CONNECTED INTELLIGENT END-TO-END

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Introducing Dragontail Systems

- Founded in 2013, listed in the Australian Stock Exchange (ASX: DTS).

- We provide technology solutions for the food industry, building on Artificial Intelligence to optimize food and beverage delivery in high volume food service operations.

- 2,663 sites installed (end December 2020).

- SaaS recurring revenue business model.

- Key customers like Domino's, Pizza Hut, KFC and others are reporting major operational improvements and increased customer satisfaction from using our technology.

- Flagship Solutions:

  - **The Algo Dispatching System** which automates the E2E kitchen flow and synchronizes with the dispatching of waiters and drivers.

  - **The QT™** Computer-Vision Quality Management System – combining advanced imaging hardware & algorithms to ensure service compliance with defined quality standards.

The only company in the world to develop a proven AI technology targeted and specialized in
Food Preparation and Food Delivery Optimization

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The Problems That We Solve

Safety Contactless
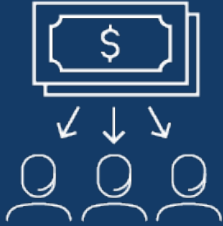
RISING LABOR COSTS

DIFFICULTY FINDING DRIVERS

MISTAKES IN FOOD PREPARATION

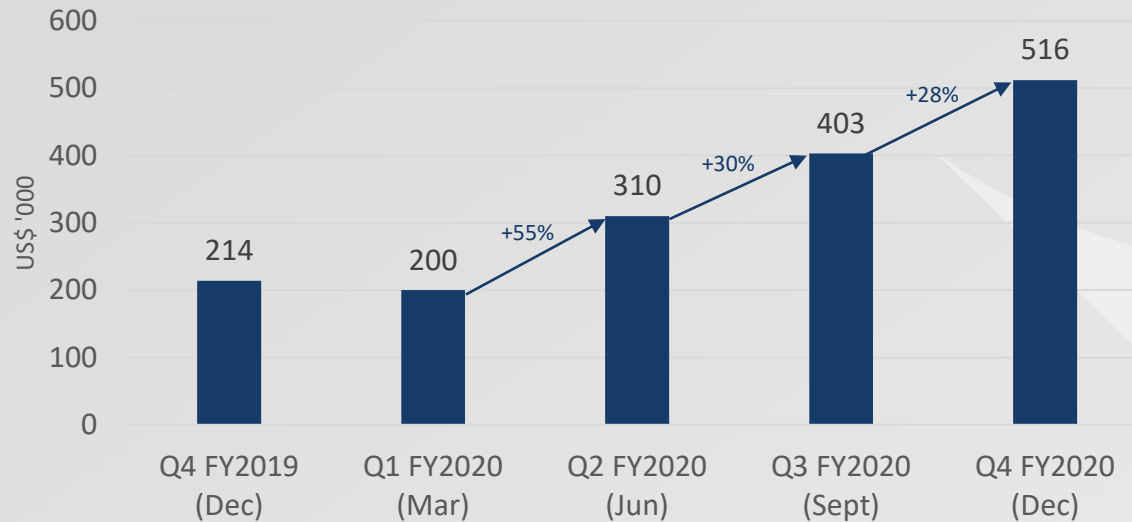**LONG DELIVERY TIMES**

HIGH EMPLOYE TURNOVER
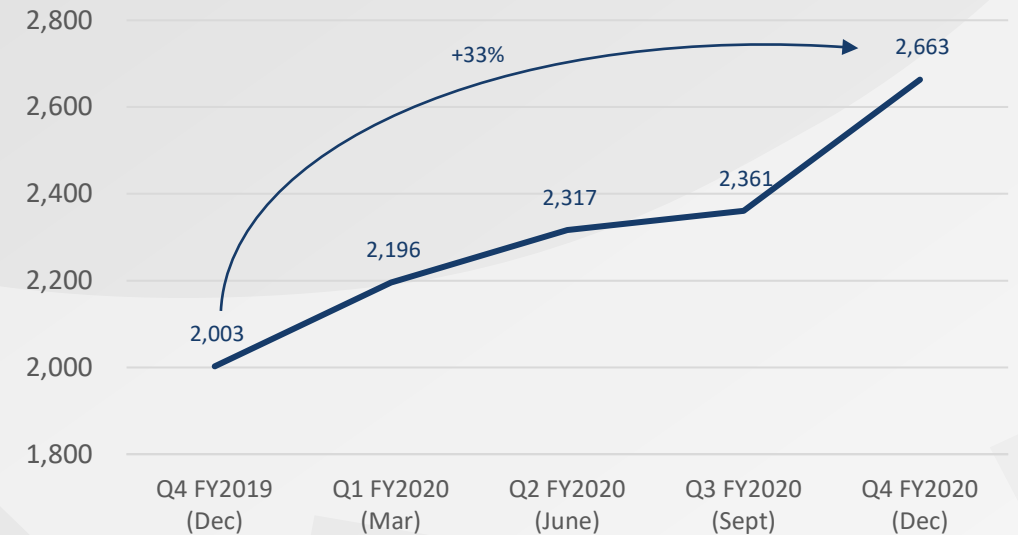
FOOD WASTE

BACKLOG IN THE KITCHEN

INCREASED COMPETITION

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Business Performance Snapshot

Cash Receipts - Quarterly

US$ '000

Quarter	Value
Q4 FY2019 (Dec)	214
Q1 FY2020 (Mar)	200
Q2 FY2020 (Jun)	310
Q3 FY2020 (Sept)	403
Q4 FY2020 (Dec)	516

+55% +30% +28%

Global QSR Installations Completed - Stores*

Quarter	Value
Q4 FY2019 (Dec)	2,003
Q1 FY2020 (Mar)	2,196
Q2 FY2020 (June)	2,317
Q3 FY2020 (Sept)	2,361
Q4 FY2020 (Dec)	2,663

+33%

*Unaudited

Strong cash flow growth on back of commencement of recurring revenue billing from new installations*; 100% customer retention track record

* From a total of 9,291 stores contracted per 31/12/2020   Dragontail Proprietary & Confidential

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Key Recent Wins

Algo Platform

Expansion into the US
- Papa John's – Master Service Agreement (MSA)
- Sweetgreen – Statement Of Work (SOW)
- Major QSR franchisee: Statement of Work (SOW)

Announced 24 November 2020

Food Delivery Brands Group
- Master Service Agreement (MSA)
- Multi-branded Pizza delivery operator (Telepizza, Pizza Hut , Apache, Jenos Pizza)
- Latin America + other markets
- 30 countries / 2,500 stores

Announced 1 October 2020

Other markets – wider & deeper expansion
- South Africa
- Spain
- Sweden
- Germany

Collaborations

Drone food delivery optimization capability
- Innovation collaboration and award from Israeli Ministry of Transportation

Announced 8 December 2020

Entry into USA mobile food truck sector in collaboration with Curb'd Inc. (MOU signed)

Announced 24 November 2020

AT&T partnership renewed and broadened
- Gives access to their sales channel in the US and leverage mobile infrastructure assets

Announced 24 November 2020

Funding

2nd round of funding commitment of US$4.2M by Eldridge confirmed during the December ended quarter

Announced 11 November 2020. Subject to shareholder approval scheduled for 3 February 2021.

Strong cash runway to grow the business substantially in calendar 2021
- pre-existing cash balance of US$2.20M per 31 December 2020 plus, US$4.2M incoming
- Cash operating expenses held throughout the year
- Cash receipts: demonstrated consistent growth @ circa +30% – last 3 quarters

* Aggregators form an important element in Dragontail's strategic positioning. Collaborations have been signed with all key Aggregators globally and integration work has been completed into their systems which places Dragontail in a strong position to sell the Algo Platform into their customers' QSR chains.

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Global Expansion Continued

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Dragontail Connected Restaurant
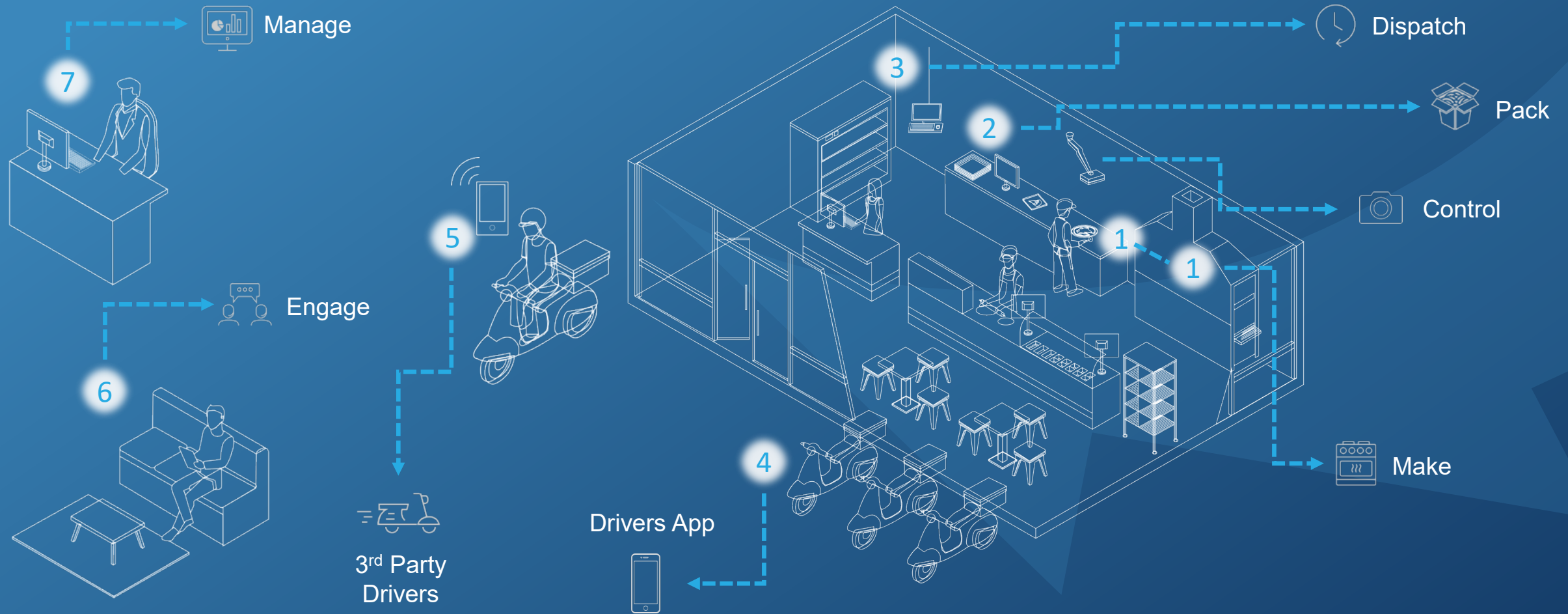
# The Algo System

The Algo System in Action

AI VS Human

The "Algo" AI system processes a huge amount of data, making the most optimal decisions in seconds, choosing among hundreds of preparation and dispatching alternatives every day.

Outperforming current manual restaurant operation and giving the store and the shift manager time to focus on other important matters.

The result, "Algo" AI Based Optimization System assures all meals delivered HOT & FRESH in addition to faster delivery time, driver efficiency and labor cost saving.
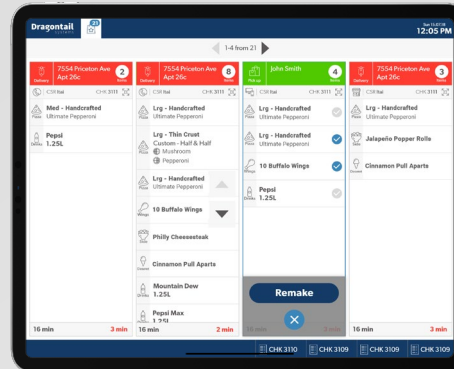
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Algo | Core Modules

MAKELINE SCREEN
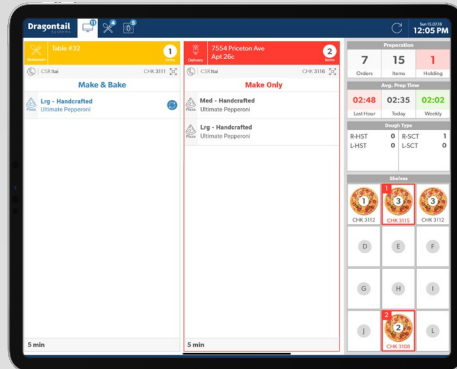
- **Automated** kitchen flow and order prioritization.
- Live GPS tracking of drivers enables the system to "hold" deliveries, assuring **hot & fresh food** to customers.
- **Prioritize** orders from **different channels** based on **drivers' availability** and real status in the kitchen.

PACK SCREEN

- Complete **packing station** management solution.
- **Optimizes timing** of packing based on estimated dispatch.
- Clear **color-coded** view of all the items to expedite the after-oven activities.
- Direct sending remake items to make table.

DISPATCH SCREEN
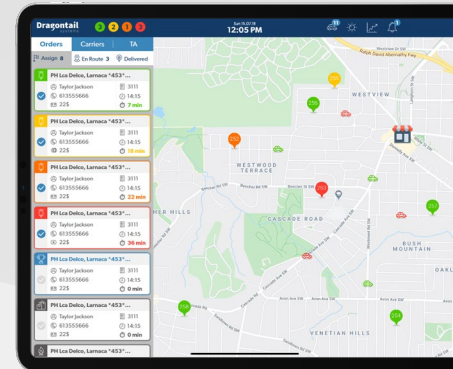
- **The heart of the system** – prioritizes delivery orders with the optimal dispatch option with recommendations to singles, doubles and recommended drivers.
- **Schedules dispatch** based on estimated driver pick up time.
- **Updates in real-time** based on traffic, delays, etc.
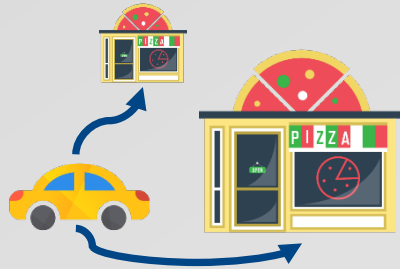- **Live Operational** Notification **Alerts.**

DRIVER APP
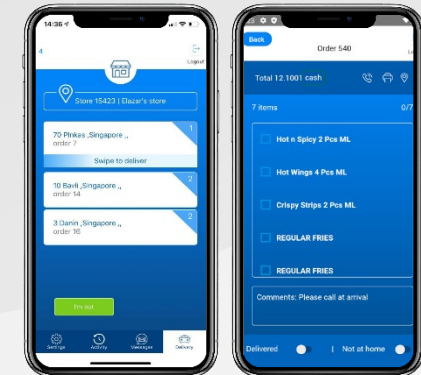
- Designed to make **drivers'** tasks **more efficient.**
- Includes navigation integration to **optimize delivery times.**
- Contains complete customer and order details for **easy access.**
- Enables advanced tracking, **driver scheduling** and **driver management capabilities.**

Algo | Core Modules (Cont.)

DRIVER SHARING

- **The system will notify drivers** via their app when there is a need to go to a different store to take deliveries.
- **Lower labor cost**.
- **Higher drivers productivity**, leading to more deliveries per hour and higher paid shifts.
- **Improved customer experience** (saving peak hour shifts with lack of drivers).

3RD PARTY DRIVERS

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Global Partners:

- **Classification of employee drivers and aggregators.**
- **ETA** shown for **all types of drivers.**
- Order will appear in the kitchen based on the aggregator driver ETA.
- **Real-Time update** of all drivers locations and ETAs on the Dispatch Screen.

ENGAGE
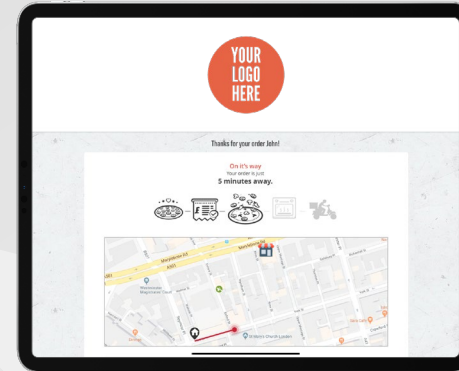
- **Engage directly** with customers on real-time order status and location of driver.
- **Communicate** special offers, loyalty announcements, feedback surveys etc.
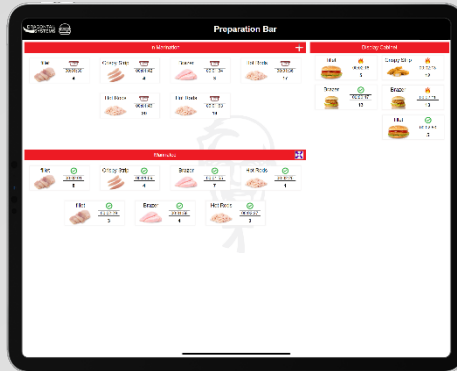
MANAGE | BI

- **Executive Dashboard** offers high-level view of main KPI's Advanced reports with customizable filters to drill-down into operational details.
- **AI based Labor Scheduling** of cooks and drivers for upmost productivity increase and labor cost optimization.
- **Real-time alerts.**

Algo | Add-on Modules

PRODUCT MIX ENGINE

- **Manage kitchen background** activities including forecasting of individual items.
- The forecasting is based on **machine learning** and not just on basic algorithm or historical data, allowing the system to improve rapidly and reach a high level of accuracy very quickly.
- Ensures that items are **always available**.
- **Alerts** for **expiry times** per item.

CURBSIDE PICKUP

- By optimizing the entire restaurant operation including the food preparation, The Algo System now offers a **just-in-time contactless pickup**.
- Enabling the restaurant to **balance** its already **busy delivery business** by offering an effective Take-Out option.

VIP ORDERS

- **More revenue** from additional charges for **priority deliveries**.
- Enable to **grant priority** for customers who order a lot in the last x weeks.
- **Rewards loyalty club customers.**

DRIVER SAFETY
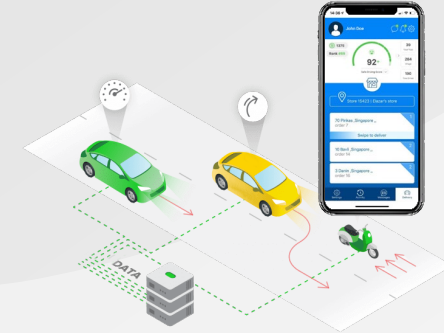
- **Fully Autonomous** & Self Launch
- **Multi-sensors Access** & Low Battery Drain
- Real-time Location & **Trips Recording**.
- **Event-based & Location-based Activities**
- **Collected Information**: Time of Driving, Mileage, Location, Cornering, Acceleration, Braking, Speeding, Distracted Driving.
- Full dashboard with real-time accurate data regarding drivers driving behavior.

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The QT Camera

A Computer-Vision Quality Management System
combining advanced imaging hardware & algorithms
to ensure service compliance with defined quality standards

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QT Camera

- **PRODUCT QUALITY**
  - Ensure correct quantities and distribution for toppings, sauce and cheese
  - Automatically identify both type and quality of pizza crust
  - Check the chicken color and breading when it comes out of the fryer
  - Ensure there are no bones sticking out/disconnected pieces
  - Ensure food is as it's optimal temperature

- **PORTION CONTROL**
  - Ensure exact quantities of toppings to reduce "over-topping" and save money
  - Ensure correct chicken quantities

- **REDUCE WASTE**
  - Ensure "accidental pizzas" are promoted by the call-center / front desk in a timely manner
  - Improve accuracy in chicken preparation alerting for quality and quantity issues

- **OPERATION IMPROVMENTS**
  - Expediting all after-oven activities, and eliminating orders packing mistakes

- **CUSTOMER ENGAGEMENT**
  - Clients can receive an enhanced picture of their freshly made order, using Image Texturing Enhancement Technology

The QT Camera in Action

Dragontail in Forbes Magazine

Domino's Australia Is Continuing Its AI Partnership – A Strong Vote Of Confidence For The Technology

Alicia Kelso Senior Contributor ⓘ
Food & Drink
I cover quick-service, fast casual and pizza restaurants.

The QT camera above the pack station in a Domino's store leverages artificial intelligence to ensure ... [+]
DOMINO'S AUSTRALIA

In May 2019, after three years in development, Domino's Australia business added the "DOM Pizza Checker," which uses AI to scan each pizza to confirm they measure up to quality standards. The chain collaborated with Dragontail Systems to create the platform, which improved quality scores by 15% in its first month alone.

"If the pizza meets our high standards, it's good to go and if it's not made right, we'll make it again," a Domino's Australia spokesperson said in an emailed statement.

Since its launch, the DOM Pizza Checker has scanned more than 50 million pizzas.

Pizzas that don't pass muster are donated to local community groups or homeless organizations, or they're offered to customers as an add-on for having to wait for another pizza to be made. Local stores are encouraged to use their discretion when it comes to pizzas that require a remake.

The company's spokesperson adds that there are currently no quick-service restaurants in the world that can "assure customers that their products have passed a quality check."

Indeed, the No. 1 complaint Domino's Australia receives is "my pizza doesn't look like it should." Because the chain is solving this specific issue with DOM, the spokesperson said the system has been well received by franchisees, employees and customers. Though that doesn't answer the direct question of whether or not there is a strong return on investment, Domino's and Dragontail Systems officially announced the continuation of their partnership this week, a strong vote of confidence.

This lends itself to a follow up: What is the potential for AI in the restaurant industry in general?

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Immediate ROI

Enthusiastic Praise From Our Customers

"Look at those results!!!"

"Feel free to share/include however you want..."

"Thanks for being my partner in making this happen!
And we're only just getting started..."

"Also, no other market has shown even close
to this type of improvement, not even half!"

David Sturdee | Chief Customer Officer at Yum! Brands
May 20,2020

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Immediate ROI

Where Are We Seeing Impact:

Hut Level

- Efficient production
- Just in time production
- Efficient dispatch
- Freeing up shift manager
- Rich operating metrics to now manage the business
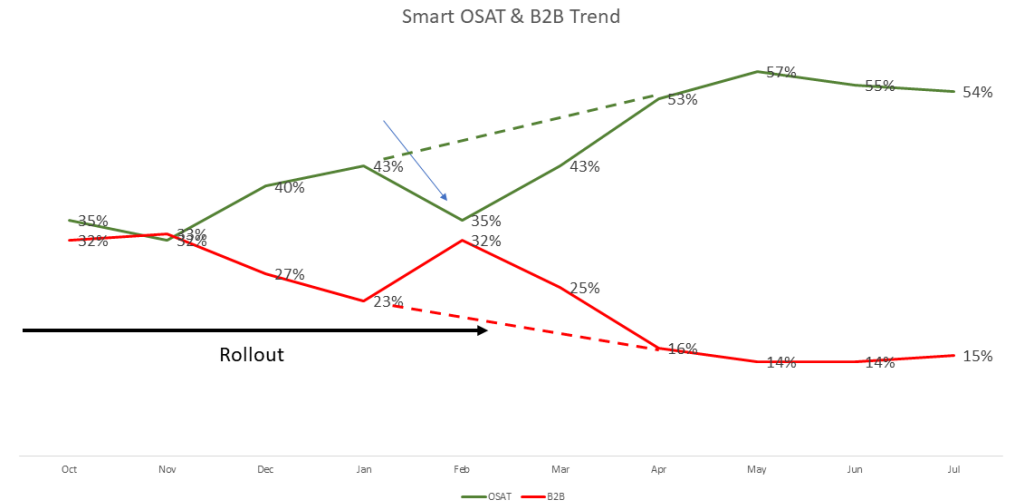
System Level

- Accurate ETA
- Driver tracker
- True view of operating performance
- Integrated into Customer Care
- Integrated into HutBot
- Rich data into BI environment
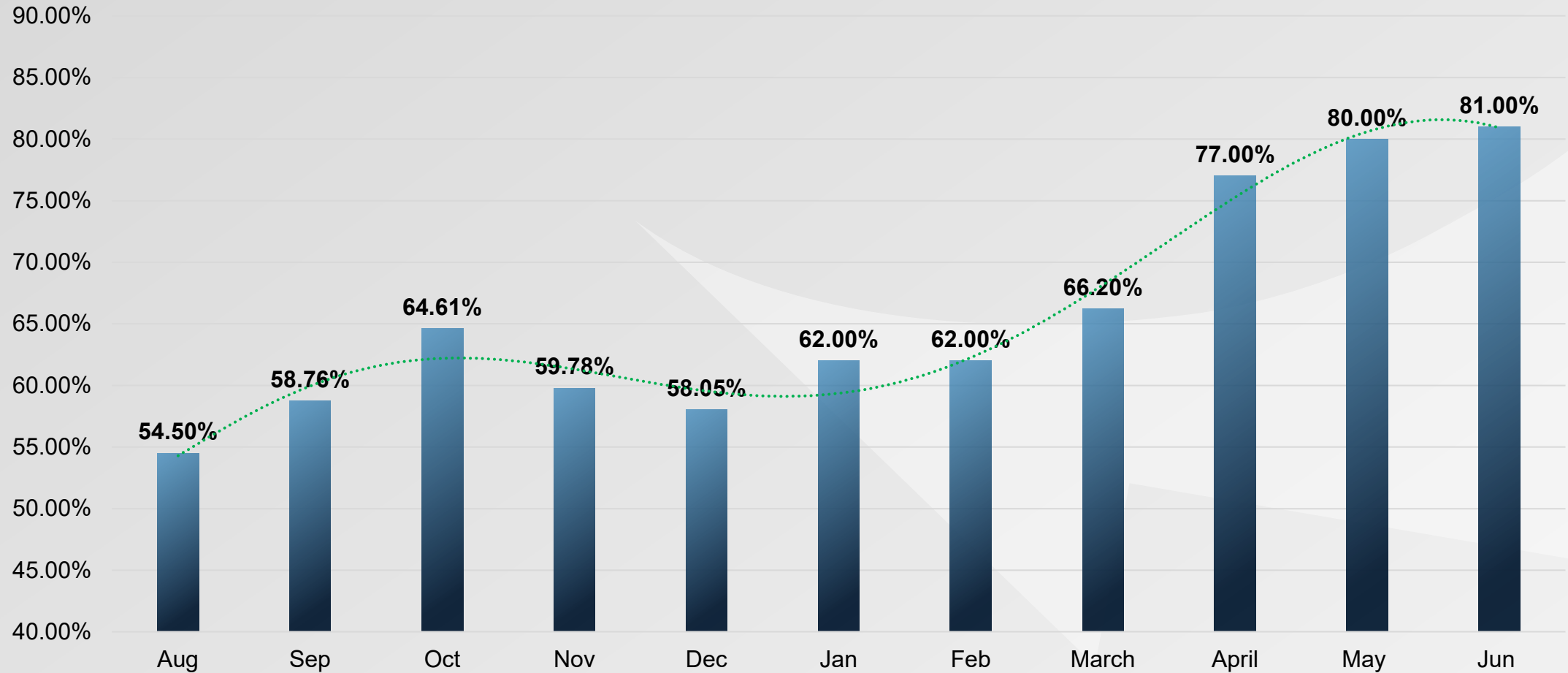- Premium Delivery

DRAGONTAIL
UK DELEX PRELIMINARY ANALYSIS
JULY 2020

DRAGONTAIL HELPED TO REDEFINE REALITY:

Results Have Continued to Improve

Smart OSAT & B2B Trend

OSAT (green): 35%, 33%, 40%, 43%, 35%, 43%, 53%, 57%, 55%, 54%
B2B (red): 32%, 33%, 27%, 23%, 32%, 25%, 16%, 14%, 14%, 15%

Rollout

Oct Nov Dec Jan Feb Mar Apr May Jun Jul

OSAT   B2B

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Improved Product Quality (Hot & Fresh Food)

Hot & Fresh (Avg.) | Asia Market

Delivering Real Customer Results

- Overall satisfaction in English Equity jumped +6-8pts

- Delivery consumers are telling us we are faster with speed of service +5pts

- We are also making less mistakes with average remakes per store reducing

- Average delivery times under 30 mins has risen to 68% from 45%

- Product quality has improved with 81% (Jun 2018) hot and fresh* compared to 55% (Aug 2019)

- Leading to increasing customer frequency (+24% over 10 months since Algo was installed)
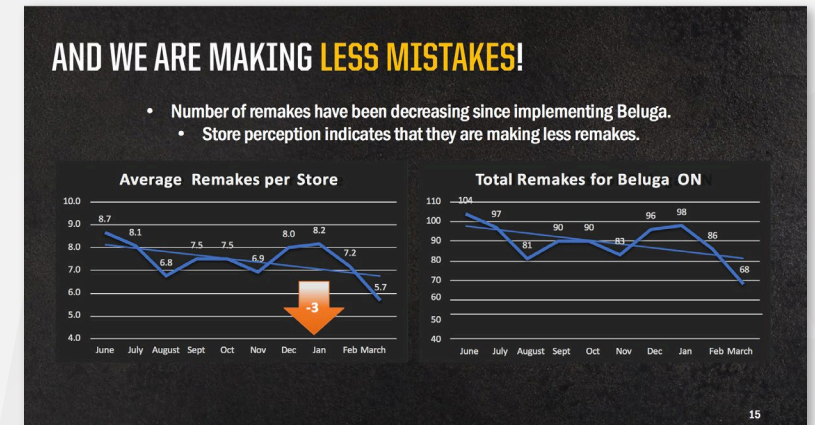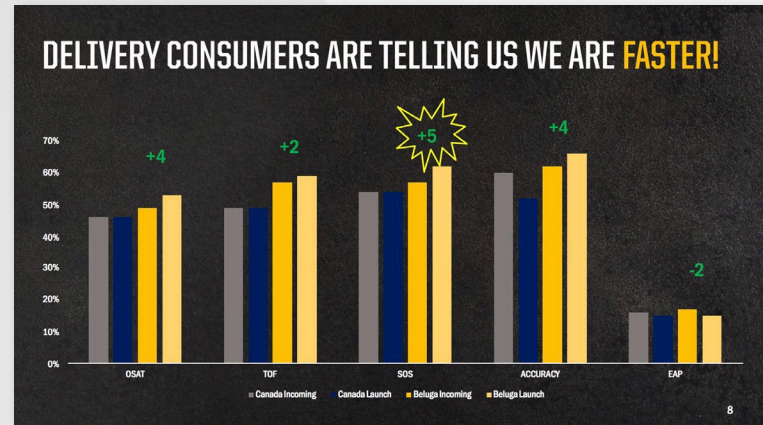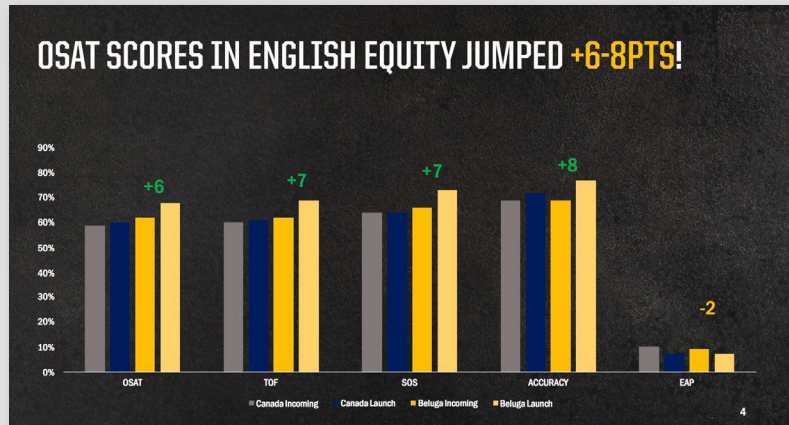
*Hot & Fresh % - orders with under 20 min between pack & delivery time
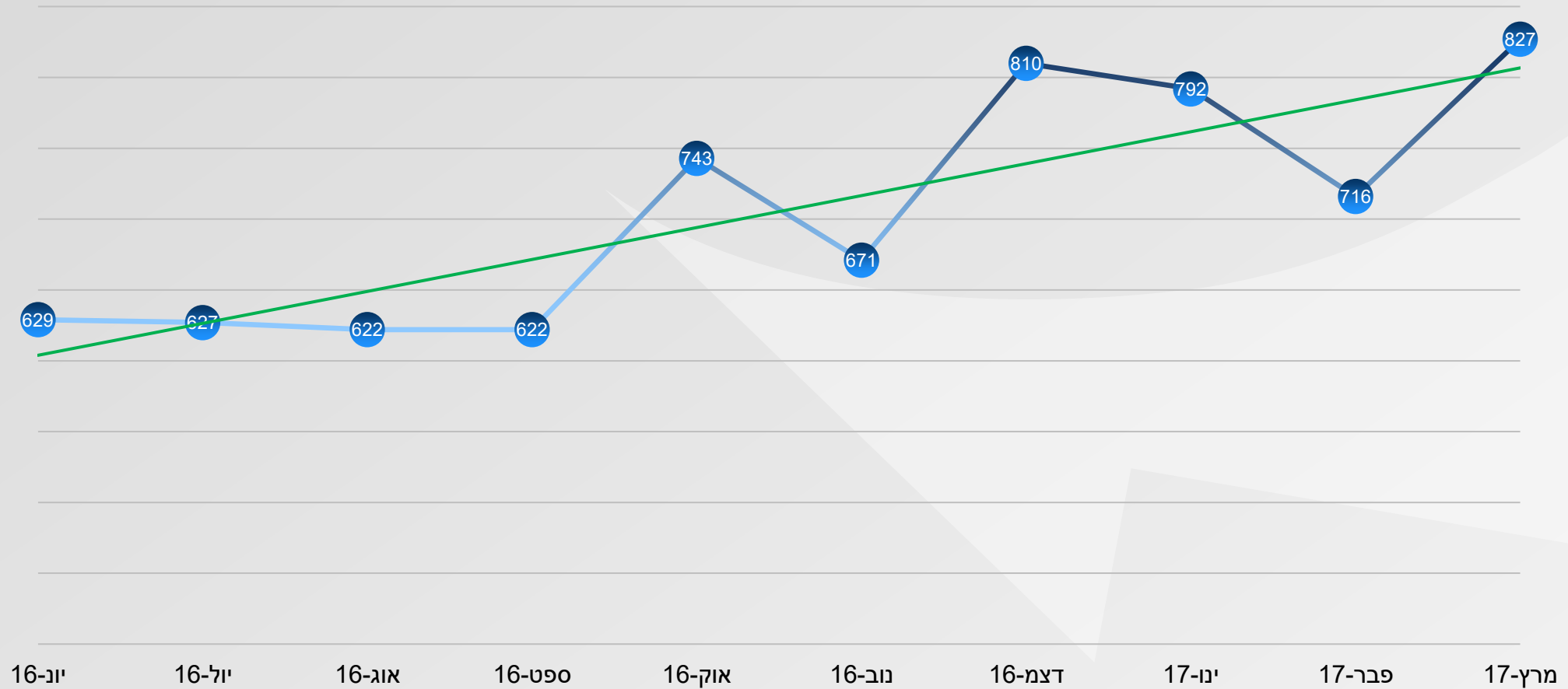
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Investment Highlights Summary

1 — **Unique, first mover technology**

The **Algo** fully automates the kitchen flow, dispatch and delivery process, while others only focus on driver dispatch and tracking. The **QT Camera**, a Computer-Vision Quality Management System, ensure service compliance with defined quality standards.

2 — **Significant market opportunity**

Fast food/QSR/delivery market size of over $400 billion globally. Potential to expand into additional markets (supermarket, airline/other catering, non-food same day deliveries).

3 — **High calibre management team**

Management has significant expertise across technology, systems management and business development, combined with focused knowledge and experience in the QSR segment.

4 — **Significant competitive advantage**

The **Algo** - uses a sophisticated algorithm and years of on-site operation insights creating high barriers for competitors. The **QT** - utilizes AI to monitor key elements during the preparation process.

5 — **Established & growing revenue base & pipeline**

The **Algo**, installed in Australia, the UK, Canada, Singapore, Israel, the US; The **QT**, installed across Australia and New-Zealand, both generating a significant monthly revenue, while additional new markets are expected.

6 — **Strong validation from leading QSR's**

QSR customers report additional monthly revenues of ~10% and monthly labor cost savings of ~3%, while significant improvements in customer satisfaction and a reduction in customer complaints.

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Funding Summary Since Inception

Accomplishing so much with so little

Pre IPO Seed Investor	AUD 2.2M
Pre IPO Australian Investor	AUD 1.5M
IPO Round	AUD 6M
2017 Round	AUD 8.8M – Australian Investors
2018 Round	AUD 6M – Tiger Global USA
2020 Round	AUD 12M – USA and Aust Funds (Eldridge, Goudy Park & Alceon) (stage 1)
	AUD 5.25M – Eldridge (stage 2)*
Total in AUD	41.75M
Total in USD	**28.40M**

* Strategic fund raising, 2nd stage (Convertible Preference Shares), announced 30 November 2020, AUD$5.25m (USD$4.2m), subject to shareholder approval scheduled for 3 February 2021..

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Corporate Summary
capital Structure (ASX: DTS)

Share price as at 13 January 2021	AUD$0.135
Ordinary Shares on Issue	285,988,462
Market cap. – as of 13 January 2021 (Ordinary Shares)	**AUD$38.6m**
Convertible Preference Shares Stage 1 (shareholder approved, not yet converted into equity)[1]	55,769,232
Shares on Issue, including Convertible Preference Shares Stage 1 (shareholder approved, not yet converted into equity)[1]	341,757,694
Market cap. adjusted – as of 13 January 2021 (including all Ordinary and Convertible Preference Shares Stage 1)	**AUD$46.1m**
Convertible Preference Shares Stage 2, announced 30 November 2020 (subject to shareholder approval, not yet converted into equity)[1, 3]	40,384,616
Shares on Issue, including Convertible Preference Shares Stage 1 and 2[1,3]	382,142,310
Market cap., adjusted – as of 13 January 2021 (including all Ordinary and Convertible Preference Shares Stage 1 and 2)	**AUD$51.6m**
Options[2]	17,233,333
Cash at bank (31 December 2020)	USD$2.2m
Cash receivable from November 2020 fund raising[3]	USD$4.2m

1. Convert 1 for 1 on election by holder.
2. Options consist of ESOP and adviser options.
3. Strategic fund raising, 2nd stage (Convertible Preference Shares), announced 30 November 2020, AUD$5.25m (USD$4.2m).

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Corporate Summary

Board of Directors

- **Ido Levanon | Managing Director**
  CEO and a seed investor in several technology start-ups.

- **Yehuda Shamai | Non-Executive Chairman**
  Established and managed large Israeli entities with international brands such as Pizza Hut, KFC and Domino's Pizza.

- **Adam Sierakowski | Non-Executive Director**
  Corporate lawyer and a founding director of the legal firm Price Sierakowski. He has over 20 years of experience in legal practice corporate advice.

- **Ron Zuckerman | Non-Executive Director**
  Tech entrepreneur and investor, one of the founders of Sapiens International.

- **Henry Shiner | Non-Executive Director**
  Vast experience in senior management and strategic positions in the QSR industry, including Vice President, Chief Information Officer (CIO) Australasia and then Vice President Global Financial Transformation IT at McDonalds.

- **Jon Weber | Non-Executive Director**
  US based, top executive with more than 25 years of proven success with some of the world's most well-known and respected brands in the restaurant industry.[4]

- **Jeff Wilbur | Non-Executive Director**
  US based, senior Director at Eldridge, held several senior management positions.[4]

4., Was nominated as announced on January 4, 2021, and will be called for election at the coming EGM on February 3rd 2021..

Substantial Shareholders – Pro Forma

(upon finalizing 2nd stage funding, assuming all Preference Shares converted to Ordinary Shares)
.

Eldridge DTS Funding LLC	21.14%
Exhibition Lp (Goudy Park)	10.45%
Udi Shamai	9.17%
Alceon Liquid Strategic Pty Ltd	7.91%
Ido Levanon	6.01%

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Thank you!

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