

## DRAGONTAIL RECEIVES SHAREHOLDER APPROVAL TO COMPLETE STRATEGIC FUNDING, PASSING ALL RESOLUTIONS AT ITS EXTRAORDINARY GENERAL MEETING

### Highlights

- Shareholder approval received to issue and allot to an affiliate of US-based Eldridge, 40,384,616 Preference Shares for a total subscription price of A\$5.25M; completes Stage 2 of strategic fund raising.
- Funding provides an additional infusion to support the accelerating global expansion, and the roll-out of numerous innovative technological developments.
- Shareholder approval received to formally appoint to the Board of Directors two US based Directors, Jon Weber and Jeff Wilbur.
- All resolutions of the Extraordinary General Meeting were passed.

**3 February 2021: Dragontail Systems Limited** (ASX: DTS, the “Company” or “Dragontail”), bringing process efficiency and improving customer satisfaction through its Algo SaaS platform and QT AI Camera system to the Quick Service Restaurant (QSR) and foodservice industry, is pleased to announce the shareholder approval to complete its strategic fund raising by an affiliate of US-based Eldridge, (**Eldridge**) and the formal appointment of two new Directors to the Board, passing all resolutions at the Extraordinary General Meeting (**Meeting**) held today.

With shareholder approval received, Eldridge are able to take up their Stage 2 investment in Dragontail, following their investment commitment, as announced on 30 November 2020. Funds amounting to A\$5.25M (US\$4.2M) (net of costs) are expected to be received within 30 days resulting in the issue and allotment of 40,384,616 Preference Shares.

*Ido Levanon, Dragontail's Managing Director commented: "We are very pleased to have closed out this recent second round of funding and to have US-based Eldridge show their continued commitment to our business as major shareholders. I also formally welcome Jon and Jeff to our Board who bring deep experience in the QSR market in the US, a key focus area of growth for us moving forward. We now have a very strong cash runway to grow the business substantially in calendar 2021 on a highly scalable operating cost base and roll-out of numerous innovative technological developments including the recently announced QT AI Camera Cleanliness module and drone technology."*

### Results of Extraordinary General Meeting

All resolutions were passed by poll.

Details of proxies received and the results of the poll are contained in the attached schedule.

*This ASX Announcement was approved and authorised by Dragontail's Managing Director.*

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### About Dragontail Systems

Dragontail is revolutionising the Quick Service Restaurant (QSR) and foodservice industry with its core technology offering being its patented **Algo Platform** and **QT AI camera system**, sold under a cloud-based monthly subscription-based Software-as-a-Service (SaaS) revenue model which results in time and cost savings, and improved customer satisfaction through:

- Optimising and managing kitchen process task flow and timing from order to delivery
- Checking food quality and consistency
- Providing customers visibility over their food orders
- Acting as a valuable training tool for staff
- Controlling for food hygiene and sanitisation
- Managing driver activities leading to increased efficiency

The **Algo Platform** is the first system in the world to fully automate and streamline the kitchen flow to deliver an immediate and significant return on investment to fast food and quick service restaurants. The Algo integrates into a QSR's point of sale (POS) system.

The **QT AI camera** system's sensor and camera automatically monitor the preparation and cooking process in the kitchen. Using proprietary patented advanced AI machine-learning technology, the system keeps improving its diagnostics, becoming even more efficient. The QT has been upgraded in 2020 for hygiene and sanitisation checking. Dragontail's offering consists of:

1. **Total Technology solution:** Algo Platform + POS + online ordering developed by Dragontail in partnership, resulting in a full and ready integration).
2. **Algo Platform or full Algo:** Ready to integrate into an existing QSR POS system, managing the entire food preparation process from order to delivery.
3. **Algo Lite:** A delivery module – driver tracking and order aggregation. A QSR may begin with this system and migrate across to the full Algo over time.
4. **QT AI camera quality system 'pizza checker':** Proprietary developed camera hardware and software used to quality control food preparation.

Dragontail is rolling out its technology globally and has signed contracts with leading QSR franchisors and franchisees including key contracts with Yum! Brands, TelePizza and household names like Dominos, Pizza Hut and KFC.

**Collaborations:** Developing relationships with Aggregators (third party delivery operators) to the QSR sector have been identified as integral to Dragontail's growth strategy. Collaborations now cover all leading operators globally (including Deliveroo, DoorDash, Grab and FOOD PANDA) which have been readied with integrations between the Algo Platform and Aggregators' technology systems, now being largely complete.

Dragontail has worked for some time with point of sale (POS) operators to the QSR sector and has formed strong compatibility with a number of their systems. In addition, Dragontail has developed its own fully POS aligned offering found in its Total Technology solution product, under a joint venture. This product has a significantly stronger revenue model over Dragontail's other product lines and is positioned to support QSRs who are wanting a ready to go fully integrated system. In addition, Dragontail announced a number of collaborations in late 2020 in the areas of drone food delivery (Israel) and food trucks (US).

For more information, visit [www.dragontail.com](http://www.dragontail.com).

## DRAGONTAIL SYSTEMS LIMITED

ABN 63 614 800 136

Meeting Date: Wednesday, February 3, 2021

Meeting Time: 4.00 PM AEDT



Resolution	Manner in which the securityholder directed the proxy vote(as at proxy close):				Manner in which votes were cast in person or by proxy on a poll(where applicable):			
	For	Against	Proxy's Discretion	Abstain	For	Against	Abstain	Result
1 - ALLOTMENT OF PREFERENCE SHARES TO ELDRIDGE DTS FUNDING	86,172,667	220,469	555,000	48,539	86,727,667 (99.75 %)	220,469 (0.25 %)	48,539	Passed on a poll
2 - APPOINTMENT OF A DIRECTOR - JONATHAN CHARLES DAVID WEBER	86,288,136	105,000	555,000	48,539	86,843,136 (99.88 %)	105,000 (0.12 %)	48,539	Passed on a poll
3 - APPOINTMENT OF A DIRECTOR - JEFFREY FALLON WILBUR	86,288,136	105,000	555,000	48,539	86,843,136 (99.88 %)	105,000 (0.12 %)	48,539	Passed on a poll



\*Note that votes relating to a person who abstains on an item are not counted in determining whether or not the required majority of votes were cast for or against that item. Advanced Share Registry Limited - Onsite Meeting System