

Jan - Mar 2022
Q3 FY22

Essentials

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.

We moved into new offices in Docklands at the start of 2022. Our head count has increased from 3 to 15 as we continue to prudently grow the business to address our market opportunities.

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

Investor Update

Our platform comes to the market at exactly the right time to exploit emerging technologies and influences such as 5G, Cloud, Edge Compute and Artificial Intelligence.



**Recognition
Technologies**

Highlights

- Completion of significantly oversubscribed capital raise (AUD \$2.5m)
- Successfully deployed a proof of value (POV) implementation for one of Australia's largest Supermarket chains – focusing on Shoplifting Recognition
- Successfully deployed phase 1 of a multi-phase project for one of Australia's largest Stevedores
- Major Law Enforcement agency has provided a list of requirements to deploy prior to June 30, 2022.
- Appointment of Dr David Urpani as new Chairman of Deep Recognition

Summary

Deep Recognition started the year with the successful closing of a AUD \$2.5m capital raise which was achieved in record time over the Christmas period. This allowed the business to immediately start to focus on executing against the business plan. This involved hiring to fill key executive and operational positions, procuring, setting up and moving into new offices in Docklands, Melbourne.

While sales, business development and platform building work continues the business also focused on putting in place the appropriate processes and systems to reduce operating risk and maximise efficiencies. For example, there has been a significant focus on IT Security in everything Deep Recognition does - including setting up to become compliant with ISO 27001, the International Standard for information security.

Although Deep Recognition is a Start-Up Company, it has become increasingly associated and relatable to Tier 1 customers: including Supermarkets, Casinos, Law Enforcement Agencies and Shopping Centres. These organisations have the technical and business personnel who understand the positive business transformation which can be provided by the RaaS platform.

The only drawback the business has experienced, particularly with Tier 1 clients, is that traction off the back of COVID-19 has been slower than anticipated. As the world moves to post-COVID-19, this will result in lower revenue for the current financial year relative to projections. Therefore, part of the revenue will be deferred into the next financial year. The Q4 Investor Newsletter will give an accurate update on the impact the lag had on FY22 revenues. However, to reiterate, the business is very pleased that all the opportunities projected at the start of the year are still progressing as anticipated, albeit suffering from the lag relative to our forecast.

A few years ago, Deep Recognition was ahead of its time with the platform approach of simplifying the operationalising of AI recognition technologies. It is now clear that customers are starting to understand why the Recognition as a Service (RaaS) platform is so critical to their businesses moving forward. COVID-19 has highlighted additional requirements for organisations to automate processes which plays into the strengths of Deep Recognition.

Further details of the business road map and significant opportunities will be provided at the AGM on 2 May 2022.

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Investor Update

Notable Activity

- We successfully deployed a paid proof of value (POV) implementation for one of Australia's largest Supermarkets focusing on Shoplifting Recognition. We have been requested to participate in a second paid POV commencing in July 2022. The opportunities from this single customer are significant.
- We successfully deployed phase 1 of a multi-phase project for one of Australia's largest Stevedores. Following the success of this phase we have been requested to commence with phases 2 & 3.
- We are currently finalising contracts for a pending deployment in July 2022 with one of Australia's largest Telecommunications companies relating to the deployment of our RaaS platform using a world-first approach. This technology deployment enables the Telecommunication company to evaluate the solutions success prior to being deployed nationally across other businesses.
- A major Law Enforcement agency has provided us with a list of requirements and requested that we work with them to deploy as much as possible prior to June 30, 2022. They have further project requirements for their business from July onwards which are also of great significance.
- Enhancement of the RaaS platform is tracking very well

Company Appointments

We are very excited to announce the appointment of Dr David Urpani to the Deep Recognition Board of Management as our new Chairman. David brings significant experience to the Board having founded companies such as iSelect. . More details about David can be found here: <https://www.linkedin.com/in/durpani/>

Horizon 1 Status

Horizon 1 is the period which relates to the current investment raise while the Horizon 2 raise is expected to commence in July 2022.

Deep Recognition defined a set of deliverables which would be achieved following the Horizon 1 investment. The status of these deliverables are listed below. We are very confident we will be able to complete these tasks prior to the Horizon 2 raise.

Horizon 1 Task	Completion Level
Complete RaaS front end	5/10
Complete Telstra 5G & Security Sales opportunities	6/10
Complete Multi-Factor front end	6/10
Complete DRx Video Appliance automation	6/10
Complete Horizon 1 Patent Applications	5/10
Set-up Marketplace	4/10

In addition to working towards the Horizon 1 deliverables, we are actively working on further sales opportunities.

Important News

Reminder that our AGM is scheduled for 10:00am on May 2 at our offices in Docklands.

In addition to covering the items highlighted in the supplied agenda, we would be happy to present a general overview session, for those interested, re the potential Australian and Global opportunities we are currently working on.

Notice is given that the Annual General Meeting (AGM) of Deep Recognition Holdings will be held at:

Suite SC F15, Level 1, 7 Wharf Street, Docklands, VIC 3008 on 2 May 2022 at 10am (AEST).

Should you have any queries, please feel free to contact us

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



FOR EVERY % POINT YOUR BUSINESS IS NOT ACHIEVING 100% ACCURACY FROM AI, THERE IS ALWAYS AN IMPACT TO YOUR BUSINESS.