survey (NHIS)

Hence, as a result of achieving these positive ADHD-related milestones and plans, our assessment is that BlinkLab's goal of initiating an FDA registrational study (for De Novo clearance) targetting ADHD by late 2025 is a likely outcome. As detailed in our valuation section, we have conservatively assumed BlinkLab's ADHD-related revenues will only ramp up in 2028.

Supportive tailwinds from the SaMD market

BB1 effectively operates within the SaMD market segment, which for the last few years has been subject to very supportive tail winds due to technological enhancements relating to AI, Machine Learning and Cloud Computing.

BlinkLab's smartphone app meets the definition of being a part of the Software as a Medical Device (SaMD) market, which has experienced significant growth in recent years driven by technological advancements such as AI, increased adoption of digital health solutions, and supportive regulatory frameworks. In the period 2019-2023, the SaMD market grew from USD $24.29 billion in 2023 to USD $30.4 billion in 2024, indicating a compound annual growth rate (CAGR) of 25.2%[6]. In terms of forward projections, the SaMD market is expected to continue to grow at a rapid rate, with the market size expected to increase to USD $ 74.86 billion by 2028, growing at a CAGR of 25.3% from 2024.

Additionally, software based approaches to diagnosis are often more accurate, and provide benefits associated with earlier diagnoses, due to the underlying machine learning and real time data processing facets of these technologies that are less reliant on subjective human judgement. These approaches also allow for more flexibility for both patients and their doctors, creating overall improvements in efficiency in health care delivery.

As noted, these emerging technologies are increasingly being shaped by artificial intelligence (AI) and machine learning. This is particularly the case for BlinkLab because as the Company does more tests and collects more data, its patented predictive machine learning algorithm becomes stronger, leading to an even larger performance gap in favour of BlinkLab versus its closest competitors. This phenomenon can be gauged well by observing BlinkLab's improved rates for both sensitivity and specificity on its extended 2024 ASD focussed study done in partnership with Turning Pointe Autism Foundation in Illinois, Princeton University, and the National Center for the Disabled in Morocco. As noted earlier, the 2024 study successfully built upon an already exemplary 2023 study due to its machine-learning model taking advantage of additional data points and biomarkers from a larger patient pool. Given all the other advantages that BlinkLab's device has over competitors such as the ability to be used remotely, take less time to administer, and, given its ease of use, be more favoured by children and their caregivers, it is also likely that BlinkLab's test will also be used more intensely (scale faster), leading to a virtuous win-win cycle that will be hard to match for any potential competitors.

Prospective investors should also note the contemporary trend of large pharma players acquiring smaller, more nimble, disruptive SaMD start-ups, often at very healthy valuation premiums. These acquisitions are aimed at acquiring the strategic assets, including IP, of these smaller start-ups. As BlinkLab continues to advance commercialisation and adds to the data set that its machine learning algorithms work off, its ability to help with the early and accurate detection of ASD and other neurodevelopmental conditions such as ADHD will only improve, increasing the likelihood of BlinkLab being subject to an attractive value accretive M&A bid at some point in the future from one of the larger pharma/biotech players who want to acquire BlinkLab's innovative technologies.

[6] As per data published by the Business Research Company

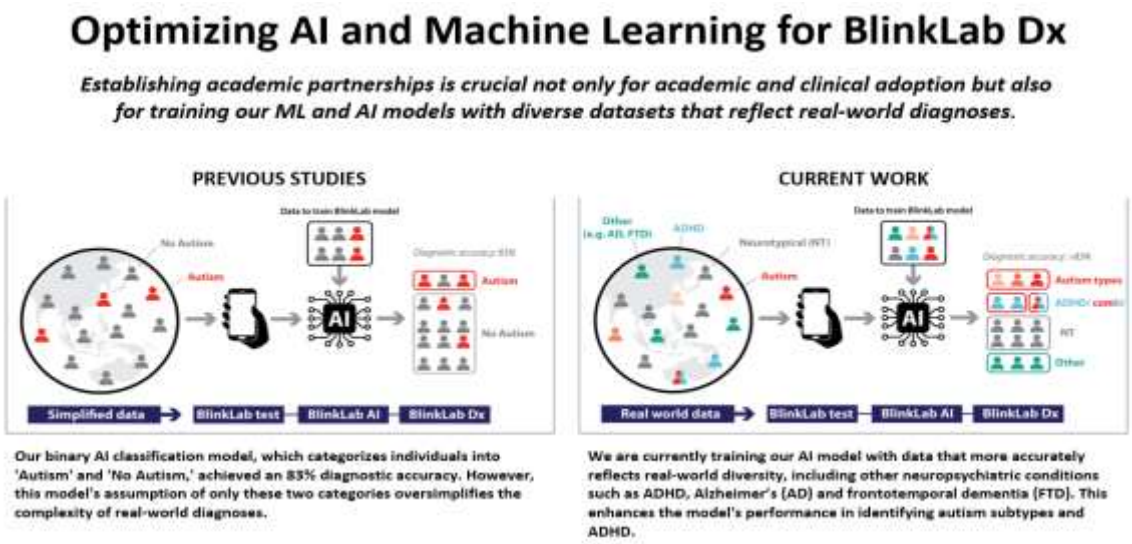
Path to success – strategic drivers

Although BlinkLab already showcases outperformance in ASD diagnostic effectiveness (accuracy rates) and efficiency (30 min smartphone app that can be administered remotely) vs its main competitors, the Company continues to make consistent, concerted efforts in further fine-tuning its AI and Machine Learning based predictive models. These efforts are being made via BlinkLab's continued participation in clinical studies and engagement of strategic commercial partners that are aimed at accelerating Blink Lab's entry and market share rise in new markets such as ASD in Europe and other neurodevelopmental conditions across both the USA and EU and potentially across other global markets.

As noted earlier, BlinkLab's vision encompasses diagnostic excellence across ASD and ADHD (in terms of diagnostic accuracy and ability to isolate disorder subtypes) but also extends to other neurodevelopmental conditions such as Alzheimer's disease – refer below to **Figure 8** In this regard, BlinkLab is trying to bring even more improvements to the diagnostic approach by collecting phenotype data from the broadest range of neurodevelopmental conditions. These larger data sets help the Company further train its patented AI and Machine Learning models, thereby helping to improve the predictive performance of the BlinkLab application in real-world scenarios. As noted earlier, this creates a virtuous cycle because further relative diagnostic outperformance vs its competitor peers will lead to more patients choosing BlinkLab, which then gives rise to BlinkLab being able to benefit from an expanded data set, which then again leads to further diagnostic improvements and so on and so forth.

This is a key source of competitive advantage for the Company, which, as noted earlier, makes it very difficult for prospective competitors to capture market share away from BlinkLab. We have conservatively considered this in our revenue and related valuation for the Company. In terms of further validation, this approach also leads to actual iterative technological enhancements. In the last quarter of FY2024, BlinkLab released version 1.3 of its BlinkLab application on the Apple App Store. The new version brings significant advancements to the BlinkLab application, designed to enhance its usability, data quality, and overall capabilities for conducting neurobehavioral evaluations. The enhancements encompass improvements in data processing, the ability to perform eye gaze tracking, support for additional devices, and refinements in the backend systems and AI/ML algorithms.

Figure 8: Root Cause for sequential improvement in diagnostic abilities



Sources: Company

The next sections detail some of the clinical studies and commercial partnership work that BlinkLab has been successfully engaging in.

Clinical Studies completed by BlinkLab

BlinkLab has conducted several clinical studies to validate its smartphone-based neuro metric testing and diagnostic device across various conditions:

1. **Pilot Study in Healthy Subjects (2020)**
   In 2020, BlinkLab conducted an initial pilot study involving 18 healthy participants. The study demonstrated that the BlinkLab app could accurately measure neurometrics, such as eyeblink conditioning (EBC) and prepulse inhibition (PPI), outperforming traditional laboratory methods. This approach enabled large-scale, home-based testing, reducing selection bias.

2. **Expanded Study in Healthy Subjects (2022)**
   A subsequent study in 2022 involved 58 healthy participants recruited at Princeton University and Erasmus MC in the Netherlands and confirmed the app's ability to perform neurometric tests accurately. Participants showed improved performance with less variability using the smartphone app than previously reported. These findings supported further clinical trials for conditions like ADHD, ASD, and schizophrenia.

3. **ADHD and Methylphenidate Study (2022)**
   In 2022, BlinkLab conducted a study involving 20 ADHD patients to assess the real-time effects of methylphenidate using their device. The app demonstrated its capability to monitor medication effects and optimise dosing. Additional data is being prepared for publication, with further studies planned.

4. **Multi-Center ASD Study (2023)**
   In 2023, a large global study recruited 156 participants (93 ASD patients and 63 controls) aged 3–12. BlinkLab's AI-powered software showed high accuracy in distinguishing ASD-positive from negative cases. Results informed the design of a larger study.

5. **Large-Scale ASD Feasibility Study (2023)**
A large study with 280 participants from Morocco assessed the app's diagnostic precision for ASD. Results demonstrated high sensitivity (85%), specificity (84%), and positive predictive value (92%). The BlinkLab app outperformed traditional FDA-approved devices, offering a remote, hardware-light solution for ASD diagnosis.

As noted earlier, in 2024 in partnership with Turning Pointe Autism Foundation in Illinois, Princeton University and the National Center for the Disabled in Morocco, BlinkLab improved upon the already succesful large 2023 Moroccan ASD foccussed diagnostic study by adding new participants and thereby further refining its patented machine learning model by adding new predictive biomarkers. These studies, in terms of their succesful results and iterative improvements that work off BlinkLab's patented data driven AI and machine learning augmented technology highlight BlinkLab's potential to revolutionize neurodevelopmental diagnostics through accessible, scalable smartphone-based solutions. This has occurred because these studies have allowed the Company to collect additional biomarkers from both ASD and non ASD patients, helping to enhance the app's diagnostic ability. Consquently, we are highly confident that BlinkLab's recently commenced FDA registrational study will be successful, allowing the company to capture significant market share in the US market due to its more effective diagnostic technology as compared to its competitors.

Strategic Partnerships help achieve multiple objectives

BB1 has shown strong strategic savviness by entering into a number of strategic partnerships with world renowned research institutes. As we have noted, this creates win-win outcomes for both BB1, in terms of accelerating its path to commercialization, and for those research institutes

BlinkLab's continued participation, as announced at the end of 2024, in new large scale trials and partnerships with world renowkned research institutions such as the one with Monash University on the MAGNET ASD/ADHD study will help BlinkLab continue to identify novel data-driven ASD and ADHD subtypes using deep phenotyping data, including discovering new biomarkers, that may outperform current diagnostic effectiveness for ASD/ADHD, leading to the potential for even better ASD and ADHD diagnosis and treatment.

Another advantage of participating in these collaborative studies and trials with strategic partners is that this creates mutual win win scenarios for both BlinkLab and the research / commercial partner. In some instances, for BlinkLab the benefits extend beyond accelerated technological development and commercialisation and include near term financial benefits that will help the Company minimise dilutive capital raisings. For example, in Blinklab's 2024 announced commencement of a partnership with INTER-PSY in the Netherlands, which is aimed at further optimising BlinkLab's ASD diagnostic algorithms , accelerating BlinkLab's path to achieving both US and EU regulatory approval and supporting BlinkLab's app's adoption as a diagnostic tool across the autism diagnostic community in Europe, INTER-PSY will bear its own costs incurred in relation to running this study in its own clinics and in return benefit from not having to pay BlinkLab royalty fees for the use of the app.

In Q3 of 2024, in addition to the announcement of the partnership with INTER-PSY for ASD diagnoses, BlinkLab announced a commercialisation partnership with the Mental Care Group (MCG) in Europe for clinical study work on ADHD. As part of the collaboration, MCG intends to integrate the BlinkLab app into their ADHD diagnostic processes. In turn, this helps BlinkLab collect additional data points to further fine-tune its app's ADHD diagnostic abilities. Given that these are quite large organisations, with a national network of over 200 clinical centres serving 100,000 patients annually, these partnerships are more than just endorsements of BlinkLab's smartphone bases tests they will help BB1 accelerate commercialisation outside of the USA. For example, BlinkLab and MCG will work together to

obtain regulatory approval for BlinkLab's app in Europe accelerating the path for the Company's technology to be more broadly adopted in Europe and also be approved for reimbursement in Europe.

BlinkLab aims to continue to conduct large global studies focussed on ADHD, with the aim of using the results to accelerate the reciept of regulatory approvals in Europe and the USA. These studies are designed in a way that children undergo comprehensive ADHD diagnostic evaluation, and then the diagnostic results are compared with BlinkLab's rapid smartphone-based ADHD test.

Strategy and timeline for achieving European certifications for BlinkLab's app

Recognising the strong connection BlinkLab's conception has to Europe and the significant market addressable opportunity that BlinkLab can tap into in Europe, the Company also aims to secure the necessary CE mark certification in Europe, allowing the BlinkLab device to be launched in the continent. In this regard, BlinkLab has already begun its efforts.

As discussed more in the valuation section, although it is likely that BlinkLab will receive CE mark certification sometime in the next 18 months allowing its app to tap into the signifcant European neurodevelopmental diagnostic market, our bullish valuation and investment thesis for BlinkLab has conservatively not taken this material benefit into account. Additionally, investors should note that unlike the case for receiving FDA 510 (k) approval, receiving CE mark certification in Europe does not neccissitate the undertaking of any further clinical studies for BlinkLab, given all the results already achieved thus far that demonstrate the technology's diagnostic efficacy.

Ongoing Clinical Studies and Strategic Partnerships aimed at other neurodevelopmental disorders

Since listing on the ASX in April 2024, with the view of expanding the addressable market opportunity that its technology can cater to, BlinkLab has also established multiple clinical research collaborations with renowned research institutions worldwide to study mental and developmental conditions in areas beyond ASD and ADHD – refer below to **Figure 9**.

The extensive data gathered from these studies plays a crucial role in further expanding the Company's already strong competitve edge driven by its machine learning models. This also allows the distinguishing of ASD and ADHD from other psychiatric disorders in real-world clinical settings leading to the continued enhancement of BlinkLab's app's predictive performance across a wide range of neurodevelopmental conditions.

Figure 9: BlinkLab's collaborative strategic research partnerships

Sources: Company

Progressing well on near term strategic drivers

BlinkLab's foremost strategic priorities in the near term over the next 18 months revolve around the following 3 key elements. Based on the successes BlinkLab has achieved thus far in its clincical studies, the strategic research and commercialisation partnerships that it has formed, and on the back of the Company's founders being leading global researchers in the fields of ASD diagnosis and neurometric testing, we are confident that BlinkLab will be able to achieve these goals.

1. **Successfully completing its FDA 510 (k) registrational study (for autism),** which will allow BlinkLab to market and sell its innovative smartphone app to healthcare providers in the USA. In this regard, BlinkLab is progressing well, with the Company recently announcing that the FDA has given it positive feedback in relation to the study design for the BlinkLab Dx 1 registrational program in terms of the study's protocol and data requirements. BlinkLab has already selected several clinical sites in the USA for the study, which will encompass an initial phase that transitions into the larger main study. BlinkLab's prudent step-wise approach here is aimed at derisking its approval strategy. Given the successes BlinkLab has achieved across all its clinical studies that have been done thus far, particularly as seen in the extensional 2024 study done in partnership with Turning Pointe Autism Foundation in Illinois, Princeton University, and the National Center for the Disabled in Morocco, we are confident that BlinkLab's 510 (k) registrational study will be successful. Although it is highly likely that the study itself will be completed towards the end of 2025, final 510 (k) approval from the FDA will still take 4-6 months more afterwards – as noted in our valuation section, we have conservatively taken this timeline into account bringing in first revenues in FY2027, not in 2026 which very well could be the actual case.

To achieve CE mark certification in EU for its ASD offering, BB1 does not actually need to undertake any further clinical studies and can avail all the positive trial results achieved thus far.

In this time period, it is also likely that BlinkLab completes the assessment of its regulatory strategy for FDA De Novo approval for its ADHD diagnostic offering and has commenced related clinical studies and trial work.

2. **Successfully obtaining CE mark certification** for its device's autism offering (expected in Q4 2025) whilst being well in the process of receiving CE mark certification for its ADHD diagnostic offering. This is aimed at taking advantage of the significant opportunity in Europe.

3. **Advancing the ability of BlinkLab's ML models to accurately and rapidly diagnose other conditions** such as Dementia, Alzheimer's and Schizophrenia. As noted above, BlinkLab is currently engaged with several tier 1 research partners on studies that will expand its technologies' AI and Machine Learning driven abilities to effectively diagnose these other conditions.

More on 510 (k) approval

As noted, although it is very likely that the FDA 510 (k) registrational study will be successfully completed later in 2025, with the FDA approval then being received around the 1H of 2026, our conservative valuation approach assumes first revenues from the autism market coming in 2027.

We are quite confident that 510 (k) approval will actually be received because 510(k) approvals are premised on a medical device (BlinkLab's) being **substantially equivalent** to a legally marketed and safe device (called a "predicate device") that is already on the market. In this case, BlinkLab's approval will be sought based on Cognoa's device already being in the market and having this approval. For example, based on Cognoa's De Novo approval, EarliTec received 510 (k) approval.

BlinkLab's device has thus far shown better ASD diagnostic capabilities than either Cognoa's or EarliTec's offerings, adding to our confidence that BlinkLab will receive 510 (k) approval. It is important for investors to note that 510(k) approval allows a company to sell and market its device in the USA. However this "approval" is really a "clearance "for market entry. Clearance means the device is allowed to be marketed in the U.S. because it is substantially equivalent to an existing, legally marketed device.,

Reimbursement & Monetisation Strategy

Blinklab's eventual monetisation strategy is dependent on 2 key factors:

1. Blinklab's ability to form strategic partnerships with key tier 1 health care practionners post FDA 510 (k) clearance allowing it to gain strong business momentum.
    a. Actual monetisation can exist even absent this, because Health Care practitioners only need valid reimbursement codes associated with BlinkLab's device's use in order to use the Company's offering. However, rapid monetisation will be helped if there exists some sort of strategic engagement with ASD/ADHD focussed research institutions and health care practitioners – more on this below.

2. The availability of financially attractive reimbursement codes that allow BlinkLab to charge a reasonably attractive fee to healthcare practioners for them using BlinkLab's device per diagnosis and also allows these providers to recoup this payment to BlinkLab by way of securing reimbursement by either government funded Medicare or Medicaid programs or from private health insurers.

Following FDA 510 (k) clearance, BlinkLab plans to initially launch services in the US states of New Jersey and Pennsylvania. Given the Company's strong connections to tier 1 medical research centres in those two states that are strong in the field of ASD, for example, Princeton University is located in New Jersey, we view this strategy as being well conceived. By entering into these two submarkets in the USA and gaining market share and subsequent brand awareness, BlinkLab's commercialisation ramp across the USA and beyond, such as in Europe, will be expedited. Hence even though it is possible that CE Mark approval for the ASD offering comes prior to 510(k) clearance, it makes sense to focus on ramping up in US first.

BB1's step wise strategy for reimbursement is well planned. It is indeed more prudent to initially target Medicare /Medicaid reimbursement to generate business momentum before targeting reimbursement from private insurers. Notwithstanding this, based on the recent news relating to HCPCs codes, and the value proposition of BB1's offering there is also no reason for why BB1 cannot generate momentum with Medicare/Medicaid and private insurers simultaneously.

In terms of code assignment and reimbursement, because the field of digital therapeutics is nascent, it is not entirely clear which code will be used for BlinkLab's device. However, as noted below, despite this uncertainty, investors should not that there are several positive factors in support of the view that BlinkLab's monestisation will be associated with a suitably attractive reimbursement code – CPT Code and or an HCPCS code that adds to revenue visibility for BlinkLabs.

- Both of BlinkLab's two key competitors, Cognoa and EarliTec are already running multi million dollar revenue businesses in the US, and hence their ASD diagnostic services are associated with specific reimbursement codes.
- In recent times, the Centers for Medicare & Medicaid Servvices (CMS) proposed[7] to create three new HCPCS codes that relate directly to the reimbursement of services, including diagnostic, associated by Digital Mental Health Technology (DMHT) devices such as BlinkLab's. At the time, this was noted to be a major step in the right direction for digital therepaeutics.
- Subsequently, these three new codes were approved and are in effect from Jan 1 20258, including code G0552 which can likely be used for reimbursement relating to the usage of BlinkLab's device. G0552 relates to the supply of services associated with digital mental health treatment, including for behavioural and developmental disorders such as ASD and ADHD. For G0552 to be payable, the billing practitioner must incur a cost to acquire and furnish the DMHT device, and the DMHT device in question must have received 510(k) clearance. Since post 510(k) approval, BlinkLab's device will fulfill these conditions this creates a pathway for the use of BlinkLab's device, because primary healthcare providers will be reimbursed for their cost and time.
- The advent of these HCPCS codes relating to DHMT are additionally favourable , because even though their use is primarily associated with government funded Medicare and Medicaid reimbursement in the USA, private health insurance companies in the USA can also use HCPCs codes. **Consquently, this validates BlinkLab's well planned strategy.** BlinkLab plans to initially ramp revenue momentum by way of targeting health care practioners availing Medicare/Medicaid,

[7] https://nixonlawgroup.com/nlg-blog/2024/7/22/new-reimbursement-for-digital-mental-health-treatment-in-the-2025-medicare-physician-fee-schedule-proposed-rule

[8] https://nahri.org/articles/cms-makes-changes-behavioral-health-new-codes-and-cuts-rates-2025-mpfs-final-rule

due to the easier pathway to adoption, prior to then letting its technology's efficacy and related brand awareness incentivize coverage by private insurance companies in their private health insurance plans.

- Despite BlinkLab's risk mitigation strategy in the context of private health insurance companies being sometimes reticent to include specific health care related services in their plans/policies even if corresponding reimbursement codes exist, this particular risk for BlinkLab as it commercialises its busines is reasonably assessed as being low. Private insurance reimbursement approval for healthcare products and services approval is noted to be most likely when they have proven value through:

    - Randomized controlled trials
    - FDA clearance pathways – Do Novo and 510(k)
    - Publication of real-world evidence in addition to randomised controlled trials findings
    - Proven cost offsets.

Once the BlinkLab device receives FDA 510(k) clearance, given all the other time (30 mins to administer BlinkLab's test vs much longer time needed for competitor's) and cost related benefits, favourable clinical study results and superiority in ASD diagnostic accuracy vs competitors that we noted earlier, private insurers in recognising the direct benefits to them are likely to include BlinkLab's services as a part of their plans.

In terms of assumptions associated with how much BlinkLab can charge for its one-time use of its device for ASD diagnosis, as noted more in the valuation section, under the Base Case, we have conservatively assumed USD $150 (~AUD $200 based on the last 10 yr average AUD/USD of $0.75) - this is a conservative price assumption, because the average current price for an **average** ASD screening in the US is USD $166. In the upside case, we have used USD $187.5 (~AUD $250) due to BlinkLab's ASD test being able to also diagnose ASD more accurately, inluding identifying ASD heterogeneity, in addition to consistently growing its ability to effectively diagnose other neurodevelopmental conditions which are all aspects that BlinkLab has shown to do better than its competitors. Given that some of the other online autism assessment companies have been found to charge up to USD $1,500 for diagnosis, even our upside case assumption should be viewed as being very conservative – this is particularly so because BlinkLab's device's more effective ASD diagnosis will help with the more timely crafting of suitable treatment plans allowing for mutual economic value creation. BlinkLab's actual pricing plan (USD $200) for one time diagnostic use of its app is higher than both our Base and Upside Case assumptions. This level of pricing is realistic because based on BB1's app's diagnostic value proposition in terms of allowing for the more accurate and earlier diagnosis of ASD, and other conditions, the right pricing benchmark should not be the price of the **average** ASD screening test in the USA today ($166) but the price of the more expensive / sophisticated diagnostic offerings that are in the USD $1.5k + range. Hence not only is BB1 effectively offering a more discounted price that validates our scale up assumption, but our bullish valuation is also based on conservative assumptions. **Even our use of an AUD/USD ER of $0.75 effectively underestimates the current AUD based financial projections due to the notably lower current AUD/USD ER.**

Market Sizing and Revenue Model

As noted earlier, our timeline assumption for the ASD revenue ramp commencing in 2027 , whilst being 2028 for ADHD is conservatively defined, with there being a reasonable chance that the actual ramp commences a year earlier for both the main offerings (2026- ASD, and 2027 ADHD). As noted further below, in maintaining our overall conservative approach, across both our base and upside cases, we have maintained the same actual adressable market sizes and % market share capture assumptions for Blinklab's ASD and ADHD offerings, with the base and upside cases being differentiated due to different pricing assumptions and platform revenue sharing cost assumptions (more on this below).

As can be seen in this section, the size of the overall addressable market opportunity in the ASD and ADHD markets, even individually, is very material. Hence even after assuming several conservative assumptions, the scope of the revenues that BB1 can capture is significant.

<u>ASD Market Sizing for the USA Market</u>

- The American Academy of Pediatrics recommends universal testing for autism, with each child in the USA being recommended to be at the minimum tested at 18 months and then again at 24 months as part of their "well child visits".
- In the USA, well-child visits are regular medical checkups for children to monitor their growth, development and overall health. Given that under the Affordable Care Act (ACA), most insurance plans, including Medicaid, cover well-child visits at no cost to families, we can safely assume that the approximate 85%[9] attendance rate for these visits within the 18-24 month range will continue to hold.
- As per the latest CDC numbers, there are currently 3.65m 1 yr olds in the USA and 3.6m 2 yr olds. Hence we have assumed that in any given year, there are 3.6m *2 18-24 month year olds in the USA, leading to an aggregate targer pool size of 7.2m kids.
- As per the above, applying an 85% attendance rate leads to an estimation of 6.12m children per year in the USA who undertake autism assessment.
- Applying the 1/36 incidence rate of ASD for children leads to estimating that of these 6.12m children, 0.17m will be assessed as being positive and 5.95m as being negative. However, it should be noted that our assumption of 6.12m children needing 6.12m tests (1 test each) conservatively underestimates the true number of tests since no ASD diagnostic test, including BlinkLab's, has a 100% diagnostic accuracy (even though BlinkLab's is by far the leader in diagnostic accuracy).
- These 0.17m children who test positive can reasonably be inferred to be tested annually between the ages of 2 and 11, hence requiring 10 tests in total. However, we have conservatively assumed this need for repeat annual tests post initial diagnosis to be for 7 years only.

- Consequently, in any given year, there will be
  - 8* 0.17m +5.95m = 7.31m diagnostic tests for ASD that BlinkLab's innovative technology can address.
- Investors should note that this number itself is conservative / underestimates the likely actual size for other reasons too: with time as the diagnostic accuracy of ASD tests improves, including for BlinkLab's, more children will be incentivised to undergo ASD diagnostic tests (increases the attendance rate to above 85%), and it's likely that as a result of this higher attendance and more effective tests, more people will also be diagnosed as being positive, increasing the number of people needing repeat annual tests.

<u>ADHD Market Sizing for the USA Market</u>

- Given that there are no concrete guidelines for ADHD testing in the USA, a simpler but still conservative approach for estimating the annual test size for ADHD diagnostic tests that BlinkLab can cater for has been formulated.

[9] National Center for Health Statistics (NCHS)

- As per the US Census Bureau, there are 52.3 million individuals between the ages of 5 and 17 in the USA, and as noted earlier, the incidence rate is 11.3%. Using a 50m target population size and a 10% incidence rate, we arrive at a 5m annual ADHD test pool size. This 5m per annum test pool size can be reasonably inferred to encomposs both new diagnoses and follow up tests on individuals who were diagnosed in earlier years.
- To add an additional degree of conservativeness, we have lowered this further by a 20% discount factor because, unlike the case for ASD, ADHD follow-up testing is assumed to be subjected to older aged children up to the age of 17 who may be less likely to adhere to annual follow up testing guidelines. Hence for ADHD, we arrive at an annual test pool size of 4m that BlinkLab can cater to.

Total addressable market size ($) and BlinkLab's assumed market share and revenues

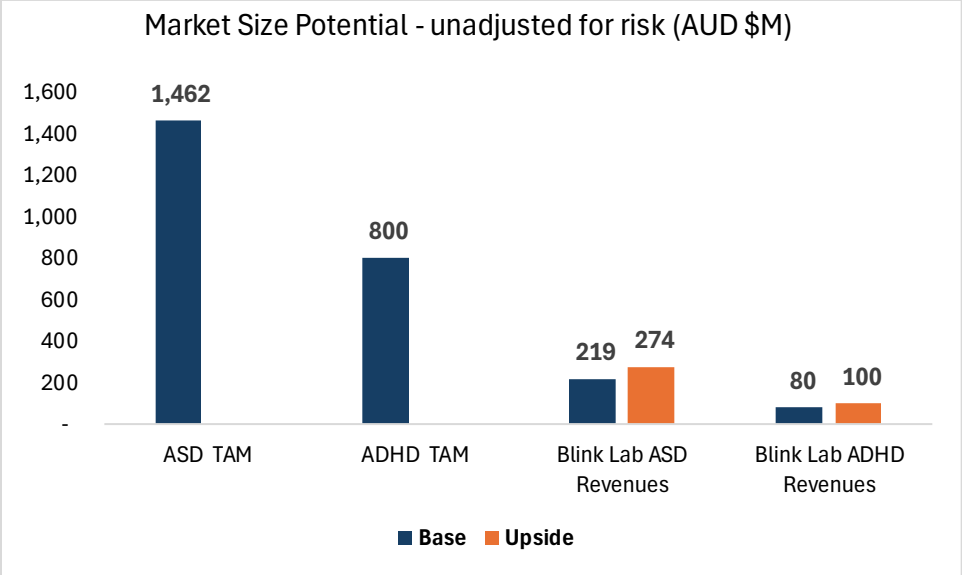
Based on the assumptions defined above in terms of population size, incidence and prevalence rates, and average industry-wide cost of diagnosis, **Figure 10** below illustrates the full market size potential for both ASD and ADHD, in $ AUD m, that all companies including BlinkLab can address in the USA.

Also shown are the corresponding Base and Upside Case revenue potential for BlinkLab. The Base and Upside Cases vary due to the assumed $ AUD price that BlinkLab can charge for administering 1 test (either ASD or ADHD) - $200 in the Base Case and $250 in the Upside Case. As noted earlier, in maintaining our conservative approach, our pricing assumptions, across both cases are lower than BB1's eventual plan (~AUD 270). **Due to the diagnostic value prop that BB1 offers being better benchmarked to alternative offerings that are in the USD 1.5k plus price range, our lower pricing assumption associated with our expectation of BB1's succesful scale up in the USA is justifiable.**

Additionally, in terms of market share, we have assumed:

- For ASD, BlinkLab can capture 15% of the diagnostic market, taking 3 years to ramp up to this steady state, commencing in 2027.
- For ADHD, we have assumed that BlinkLab can capture 10% of the diagnostic market, and it will also take 3 years to ramp, commencing and including 2028.
- Given the material advantage in diagnostic performance that BlinkLab's device has over its competitors and the fact that BlinkLab's device's smartphone nature is fundamentally more conducive to rapid adoption vs its competitors' offerings, our view is that our market share and market share ramp assumptions for BlinkLab's offering are very defensible and in fact, are also quite conservative. Currently, in order to ensure that its high rates of diagnostic accuracy are maintained, BlinkLab's app can only be used on Apple smartphones. Going forward, BlinkLab aims to also cater to complying Samsung smartphones and with time, as Android camera image capture technology improves across brands other than Samsung, more android phones will be compliant with BlinkLab's requirements, resulting in minimal constraints for BlinkLab to capture material market share.

Figure 10: BlinkLab's TAM for ASD and ADHD in the US in $AUD unadjusted for risk and associated unadjusted for risk revenue potential post market share ramp



Sources: East Coast Research

FDA 510 (k) approval is fundamentally higher odds than FDA De Novo approval. This is the case generally. As we have noted, BB1's chance of FDA 510(k) approval is very high, but to be additionally conservative we have assumed only a 70% risk weighted expectation for this approval which likely materially underestimates the actual chances of 510 (k) approval given all the positive clinical study results BB1 has achieved thus far

Risk-Adjusted Revenues

BlinkLab's Base and Upside Case revenue potential post full market share ramp, as shown above in **Figure 10**, is not adjusted for risk.

In order to confidently showcase a bullish high conviction investment thesis for BlinkLab, we have included an additional angle of conservativeness on to the revenue streams apart from just limiting the market size, market share % and pricing assumptions.

Even though, based on the clinical study results achieved thus far and the fact that 510(k) FDA clearance is premised on a predicate on the market that BlinkLab performs markedly better at in terms of diagnostic accuracy, we have conservatively assumed a risk-weighted expected value of only 70% to the projected ASD revenue streams, effectively curtailing them by 30% **(the likely probablity of approval, based on all the clinical results thus far, likely notably exceeds 70%).** The same thing has been done with the ADHD revenue projections, but we have been additionally conservative since the ADHD FDA clearance will be a De Novo one, and BlinkLab is earlier in its commercialisation progress for its ADHD test. Notwithstanding, our usage of a risk-weighted expected value of only 33% to the projected ADHD revenue streams, effectively curtailing them by 67%, can be seen as being very conservative.

The conservative nature of our revenue assumptions can be further gauged by the fact that our revenue projections completely ignore the material revenue potential that BlinkLab can avail in Europe (BlinkLab is actively working toward entering this market) and also ignores potential revenues from its technology being able to address other neurological conditions, such as dementia, for which it is currently actively engaged in clinical partnerships aimed at developing its technology's diagnostic abilities for. **Figure 11** below shows our assumed risk-adjusted revenue progression by segment and aggregate under the Base and Upside Cases.

Figure 11: Risk-adjusted revenue projections across the Base and Upside Cases

Base Case Risk Adjusted Revenues ($ AUD m)	2025	2026	2027	2028	2029	2030	2031
Revenues -Risk-Adjusted ASD	0	0	61	92	154	161	169
Revenues -Risk-Adjusted ADHD	0	0	0	11	16	26	28
Total Risk Adjusted Revenues	**0**	**0**	**61**	**103**	**169**	**188**	**197**

Upside Case Risk Adjusted Revenues ($ AUD m)	2025	2026	2027	2028	2029	2030	2031
Revenues -Risk-Adjusted ASD	0	0	77	115	192	201	212
Revenues -Risk-Adjusted ADHD	0	0	0	13	20	33	35
Total Risk Adjusted Revenues	**0**	**0**	**77**	**128**	**212**	**234**	**246**

Sources: East Coast Research

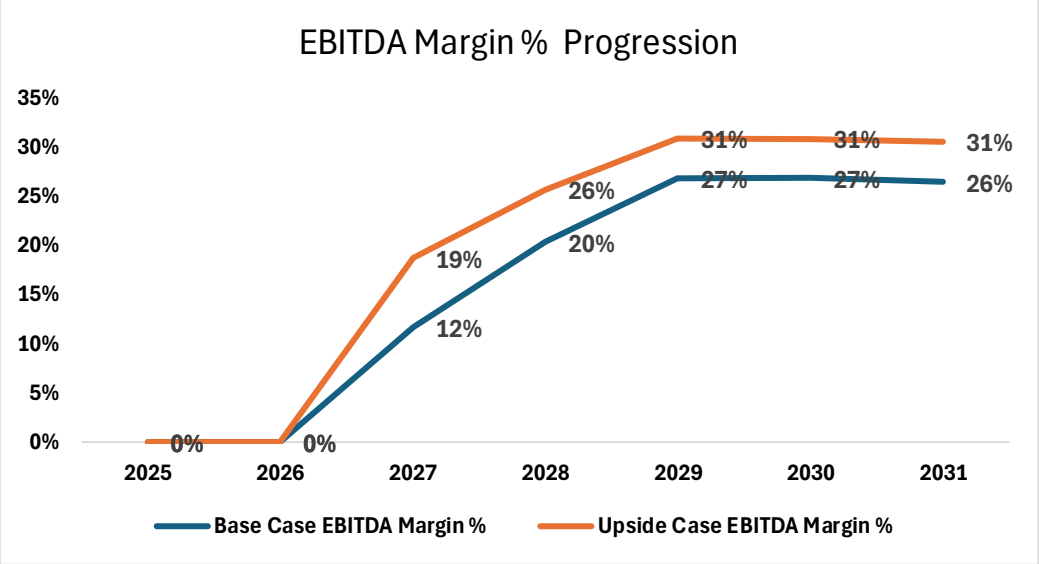
Upside and Base Case further explanation

As noted earlier, the Base and Upside Cases encapsulate the same conservative market share and market ramp assumptions. The Upside Case assumes a higher one-time usage price for either the ASD/ADHD offering of AUD $250 vs the Base Case's $200. However, in maintaining our overall conservative approach, in the Upside Case, we have assumed that 15% of revenues per year will be expended as additional "platform ramp expenses" in addition to normal operating expenses such as employee benefits expense, marketing and advertising, general and administrative expenses, research expenses and share-based compensation expenses. Whilst in the Base Case, we are assuming that these "platform ramp expenses" are 5% of revenues per year. This is an additional expenditure line item that we have assumed in order to be conservative with our projections, with the aim of capturing all sorts of different additional expenses that might be incurred by BlinkLab as it grows its business.

Although as seen below in **Figure 12** our EBITDA margin % assumptions are reasonable/defensible and would still have been absent the inclusion of these additional platform ramp expenses, meaning that we have been conservative with our cost estimations, these additional "platform ramp expenses" may relate to an understimation of the costs across any one or more of the cost categories and a recognition of different types of expenses that BlinkLab will need to incurr as it transitons from a pre commercialisation software based biotech company to a post commercialisation company that is steadily growing its revenue base on the back of using in demand cloud services such as AWS (one of the main prospective cost categories for the company as it grows) and fees and payments to Apple and potentially Google for help in distributing its app based software (AWS, Apple and Google do have a degree of supplier power here, and our view is that we have adequately addressed the financial cost risk of this to Blink Lab with the addition of these platform ramp expenses).

In recent years, the EBITDA margins of publicly traded software companies on the NASDAQ has hovered around 30%. Given BB1's business model does not entail a hardware component and is driven by its patented machine learning software, this is an appropriate benchmark that our projections align with.

Figure 12: Projected evolution in EBITDA margin % across Base and Upside Cases



Sources: East Coast Research

Cost estimations, Capex outflows

BlinkLab's business strategy and business model do not necessitate a heavy reliance on marketing and advertising - despite this, we have conservatively reflected these in our valuation model. In our Base Case, between 2022 and 2031 inclusive, our assumptions lead to marketing and advertising expenditures growing annually at 129%, whilst the CAGR% in revenues between 2027 and 2031 inclusive is assumed to be a much lower 34%. BlinkLab's plans do not involve hiring a direct sales team to sell its diagnostic app to health practitioners in the USA, nor are there plans for expenditures on indirect sales distribution channels. Although sales staff will be hired, the idea and plan involve strong brand awareness for health practitioners post FDA 510(K) clearance being facilitated by word of mouth, online advertising, KOL tie-ups, conference attendance, etc., with their cost requirements not needing to be onerous given BlinkLab's superior diagnostic accuracy and usability vs other alternative solutions.

As noted earlier, investors in BlinkLab benefit from the Company having already raised capital and expending funds on the development of its app's diagnostic abilities, particularly for ASD and also to a decent extent for ADHD. BlinkLab will still, however, continue to expend funds on the continued Machine Learning and AI data-driven diagnostic capabilities of its app both across ASD and ADHD and also across its pursuit to cater to the diagnostic needs of other neurodevelopmental conditions such as dementia. Consequently, we have conservatively allowed for the need for continued requirements to invest in software-based IP development, with our Base Case's capex for Intangible Assets increasing by a CAGR% of 88% p.a between 2024 and 2031 inclusive, resulting in Intangible Asset capex rising from $108,379 in 2024 to $9,144,478 in 2031. Similarly, our projections for R&D expenditures rise from $180,125 in 2024 to $7.881m in 2031, a CAGR of 72%.

Our assumed level of Intangible Asset Capex and future R&D requirements also adequately capture the likelihood of BlinkLab needing to expend funds into software development for

further product development needs in the event of the need to either address competitive threats or enter into adjacent product segments.

Valuation Results

As noted above and summarised below, we have instilled several conservative assumptions in our financial projections across both our Base and Upside cases; these include :

- Limiting market share and market share ramp across both the ASD and ADHD offerings. Assuming lower pricing across our cases, even in the Upside, compared to BlinkLab's credible value prop based pricing plan.
- Accounting for the current need to achieve FDA clearance and hence conservatively reducing projected ASD and ADHD revenue streams by risk factors (30 % reduction for ASD and 67% reduction for ADHD). This is despite the risk of not receiving 510 (k) clearance for BlinkLab's ASD offering being objectively low.
- Instilling adequate cost ramp estimations across all key cost categories, such as stock-based compensation expenses and SG&A, in addition to creating new expense estimates relating to the likelihood of revenue-sharing expenses incurred with cloud service providers and smartphone app store providers as BlinkLab grows its business.
- Accounting for a material level of equity dilution that increases the share count from the current basic shares outstanding. To do this, we have conservatively assumed that, in order to preserve adequate cash levels, the projected deficit in FCFs in 2025 and 2026 (pre-revenue years) are absorbed by equity capital raises done at share price levels[10] far lower than our intrinsic valuation's (leads to more shares needing to be issued). Additionally, we have assumed the full materialisation of all outstanding performance rights and have also accounted for the net increase in share count from the exercise of all outstanding employee options (with an added buffer to allow for more options that might be issued in the short to medium term).
- Not accounting for revenues from BlinkLab's high likelihood entry into the sizeable ASD and ADHD markets in Europe

Even after accounting for all these conservative assumptions, based on the strength of its technology in being able to better solve the ASD and ADHD diagnostic problem, its competitive moat and application-based nature being conducive to a scale-up, and the size of the ASD and ADHD diagnostic opportunity in the USA, we estimate the scope for significant investment upside.

As noted below in Figure 13, in the Base Case, we arrive at an intrinsic valuation of $1.53, whilst in the Upside Case, we arrive at $1.95. The resultant mid-point valuation of $1.74 represents the prospect of a 545% upside potential from the current share price of $0.27.

Investors should note that our DCF is not a perpetual DCF. Our DCF period across both the Base and Upside Cases stretches to 2041 only because BlinkLab's royalty-based exclusive non-transferable license from Princeton University to commercialise

[10] This assumption's objective is aimed at conservatively increasing the share count which lowers our intrinsic valuation. BB1's eventual future capital raises will likely be done at higher share price levels.

the technology governed by Princeton-owned patents expires at the end of 2041. Additionally, across both our Base and Upside cases, we have limited annual FCF growth between 2032 and 2041 inclusive to only 1% - another conservative assumption. Investors should note that despite the license expiring in 2041, by that time the amount of data collected across millions of tests becomes materially more valuable than the license/underlying IP itself.

As noted earlier, the nature of BlinkLab's app-based business model is such that a virtuous loop is created because the more ppl that are tested using BlinkLab's technology leads to further refinements in BlinkLab's Machine Learning and AI-driven diagnostic algorithms, leading to more people choosing BlinkLab for their diagnostic tests and so on and so forth. This aspect, combined with the size of the market opportunity that BlinkLab can address and the underlying trends in the SaMD market wherein larger healthcare companies often acquire smaller, more nimble, and innovative operators such as BlinkLab, creates the real prospects of BlinkLab's being the subject of an attractive M&A bid from a larger competitor. Our constructed valuation scenarios can be conservatively considered as having taken this benefit into account.

Figure 13: Valuation Results

Valuation (A$m)	Base case	Upside case
Present value of FCF (EV)	241	307
Debt	0.2	0.2
Cash*	3.0	3.0
Equity value (A$)	**244**	**309**
Current Ordinary Shares O/S (m)	99	99
Assumed Dilutive Shares** (m)	60	60
Total Shares O/S (m)	**159**	**159**
Implied price (A$)	**1.53**	**1.95**
Current price (A$)	0.270	0.270
Upside (%)	*468.5%*	*622.2%*

*We have lowered the cash amount vs what was reported in Q3 2024 to account for additional interim cash usage. ** Assumed additional dilutive shares consequent to the full exercise of all current performance rights and the net impact from the exercise of all options outstanding with the addition of an additional buffer to account for future option grants.

Sources: East Coast Research

Robust Valuation Sensitivity Analysis adds confidence to the thesis.

As seen below in **Figure 14,** across a wide range of plausible scenarios for BlinkLab's WACC and the $ AUD price for a one-time diagnostic use of its app, our estimated intrinsic value for BlinkLab's share price still leads to the prospect of attractive investment returns. For instance, even in the case of a $160 AUD price for one-time diagnostic use, which, when converted to USD based on the last 10 yr average AUD/USD results in a USD price that is ~30% less than the current average market price for ASD diagnosis and a WACC of 14.5% (actual WACC is 13%), the intrinsic value share price derived of $0.62 still provides the scope for a 130% return on investment from the current share price of $0.27.

Excluding 2 material outliers, as per S&P Cap IQ, BB1's peers have an average 3yr Beta of only 0.864. Our valuation is based off using a Beta of 1.7 for BB1 that informs our WACC. Hence investors should be confident that we have been very careful to incorporate risk measures in all parts of our valuation thesis.

As noted earlier, given the number of relative diagnostic advantages that BlinkLab's app exhibits vs its competitors' offerings and alternative approaches, the more likely outcome is that BlinkLab's product obtains a price of above AUD $220 (which is actually BB1's pricing strategy), leading to, as seen below, a minimum intrinsic value estimation of $1.74 even in the highest WACC scenario.

Furthermore, implied in our Base Case is a Beta of 1.7, which is high compared to BlinkLab's peers. Going forward, as the Company achieves 510(k) FDA clearance for its ASD offering (very likely) and diversifies its revenue streams across other neurodevelopmental conditions it is high likely that BlinkLab's Beta will fall lowering the WACC and resulting in the possibility of its intrinsic valuation trending above $2.00 per share.

Figure 14: Share Price impact from sensitivity analysis on product pricing ($ AUD) and WACC

		Product Price				
WACC	**1.53**	160	180	200	220	240
	11.5%	0.80	1.26	1.72	2.19	2.65
	12.0%	0.76	1.21	1.66	2.10	2.55
	12.5%	0.73	1.16	1.59	2.02	2.45
	13.0%	0.70	1.12	**1.53**	1.95	2.36
	13.5%	0.67	1.07	1.47	1.88	2.28
	14.0%	0.64	1.03	1.42	1.81	2.20
	14.5%	0.62	0.99	1.37	1.74	2.12

Sources: East Coast Research

Consequently, we are able to confidently recommend a bullish investment thesis for BlinkLab's stock. The stock has mostly traded range bound around the $0.22 to $0.30 level over the last 6 or 7 months, and this is likely due to the market's cautious wait-and-see approach to assess the Company's prospects to enter the lucrative USA market subject to receiving 510(k) clearance. Although non-FDA clearance risk still remains, our rigorous assessment of BlinkLab's results across all of its completed clinical studies done thus far, including the impressive results achieved in the expanded 2024 clinical study done in partnership with Turning Pointe Autism Foundation in Illinois, Princeton University, and the National Center for the Disabled in Morocco, and all the other strategic partnership work that the Company is currently engaged with in addition to having the FDA recently positively approve its 510(k) registration study design lead us to be very confident that BlinkLab will be able to successfully commercialise and ramp its operations.

Re-rating of BlinkLab's stock

BlinkLab is currently trading well below our midpoint intrinsic valuation estimate. Achieving the following milestones could lead to a re-rating of the stock, moving the share price closer to our target valuation range:

- **Periodic good news relating to ASD FDA 510(k) registrational study and subsequent FDA clearance.** As BlinkLab periodically updates the market with positive ASX announcements relating to the progress of its recently commenced FDA 510(k) registrational study, there will likely be positive momentum on the Company's stock price, an effect that will only increase once the study is officially completed and FDA gives the all clear which is expected to occur by mid-2026.
- **Progress on achieving CE Mark certification for its ASD offering.** BlinkLab expects to receive CE Mark approval for its ASD diagnostic offering by the end of 2025; periodic positive announcements relating to this and receiving eventual clearance will likely materially positively impact the stock price due to the Company

being able to use its European-based connections and partnerships to tap into the significant opportunity for timely ASD diagnosis that Europe presents. The entry into an additional geo market also helps to derisk BlinkLab's business model.

- **ADHD progress.** Going forward, BlinkLab's business strategy involves commercialising its app's ADHD offering, which will both derisk the company and add an additional revenue stream. Further positive news relating to results associated with its ADHD studies will help the stock's momentum, as will news relating to the plan to start an ADHD FDA registrational study for De Novo clearance by either the end of 2025 or the beginning of 2026.
- **Updates relating to other currently in play clinical studies and the entering into of other strategic partnerships.** As noted earlier, apart from just the FDA registrational study relating to 510 (k) clearance, BlinkLab currently has several other studies in play with its strategic partners, such as the Monash University Autism/ADHD Magnet Project and a colloboration with a large EU mental health care provider aimed at accelerating BB1's commercialisation prospects in EU. Positive updates (expected) relating to the results from these studies/commercial collaborations and, crucially also, other ones that aim to build the Company's diagnostic abilities in other neurodevelopment disorders such as dementia will bode well for the stock price.
- **Strategic Partnerships that increase brand awareness.** Receiving 510(k) FDA clearance will allow the Company to enter the USA market, but market share acceleration will be expedited by BlinkLab forming key relationships and strategic partnerships that help increase its brand awareness. Given the app's diagnostic out peformance vs its competitors, this should not be hard to execute, and announcements relating to the Company's engagement with KOLs will help this process. Such engagements are also not likely to be cost-intensive, but despite this, we have been conservative in our cost estimations for marketing and SG&A expenses.
- **An announcement of a takeover offer.** As BlinkLab grows its business, there is a decent likelihood of a larger healthcare company offering to take over BlinkLab with the aim of boosting its technological capabilities and product offerings. As noted earlier, this is related to BlinkLab's strong competitive moat driven by the "network effects" advantage of its technology, and this aspect is not something that can be easily organically replicated even by a larger competitor.

Risks

Although we are confident that our bullish thesis on BlinkLab is based on reasonable and conservatively defined assumptions, leading to an attractive investment opportunity, we identify the following key risks to our investment thesis:

- **Execution Risk including on FDA 510 (k) clearance.** BlinkLab is currently a pre-revenue technology company; hence, its successful commercialisation revenue scale ramp and entry into other markets, apart from the initial focus on ASD diagnosis, will require effective management skills, execution and resource allocation. Additionally, although all the signs point to a high chance of FDA 510(k) approval, non-approval remains a real risk and this will significantly adversely affect BB1's prospects.
  Licence Agreement. Under the Princeton Licence Agreement, the Company has an exclusive worldwide licence to commercialise any product or service covered by the patents filed by Princeton University. Under the terms of this license agreement,

Princeton University may terminate the Princeton Licence Agreement if BlinkLab commits a material breach and that breach is not remedied within 30 days after notice to do so is given. If the Princeton Licence Agreement is terminated this would have a significantly adverse effect on the Company and its ability to further commercialise and maintain a listing on the ASX. However, investors should note that conducting business as usual, including its plans to develop its business across other segments apart from just ASD and ADHD does not in any way in of itself lead to a material breach, or even a breach of BlinkLab's licensing agreement with Princeton.

- **US Government interest risk.** Because the US Government provided monetary support to Princeton University that was used by the University to develop the technology that is subject to the patent applications lodged by Princeton University under the Bayh-Doyle Act of 1980, the US Government retains an irrevocable, non-exclusive, royalty-free licence to any inventions/patents that arise from its funded research – including the one concerning BlinkLab and Princeton. Specifically, the US Government interest includes the right to sub-license the inventions/patents in certain circumstances, including i. if the 'sponsored entity' fails to show that it will take effective steps, within a reasonable time, to make the benefits of the sponsored invention 'available to the public on reasonable terms'; ii. it is needed to reasonably alleviate health and safety needs; iii. provide 'public use specified by Federal regulations'; or iv. favour United States manufacture of goods or services covered by the inventions/patents. Our objective risk assessment does not anticipate that the United States Government would exercise its rights under its interests in respect of the Licenced IP, and hence, we do not view this aspect as a hurdle to BlinkLab's prospects of ramping up its business in the USA.

- **Reimbursement risk.** Although, as noted earlier, there have been positive developments relating to the specific reimbursement code that could be applicable to BlinkLab's device's use by health practitioners, it is not entirely certain which reimbursement code will apply. Hence, there is still the risk of pricing and commercialisation uncertainty, and although Cognoa and EarliTec are already active in the US market (hence, their offerings are associated with health insurance reimbursement code approval), any significant delays or inability to achieve reimbursement for BlinkLab's device may adversely impact the Company's ability to commercialise.

- **Competition risk.** Under the current and planned business models of BlinkLab and its main competitors, due to the AI and Machine Learning based advantage of 'network effects' that benefit BlinkLab more than its competitors, the competitive risk to BlinkLab is deemed to be low. However, if there are currently unforeseen new changes to diagnostic technology that its competitors more effectively avail, then this could present a real business risk to BlinkLab.

- **Intellectual Property related risks.** There remains the risk that the intellectual property relating to BlinkLab's license from Princeton and its own internally developed intellectual property may be either illegally infringed upon or the associated rights legally challenged by competitors.

- **Funding/ Equity Dilution risk.** As of Dec 31 2024, BlinkLab had a cash balance of around ~$4.4m on its balance sheet, providing it with ample funds to pursue its commercialisation strategy efforts in 2025. However, as per our financial projections, BlinkLab will continue to face FCF deficits in FY 2025 and 2026, which we have assumed will likely need to be funded by dilutive equity capital raises. However, post commercialisation in 2027, due to the high EBITDA margin and associated revenue ramp inherent to being akin to a software co-like play that does not need to invest material amounts into capex to sustain revenues and revenue growth, BlinkLab will then likely start accruing significant levels of positive free cash flows.

Appendix I: BB1's SWOT Analysis

Figure 15: SWOT analysis

Strengths	Weaknesses
(1) BB1 already had materially developed its IP and diagnostic capabilities prior to listing on the ASX in 2024 (several key clinical studies on ASD already done prior to listing). As a result, investors are subject to reduced technology development risk and reduced pre revenue funding requirements. (2) The Company's core technology was developed by world class tier 1 academics in their fields working at some of the highest rated universities in the world such as Princeton University and Erasmus University. Additionally, the company is led by a management team that has prior proven scale up experience in the health care / SaMD segment. (3) BB1's ASD and ADHD aimed (main current focus) diagnostic app-based technology solves a real needed real-world problem notably better than its key competitors. There is a strong economic need for the early diagnosis of neurodevelopmental conditions such as ASD and ADHD because this then allows for earlier interventional treatment that has been proven to be beneficial. BB1's ASD sensitivity and specificity rates are notably better than Cognoa's and EarliTec's. Additionally, BB1's device does not require the use of additional peripheral hardware, which helps its scale-up strategy. (4) BB1's patented machine learning algorithm's in terms of their use for its app's diagnostic capabilities provides the Company with a key source of competitive advantage, apart from just diagnostic accuracy, because of the noted "network effects" that with time widen the performance gap and user base between it and its competitors, creating a virtuous cycle as we discussed earlier.	(1) BB1 is not currently generating any cash revenue from core operations and, therefore, will be reliant on capital raisings until the point of its first revenues, which we conservatively assume will come in during 2027. (2) BB1 still has not received 510(k) clearance for its ASD offering in the USA, with the official registrational clinical study having begun only recently. Although we assess non-approval risk as being low, this is still currently an uncertainty facing investors. Even beyond receiving 510(k) clearance, there is still residual uncertainty associated with which insurance reimbursement code BB1 can avail for its device. Hence, there exist certain factors that could significantly adversely impact BB1's ability to commercialise, and these are, to a degree, outside of BB1's control. (3) Although BlinkLab has self-generated its own IP outside of the license from Princeton, ultimately the expiration of the license that it has to use Princeton's patent expires at the end of 2041, placing a limit to the length of time BB1 can be in business in its current state.
Opportunities	**Threats**
(1) BB1 has an impressive vision: BB1 desires to use its patented machine learning and AI-augmented technology to help it become a leader in the field of digital psychiatry applications – hence, the possible opportunity set for BB1 is more than just with ASD and ADHD (includes for example areas such as dementia diagnosis) and BB1 possesses the technology, management expertise and desire to extend its commercial reach. (2) BlinkLab's scope for near term revenue expansion and hence resultant benefits that also include a reduction in its businesses risk profile include ramping up on its technologies ADHD offering and entering the lucrative European market (first for ASD and then ADHD). (3) Given the strength of its patented machine learning and AI driven algorithms to create hard to replicate competitive advantages based on 'network effects', there is the real prospect of a larger healthcare / health tech company acquiring at a healthy acquisition premium to accelerate their own product development road maps.	(1) Companies such as BB1 who source their key competitive advantage on the back of technological capabilities are fundamentally subject to new competitive risks emerging if other newer entrants or existing competitors can execute in the delivery of even better technology based diagnostic solutions for neurodevelopmental disorders. (2) BB1 effectively operates within the healthcare segment, particularly within the ASD and ADHD diagnostic segments. These segments are subject to material government and regulatory oversight and hence there could be key unforeseen changes underpinning this segment that adversely impact BB1's ability to operate, price effectively and scale.

Source: East Coast Research

Appendix II: Management Team

Figure 16: BlinkLab's Management Team

Name and Designation	Profile
Brian Leedman **Non-Executive Chairman** 	Mr Brian Leedman is an experienced biotechnology entrepreneur with over 15 years of experience in the biotechnology industry. Mr Leedman was the founder of ResApp Health Limited, where Mr Leedman served as the executive director of corporate affairs. ResApp Health Limited was acquired by Pfizer (Aust) in 2022. Mr Leedman is an experienced public company director, having formerly been the chairman of Neurotech International Limited, Nutritional Growth Solutions Limited, Neuroscientific Biopharmaceuticals Limited and was a director of Alcidion Corporation Limited, Oncosil Medical Limited and Respiri Limited. Mr Leedman holds a Bachelor of Economics and a Master of Business Administration from the University of Western Australia.
Anton Uvarov **Executive Director** **Co-founder** 	Dr Uvarov has significant experience in the healthcare industry with a particular focus on neuroscience. Dr Uvarov started his career in biotechnology investments as an equities analyst with Citigroup. He is a co-founding director of several publicly listed companies in Australia, including clinical-stage companies such as Dimerix (ASX: DXB), Actinogen Medical (ASX: ACW) and Neuroscientific Biopharmaceuticals (ASX: NSB). He was previously on the board of Imugene (ASX: IMU), a late-stage clinical oncology company. Dr Uvarov holds a Doctor of Philosophy in Biochemistry and Medical Genetics from the University of Manitoba and a Master of Business Administration in Finance from the University of Calgary, Canada.
Richard Hopkins **Non-Executive Director** 	Dr Richard Hopkins is an experienced biopharmaceutical executive with over 20 years of experience in corporate leadership roles with public biotechnology companies. Dr Hopkins recently served as the managing director for Zelira Therapeutics (ASX: ZLD), a leading global company focused on the clinical validation of medical cannabis. Prior to this, Dr Hopkins served as chief executive officer at PharmAust (ASX: PAA) where he oversaw the clinical development of a novel cancer therapy for dogs and humans. He was also co-founder and managing director at Phylogica (ASX: PYC), where, in addition to the chief executive officer role, he served in a variate of positions, including chief scientific officer and chief operating officer.
Jane Morgan **Non-Executive Director** 	Over the past 17 years, Jane has provided investor and media relations, marketing and advisory services to both ASX listed and public unlisted companies across the mining and resources, technology, financial technology, biotechnology, SaaS, industrial and services industries. Jane has an exceptionally strong network of brokers, investors, high net worths, media contacts and industry professionals. She holds a degree in Commerce / Law with a strong interest in financial markets, corporate transactions and investments. Ms Jane Morgan is a founder and director of JMM, a boutique investor relations and media communications consultancy group

Henk-Jan Boele **CEO – Co-founder** 	Henk-Jan Boele (MD, PhD) is an assistant professor at the Department of Neuroscience at Erasmus University Medical Centre, a visiting researcher at Princeton Neuroscience Institute, and the CEO of BlinkLab. Henk-Jan obtained his PhD (cum laude) in 2014 at the Department of Neuroscience, Erasmus University Medical Centre. His PhD research focused on the neural mechanisms underlying associative and motor learning. After he obtained his Medical Degree at Erasmus Medical Centre in 2018, he started his post-doctoral fellowship at Princeton University in the laboratory of Samuel S.-H. Wang, where he was working on brain development and autism. As the initiator and founder of BlinkLab, it is Henk Jan's strong ambition to bridge the gap between fundamental knowledge of neural processes and clinical application, with a utility that could effectively enhance diagnostics in patients with neurodevelopmental and neuropsychiatric disorders. Upon successful funding, Henk-Jan assumed a position with BlinkLab as a CEO and a Managing Director. Alongside this, Henk-Jan will maintain his part-time engagements with Princeton University and Erasmus Medical Center. These affiliations enhance BB1's credibility and are essential for expanding its network and fortifying its standing in the industry
Bas Koekkoek **CSO – Co-founder** 	Sebastiaan (Bas) Koekkoek received his doctorate degree in medicine at Erasmus MC in Rotterdam. He obtained his PhD at the Department of Neuroscience (Erasmus MC) in 2004 with his thesis 'Molecular mechanisms underlying associative learning. Since then, Bas has been working at the Department of Neuroscience mainly in the role of rapid prototyper of new technology and techniques for neuroscience. Many of the neuroscientific technologies currently used at Erasmus MC have sprouted from his work and have been successfully commercialised. For example, Erasmus Ladder is a successful product, best described as a fully automated cerebellar phenotyping solution for mice. The first systems were designed, built and coded by Bas Currently, the systems are being marketed, produced, and sold under license by an external company. More than 40 units are operational in laboratories and companies everywhere in the world. Sebastiaan previously was the head of product development at Neurasmus BV, which developed, sold, and maintained turn-key Eyeblink systems for research and commercial labs in the EU and US. Many of the underlying principles and knowledge generated in developing custom eye blink solutions are now forming the basis of BlinkLab technology. Scientifically, Bas's interests lie in the interplay between neuronal pathology and its effects on behaviour. In addition, Bas has a large interest in new technology and how it could be used to measure behaviour.

Peter Boele **CTO-Co-founder** 	Peter Boele is Chief Technology Officer at BlinkLab. Peter has over two decades of experience in software development. He started his professional career as a software developer at large organisations like Erasmus University and Leaseweb. In 2017, he moved to the start-up scene and served as CTO at two tech start-ups, Kaboom Informatics BV and Insocial BV. At the latter, he successfully introduced multiple new products, including Natural Language Processing (NLP) as a service and managed chatbots. Under his supervision, the development department has grown by 500% within 2 years. Peter is mostly interested in Machine Learning, including Regret Minimisation algorithms and Natural Language Processing. He wrote the source code of the first version of the BlinkLab application.

Source: Company

Appendix III: Financial Summary

Profit & Loss (AUD $M)	2024 FY	2025e	2026e	2027e	2028e	2029e	2030e	2031e
Sales Revenue	**0.0**	**0.0**	**0.0**	**61.4**	**102.7**	**169.4**	**187.6**	**197.0**
Operating expenses	1.5	4.0	11.9	54.3	81.8	124.0	137.3	145.0
EBITDA	**(1.5)**	**(4.0)**	**(11.9)**	**7.1**	**20.8**	**45.4**	**50.3**	**52.0**
Depn & Amort	(0.1)	(0.2)	(0.4)	(0.9)	(1.9)	(3.2)	(4.5)	(6.1)
EBIT	**(1.6)**	**(4.2)**	**(12.4)**	**6.2**	**18.9**	**42.2**	**45.8**	**45.9**
Finance Cost	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Profit/(Loss) before tax	**(1.8)**	**(4.4)**	**(12.6)**	**5.9**	**18.5**	**41.7**	**45.3**	**45.4**
Tax expense	0.0	0.0	0.0	(1.5)	(4.6)	(10.4)	(11.3)	(11.3)
NPAT	**(1.8)**	**(4.4)**	**(12.6)**	**4.4**	**13.9**	**31.3**	**34.0**	**34.0**
Cash Flow (AUD'000)	**2024 FY**	**2025e**	**2026e**	**2027e**	**2028e**	**2029e**	**2030e**	**2031e**
Profit after tax	(1.8)	(4.4)	(12.6)	4.4	13.9	31.3	34.0	34.0
Depn & Amort	0.1	0.2	0.4	0.9	1.9	3.2	4.5	6.1
Changes in working capital	(0.4)	0.2	0.2	(9.2)	(10.2)	(17.1)	(6.5)	(2.1)
Other operating activities	0.3	0.4	0.6	9.2	15.4	25.4	28.1	29.5
Operating cashflow	**(1.8)**	**(3.6)**	**(11.3)**	**5.3**	**21.0**	**42.8**	**60.1**	**67.6**
Payments for purchase of plant and eq	(0.0)	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Other investing activities	(3.1)	(0.3)	(1.0)	(2.0)	(3.9)	(5.9)	(7.3)	(9.1)
Investing cashflow	**(3.1)**	**(0.4)**	**(1.0)**	**(2.0)**	**(4.0)**	**(5.9)**	**(7.4)**	**(9.2)**
Equity raised (repurchased)	8.4	6.0	14.0	0.0	0.0	0.0	0.0	0.0
Net proceeds from borrowings	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)
Other Financing activities	(0.5)	0.0	0.0	(3.0)	(15.0)	(35.0)	(50.0)	(55.0)
Financing cashflow	**7.9**	**6.0**	**13.9**	**(3.1)**	**(15.1)**	**(35.2)**	**(50.2)**	**(55.2)**
Net change in cash	**3.0**	**2.1**	**1.6**	**0.2**	**1.9**	**1.7**	**2.5**	**3.1**
Cash at End Period	3.0	5.1	6.7	7.0	8.9	10.6	13.1	16.2
Balance Sheet (AUD'000)	**2024 FY**	**2025e**	**2026e**	**2027e**	**2028e**	**2029e**	**2030e**	**2031e**
Cash	3.0	5.1	6.7	7.0	8.9	10.6	13.1	16.2
Total Assets	6.9	9.4	11.8	23.4	38.9	62.3	75.0	84.1
Total Liabilities	0.4	0.8	1.2	2.2	3.4	5.1	5.7	6.2
Shareholders' Funds	6.5	8.5	10.6	21.2	35.5	57.2	69.3	77.9
Ratios	**2024 FY**	**2025e**	**2026e**	**2027e**	**2028e**	**2029e**	**2030e**	**2031e**
Net debt (cash)/Equity	40.6%	49.8%	51.5%	22.4%	15.5%	9.6%	10.6%	12.8%
Total Cash / Total Assets	43.9%	54.2%	56.6%	29.7%	22.8%	17.0%	17.4%	19.2%
Return on Equity (%)	-27.0%	-51.2%	-118.8%	20.8%	39.1%	54.7%	49.0%	43.7%

*** In 2024, $3m of the investing cash outflow relates to payment for term deposit**

Appendix IV: Analyst's Qualifications

Rahul Tiwari, the analyst on this report, is an equity research analyst at Shares in Value (East Coast Research).

- Rahul has a bachelor's and master's degree in Applied Finance from Macquarie University, a master's in Accounting from UNSW, and an MBA from Cornell University in the USA.
- Rahul has several years of experience across wealth management and investments, infrastructure project finance, private equity and high tech.

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