

ASX ANNOUNCEMENT

DRAGONTAIL EXPANDS INTO ASIAN FOOD SECTOR

19 October 2017 (Melbourne): Dragontail Systems Limited (ASX: DTS) is pleased to announce that it is expanding the application of its 'Algo' platform and artificial intelligence (AI) QT camera system to the Asian food industry.

The Company has partnered with Japanika, Israel's leading Asian food restaurant chain, to install Dragontail Systems' technology platforms in Japanika's 30 stores (and growing). Japanika is the largest Asian food chain in Israel, and a significant portion of the stores' activity is delivery related with up to 150,000 deliveries per month being achieved.

Dragontail Systems' entry into the Asian food segment clearly shows the versatility of the Company's proprietary technology platforms. This builds on the current food segments covering pizza, ice cream, fast casual, chicken and burgers. In addition, this partnership further showcases Dragontail Systems' ability to specifically cater for the unique aspects of a business' operation given the Company's clients include global brands such as Pizza Hut, KFC, Domino's, and most recently Burger King.

Commenting on their partnership with Dragontail Systems, Japanika's CEO Gadi Benolial said: "As a leading Asian food chain in Israel, Japanika is proud to lead the industry in its adoption of technologies that drive operational efficiency and an enhanced customer experience. Having considered various technology solutions, we chose Dragontail Systems given they provide a lot more than just a delivery platform and are considered the de facto food preparation and delivery optimisation platform in Israel. Dragontail Systems' technologies are revolutionary and we wanted to be the first Asian food business globally to incorporate the 'Algo' and QT camera system into our entire back of house process. Having seen the substantial benefits Dragontail Systems has delivered to other food segments in Israel and with global food brands, we are looking forward to seeing similar results in our business."

Dragontail Systems' CEO Ido Levanon said: "We are very excited to have Japanika on board and are confident in our ability to add substantial value to the entire chain. Japanika is the first Asian food chain to adopt Dragontail Systems' technologies. Israel, while a small country, has been a great proving ground for our technology, and has launched us into global brands and markets. Expanding our customer base into additional segments of the food industry has been a key strategic imperative, and we believe that, like we have experienced in the pizza segment, this partnership has the potential to drive substantial growth in new markets globally."

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About Dragontail Systems

Dragontail is revolutionising the Quick Service Restaurant (QSR) industry with its Algo System and computer-vision QT quality system that uses artificial intelligence (AI) machine learning.

The Algo System uses a sophisticated patented algorithm to optimise and manage the entire food preparation process from order to delivery. It 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 QT system's sensor and camera automatically monitor the preparation and cooking process in the kitchen to improve the quality and consistency of meals. Using proprietary advanced AI machine-learning technology, the system keeps improving its diagnostics, becoming even more efficient.

For more information, visit www.dragontailsystems.com.