

Investor Update

September 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.

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| 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 |
| Examples of our work | Porsche Lexus Chevy Paramount Studios |
| Contact | Stuart Craigie +61 411 440 567 sraigie@canarycapital.com.au |

Highlights

- **Key appointment of new Director of Strategic Sales**
- **Lab work with global 5G manufacturer is processing very well**
- **One of Australia's largest Supermarkets validates Deep Recognition's RaaS platform.**
- **Bunnings and Officeworks facial recognition situation becomes major differentiation for RaaS**
- **\$3M successfully raised for next round**

CEO Update



Due to the high level of exciting developments at Deep Recognition over the past months, distribution of the current Investor Update has been substantially delayed. For this, I would like to apologise.

I am happy to announce that Deep Recognition has successfully raised an additional \$2.96M in funding for the continued development of the RaaS platform, assisting to drive us forward toward achieving the RaaS Version 1.0 release in Feb 2023. As many of you are aware, Deep Recognition has been actively seeking funding in recent months and the team would like to sincerely thank all investors who contributed.

As per our June Investor Update, Deep Recognition commenced collaborating with a global 5G manufacturer in their US-based labs. The contract required 6 levels of sign-off at a senior leadership level, highlighting the complexity of the work being undertaken. In the months since, this endeavor has progressed extremely well, so much so, that discussions are already in motion concerning next steps moving forward. As such, we foresee the likely outcome will involve the setup of a RaaS/5G Experience Centre in their US labs. This exciting collaboration will enable us to jointly present to global Telecommunication Companies the value of RaaS and how they can monetise their 5G networks. We are very excited about this significant opportunity as it's one that Start-Up/Growth companies, such as ourselves, typically only dream about.

We are also currently working with a large supermarket chain who has highlighted that they expect RaaS to dramatically cut their time to innovation and value due to the speed by which they can deploy new AI models.

With regards to our sales, Deep Recognition naturally gravitates towards tier 1 clients. By setting the bar high from the outset it establishes us as a serious player and the potential for deal size is substantial. We also ensure our level of diligence towards mitigating risk with regards to our contracts with suppliers and clients is incredibly high. However, deals at this level mean that sales lead time can be long, especially whilst in our current concept phase. The good news is that this will be short-lived, as once RaaS is established early next year, we will be able to supply demonstration kits to our clients, allowing them to *try before they buy*, therefore significantly shortening our sales cycle moving forward.

Employee Updates

We are pleased to advise that Deep Recognition has welcomed some fantastic new personnel to the team. As you may be aware, there is currently a shortage of high quality IT personnel in Australia, with Developers being no exception. Therefore, expanding the team to assist with the building of the RaaS platform is an exciting development.

As a growth company competing for resources against larger businesses, innovative recruiting is key. By highlighting the numerous benefits of coming aboard on the ground floor and providing performance share options, staff are incentivised to invest in the company's success as they play major roles in the creation and development of the RaaS Platform and all its possibilities.

So it is with great pleasure that we announce the appointment of Max Bolkovsky to the position of Director, Strategic Sales. Max is exceptionally well credentialed in Business Development, having previously worked for the likes of Apple, Data#3 & Splunk, he will be key to helping us ensure we achieve our sales targets.



Sales Update

At the recent Telstra Vantage event in Sydney, Deep Recognition was invited to be on the Telstra Edge stand, the first lead generation event we have been involved in for the past 2.5 years due to the pandemic. The normal cost to have a stand at this event would be approximately \$60K but we were able to be included at no cost, which was a fantastic opportunity. Following the success of the event we have now begun a weekly cadence call with the Telstra team to process leads and meet with new potential tier 1 customers, which is steeped in exciting growth opportunities.

Deep Recognition has also secured a stand at The Customer Show in Melbourne in May 2023 with the view to launching our RaaS Empirical CX capability which leverages the RaaS platform. At a later date we will provide a more in-depth explanation regarding this amazing capability that we are introducing to the RaaS platform.

Lastly, as per our recent investor presentations, we anticipate launching RaaS in the US market in May 2023. However, for reasons which will be outlined in a subsequent update, this may occur earlier at the World Mobile Congress event in February 2023.

RaaS Go-to-Market Strategy



Did you know?

Using cameras we can recognise the following health attributes:

- Heart Rate
- Respiration Rate
- Blood Oxygenation Rate
- Stress Level
- Heart Rate Variability
- Blood Pressure

This is a game changer for the Health Care Industry particularly for in-home care patients. Rather than in-home patients being supplied with a range of different devices, the above attributes can be recognised utilising cameras, even including their own smart phone devices.

Summary

Once again, I would like to thank all of the amazing investors who contributed to our most recent raise. We will have another raise later in the year or early next year to enable Deep Recognition to launch in the US, where the market is significantly greater than Australia.

It truly is very exciting times at Deep Recognition and we look forward to taking our Investors, Employees and Customers on an amazing journey.

Please reach out if you have any questions