

Investor Update

April 2023

Deep Recognition continues to build a business supported by our TRU Recognition 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	TRU Recognition Platform
Website	www.trurecognition.io
Examples of our work	Porsche Lexus Chevy Paramount Studios
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Highlights

- ❖ **New TRU Recognition branding and release of version 1.0 of Platform opens door for Marketing.**
- ❖ **New TRU Recognition Platform video launched**
- ❖ **TRU Recognition secures additional project work with major Law Enforcement agency**
- ❖ **Global 5G Manufacture in commercialisation discussions with TRU Recognition**
- ❖ **Focus on Loss Prevention**
- ❖ **TRU Recognition co-launching with another (2nd) Australian Telco and Cloud Hosting Provider who are travelling to our Experience Centre from the US.**
- ❖ **Feedback from customers visiting new TRU Experience Centre has been exceptional**
- ❖ **TRU Recognition participating at Customer Experience Event**
- ❖ **Australian Telco fund expansion of TRU Experience Centre at 5G Innovation Centre with potential for other sites**
- ❖ **Cyber Security Assessment of TRU Recognition about to commence by major retailer**

CEO Update



It's with great excitement that I announce that following our AGM, we have officially changed our company name to TRU Recognition! It's a much more positive and precise descriptor of our high accuracy and responsible approach towards Recognition Technologies, along with being more versatile for branded partnerships and the like. Additionally, our platform name has also changed from RaaS to the TRU Recognition Platform, of which we intend to make the focus of our marketing, to ease the eventual transition to simply TRU once widespread brand recognition has been firmly established. This opens the door for Telecommunication Companies to take on their own branded delivery such as Optus TRU, etc.

We've also established a placeholder for our new web site, with all staff able to receive emails to our new email domain of aaa@trurecognition.io

So far, the new branding is working very well. As the new narrative much better reflects what we do and what we stand for, customers have been highly receptive to the change. We are also particularly excited about our new identity and narrative as it opens the door for us to commence with marketing and raising awareness of the TRU Recognition Platform.

Thus far, we've struggled to join Privacy Groups as the name "Deep Recognition" gave the impression that we were in violation of their fundamental purpose, which in fact couldn't be further from the truth. In fact, privacy and ethics is a major differentiator for us. Therefore, our new name assists us to provide a much better explanation of what we do and our highly responsible approach to privacy and ethics.

One of the reasons why I mention this is because individual AI Model vendors are beginning to consider adding redaction into their models. However, the problem with this is that Vendor A will pixelate people, Vendor B will blob people, Vendor C will ghost people and Vendor D won't do anything. By lifting redaction and privacy control to a platform, redaction controls are managed by an independent privacy officer and applied consistently across all models even if they don't have redaction. As far as we can tell, no other company globally has this capability across a wide range of AI Models. A capability we can demonstrate in our new TRU Experience Centre.

We have also commenced with our next Capital Raise to escalate our focus on sales, marketing, and global growth. We are anticipating a strong demand for our platform capabilities now that we're close to launching with two of Australia's largest Telecommunication companies. Our partnership with a global 5G Manufacturer also impacts this and so it's essential we seek further investment to grow sales, marketing, and deal with deployment demand.

We will be running multiple information sessions for all Investors over the next few weeks so that we can take you through the opportunities we are working on in more detail. We will be able to show you some of the detailed arrangements which are being formalised under NDAs. This is a not to be missed event. Information will be emailed via CAKE shortly.



New TRU Recognition Video Launched

One of the challenges for a Platform Company such as ourselves, is the ability to explain what we do and what our brand stands for clearly and succinctly, particularly for non-technical people.

We are particularly excited to announce the release of our new video, which we believe provides a great explanation of what we do in 3 minutes. This video will be utilised as a sales tool, feature on our web site and also be an excellent assistant to investors.

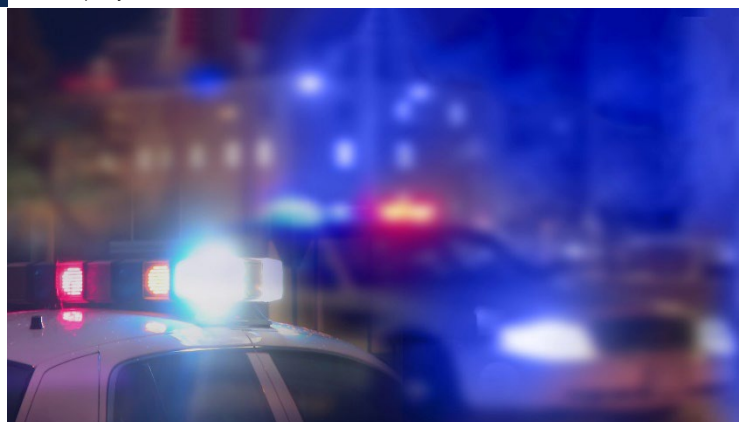
If you've not already viewed it, please click on the image of Anna to the left for a link to the video.

We hope you like it.

TRU Recognition secures additional project work with major Law Enforcement agency

In June 2022 we secured phase 1 of a multi-phased project with a national law enforcement agency. We were meant to secure phase 2 earlier this year, which was expected to be worth many millions for TRU Recognition. However, the change of government resulted in a halt on Law Enforcement spending, which has caused a set-back with regards to hitting our financial target for this financial year.

However, the good news is that we have been successful in winning a smaller project (\$380K) with them. The bigger project is now scheduled for the next financial year. Winning this project gives us a great deal of confidence and highlights their intention to move onto bigger projects next financial year.



Global 5G Manufacturer in commercialisation discussions with TRU Recognition

As eluded to in an earlier investor update, TRU Recognition has naturally gravitated towards large enterprise organisations such as Telecommunication Companies, large Retailers, 5G Manufacturers and Law Enforcement Agencies.

These are all significant opportunities, however, the 5G Manufacturer opportunity stands out as the top option. Following the successful deployment of a pilot with them, including integration with the global 5G network, we are now in commercialisation discussions.

As there is significant detail behind this, we will provide more information at the investor sessions that are being held in the coming weeks.

Focus on Loss Prevention

Over the past 6 months, we have received interest from a number of large retailers regarding Loss Prevention. According to Forbes, this is a \$100 Billion global problem. Supermarkets in Australia lose between 1.5% to 2% of revenue to theft. Meaning retailers such as Woolworths lose \$330 Million per year, which results in us, as consumers, effectively paying for this as it relates to product pricing.

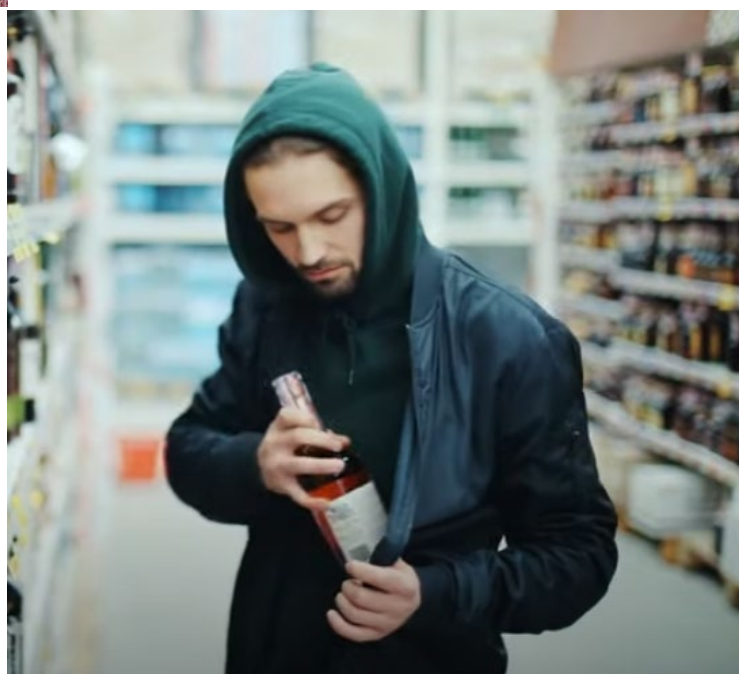
Most companies who claim they can recognise shoplifting, use vision-based AI to look for specific behaviours. As it's a difficult problem to recognise accurately, some AI companies specialise in very specific types of theft, i.e. someone taking multiple products very quickly such as baby formula.

The TRU Recognition approach is much smarter and effective, as we utilise both AI engines and sensors. If someone is standing with their back to a camera, then it's hard to know if they've placed a product into their front pocket.

We utilise a laser which creates a curtain across the front of the shelves making it impossible not to know. By utilising multiple AI engines and sensors from our platform, we can cover all requirements with a much higher level of accuracy.

We're currently trialling our approach with an existing retailer. Once proven, we'll then commence with marketing to bring on additional retailers. Rather than the customers infrastructure being used solely for security, we can add much more value to the enterprise.

Private & Confidential



TRU Recognition Holdings Limited

TRU Recognition co-launching with another (2nd) Australian Telco and Cloud Hosting Provider

As you are aware, we are already underway with one of Australia's largest Telecommunication Companies. We've been working very closely with them to set-up a Teaming Agreement, which is required to enable the Sales Personnel to be able to sell our platform to their customers.

We're thrilled to announce that we have been invited by another major Telecommunications Company and Cloud Hosting Provider to partner with them on a major initiative. Based on the level of traction we've already achieved; we believe we'll be able to advance to having a commercial contract in place much quicker than the existing relationship. We'll be launching this new capability with the Telecommunications and Cloud Hosting Providers on May 11, 2023. Senior Executives from both companies will be visiting our Experience Centre over the next 2 weeks to view its full capabilities.



Australian Telco fund expansion of TRU Experience Centre at 5G Innovation Centre with potential for other sites

As covered in our previous newsletter, a section of our TRU Experience Centre is being deployed into the Telco's 5G Innovation Centre on the Gold Coast. This same Telco has now committed to purchasing additional infrastructure for us to enhance the demonstrations of the TRU Recognition Platform. As such, we are meeting with Senior Management over the next few weeks to discuss deployment into their Melbourne and Sydney Innovation Centres. More details on this to come.



Feedback from customers visiting the new TRU Experience Centre has been exceptional

The TRU Experience Centre is now officially operating. A large percentage of potential customers have provided feedback in the past that they've either been burnt from poor outcomes from previous AI projects or they're not sure where to start.

The TRU Experience Centre was built so that we could demonstrate a wide-range of Recognition/AI Technologies to customers so that they could see how a platform approach could mitigate concerns and out-perform point solutions in terms of accuracy and performance.

It has been a fantastic way to demonstrate to customers how Recognition/AI technologies could be implemented responsibly.

So far, feedback from customers who have visited the Centre for a demonstration, has been outstanding.

If you would like to see a digital twin of the TRU Experience Centre, please click on the image to the left.



Cyber Security Assessment of TRU Recognition about to commence by major retailer

It's becoming commonplace that organisations looking to undertake work with TRU Recognition request that a Cyber Security assessment be undertaken. You may recall from a previous update that one of our Telecommunication Company partners did just this and we passed with a placement in the top 3% of organisations surveyed.

Now a major retailer is about to commence with the same assessment prior to TRU Recognition being engaged to undertake work with them.

It's a very positive sign that we look forward to reporting on in future Investor Updates.

Summary

We look forward to meeting as many of you as possible during our upcoming Investment webinars and to sharing more news about TRU Recognition in our next Investor Update.

Please get in touch with Stuart Craigie from Canary Capital at +61 411 440 567 or myself if you have any further questions.

John McGiffin – CEO
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