

Investor Update

April – May 2022

Deep Recognition continues to build a business supported by our RaaS platform and know-how to deliver advanced recognition technologies. This enables our customers to easily apply leading edge AI solutions to their business for increased competitive advantage.

Deep Recognition Holdings Limited	An Australian unlisted public company
ABN	33 631 171 796
Founded	2016
HQ	Docklands, VIC Australia
Industry	Recognition Technology Platform Company
Brand	Deep Recognition and Recognition as a Service (RaaS)
Website	www.deeprecognition.io
Use of Capital	<ul style="list-style-type: none"> Building new functionality into the RaaS platform, based on our product roadmap Complete RaaS front end Focus on significant Telstra, 5G and Security Sales opportunities Patent Application Set-up Marketplace
Some of our handy work	Porsche Lexus Chevy Paramount Studios
Contact	Stuart Craigie +61 411 440 567 scraigie@canarycapital.com.au



CEO Update

Many thanks to everyone who attended our AGM on the 2nd of May. We appreciated the positive feedback.

A few years ago, Deep Recognition was ahead of its time with its platform approach. Our goal was to simplify the consumption of vision-based AI recognition technologies. Fast forward to today and our market education is clearly working as customers more clearly understand the strong path to business value made available to them via the RaaS platform. Our growing number of channel partners understand how they can drive revenue along with Telecommunication companies clearly recognising how the RaaS Platform can help them monetise and optimise their 5G networks etc.

As indicated on the following page, Deep Recognition is continuing to win projects.

We have repeatedly seen in the past how economic shock drives efficiency and accelerates automation, which in turn drives tech adoption from organisations such as Deep Recognition. This has been evident with the strong growth with our Law Enforcement activity.

As mentioned at the recent AGM, the 3 things I am most grateful for at Deep Recognition are:

1. **Amazing People** – We have established a world class team of experienced business and technical people.
2. **Business Model** – Our business model is exceptional, particularly as the global demand for SaaS is accelerating.
3. **Business Processes/Systems** – We have spent a significant amount of time on our business processes to make them highly repeatable and scalable. This includes comprehensive project management and cybersecurity. We are working towards achieving ISO 270001 compliance. As soon as we start to scale following the Series A investment, our digital marketplace will enable Deep Recognition to tap into a global network of 65,000 vendors who can promote our capabilities to their millions of customers. Aspects such as billing and provisioning are seamlessly managed in multiple currencies.

Due to the high level of activity at Deep Recognition, we are changing the frequency of investor updates to monthly rather than bi-monthly. We look forward to bringing you more exciting news in the next issue.

Lastly, we indicated in our pitch deck late last year that we would be heading into our Series A investment round in June/July 2022. We will be running investor update sessions in Melbourne & Sydney soon to highlight what has been delivered so far and what opportunities we have created for investors in the foreseeable future. Stay tuned!

Company Appointments

The following personnel have joined the Deep Recognition team working 1 – 2 days per week as contractors. Their daily rates are subsidised via performance share options.

Name	Title	Role
Hesham Soliman	RaaS Product Manager	Product Manager for the RaaS Platform. Hesham has extensive experience as Product Manager working for Telecommunication Companies
Dominic Laricchia	Contract Manager	As we deal primarily with tier 1 organisations, contract management is critically important. Dominic has significant contract management and negotiation experience
Bonny Malik	Global Expansion Planner	Bonny has successfully run and exited his own large company. He oversaw global expansion and is here to help Deep Recognition succeed in this area.
Rudy Hemkes	Service Management Manager	To operate in the enterprise space with Telcos etc we need well-defined service management processes. Rudy is establishing these for us.

Notable Activity

- We have been successful in winning 2 contracts with a major Law Enforcement Agency. One of the contracts is for the deployment of a production system with the second being for the deployment of a proof of concept. Once fully executed over the next 3-12 months these projects are expected to generate \$1 - 2M in revenue.
- We have signed up an additional 2 resellers both of which are very actively promoting our RaaS Platform.
- Ranald (Head of Business Development & Product Management) and John (CEO) were invited to attend a conference in Miami with CloudBlue. (CloudBlue covered all airfares and accommodation etc). Deep Recognition is leveraging the CloudBlue marketplace to enable us to scale globally. Both Ranald and John were invited to present at this international conference. They received very strong engagement from potential channel partners.
- As detailed in our last Investor update, Deep Recognition successfully deployed a POC for a very large Supermarket chain. Following this implementation, Deep Recognition have been asked to provide pricing for RaaS across their 1,000+ sites.
- We are currently finalising contracts for a pending deployment in July 2022 with one of Australia's largest Telecommunications companies. This work relates to the deployment of our RaaS platform using a world-first approach. This technology deployment is being used by the Telecommunication company to evaluate the RaaS solution prior to them promoting this nationally into their retail customers.
- Enhancement of the RaaS platform is tracking very well
- Deep Recognition personnel have been working with a global 5G manufacturer who are partnering with Deep Recognition with the goal of jointly approaching global Telecommunication companies with a combined offering. This potentially involves the setup of a joint Experience Centre in the US and Australia where Deep Recognition will be involved in demonstrations to customer etc. This initiative is significant for Deep Recognition. We will provide more information on this during our investor sessions.
- We were made very aware, whilst at the CloudBlue Summit, of the global significance in leveraging the CloudBlue platform for our Recognition as a Service Platform. The financial rewards and ability to scale globally make the CloudBlue platform of significant importance to us. CloudBlue is an enterprise grade solution with all billing and contracts managed by the CloudBlue platform. This approach will enable us to exceed our current financial forecasts and put us on track to be a Unicorn Company.

Sales Update

Our sales revenue target for this financial year is \$1.7M. We are on track to close the projects we expected, however, we are currently running approximately 4 months behind actual revenue forecast as per the graph on the left. This relates to a longer than expected delay off the back of COVID and the current global shortage of computer chips which has resulted in us not being able to invoice when expected. To counteract this, we are working with Dell to provide them with more detailed forecasting of equipment requirements.



Horizon 1 Status

We are tracking well towards completing the items we stipulated.

Horizon 1 Task	Status during previous update	Current Status
Complete RaaS front end	5/10	7/10
Complete Telstra 5G & Security Sales opportunities	6/10	8/10
Complete Multi-Factor front end	6/10	8/10
Complete DRx Video Appliance automation	6/10	8/10
Complete Horizon 1 Patent Applications	5/10	6/10
Set-up Marketplace	4/10	7/10

A NEW WORLD OF VISION: RECOGNITION

Deep Recognition's unique platform marketplace transforms existing security cameras into a powerful asset to uncover insights for enterprise businesses.

- Easily deploy AI technologies previously deemed difficult
- Seamlessly leverage best of breed and industry-leading AI engines
- Leverage high accuracy outcomes which only a platform can provide, including composite AI
- Solve enterprise-wide business cases



If your business is not achieving 100% accuracy from AI, then your business will be impacted