

ASX ANNOUNCEMENT

FIRST INSTALLATION AGREEMENT THAT PROVIDES A FULL-SERVICE TECHNOLOGY SOLUTION AND MORE THAN DOUBLES REVENUE PER STORE

17 May 2018 (Melbourne): Dragontail Systems Limited (ASX: DTS) is pleased to announce the signing of our first installation agreement that offers Quick Service Restaurants (QSR) a technology solution that optimises the entire production process from initial order to delivery at the customer's house.

Dragontail believes this is the first time globally that such an advanced integrated system will operate in the QSR industry. The agreement was signed with Top Tomato's Inc, which manages 40 stores under the Georgio's Oven Fresh Pizza Co, Pizza BoGo and UpperCrust brands in the United States.

First stores in all three brands will go live after a two-month integration, with installation across all 40 stores to follow soon after. It will deliver an immediate and significant return on investment through improved food quality, kitchen efficiency, dispatching and driver optimisation, and reduced operating costs.

The full-service technology solution was made possible due to a strategic partnership between Dragontail, Point-of-Sale (POS) company Novasero, and online ordering company OrderUP. The agreement creates a new revenue stream for Dragontail that more than doubles revenue generation on a per-store basis up to US\$400 per month.

Commenting on the agreement, Dragontail CEO Ido Levanon said: "Dragontail is revolutionising the way the QSR and foodservice industry optimises production and delivery processes, improves food quality, saves costs and increases customer satisfaction. This new full-service offering sets a new industry benchmark and provides Dragontail with an additional revenue stream that significantly increases average revenue per store.

"Our partnership with Novasero and OrderUP will increase the exposure of the 'Algo' platform to a broader range of QSR and foodservice businesses that need to optimise everything they do in a cost-effective way. The combined solution is not offered by any other company in the world and offers leading technology at less cost than most restaurants would normally pay for a decent POS system."

Top Tomato's President Jason G Chamoun agreed: "We signed the deal after a great experience working with Dragontail following the installation of their 'Algo' platform in a Georgio's Oven Fresh Pizza Co store. Customers gave us immediate feedback on the improved food quality, staff could serve customers more effectively, and we were able to reduce costs and improve efficiency in the kitchen. To move to a fully integrated system that optimises everything from the time a customer picks up the phone or enters a store, through to getting the freshest food to them – no matter where they are – was a natural progression for us."

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About Dragontail Systems

Dragontail is revolutionising the Quick Service Restaurant (QSR) and foodservice 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.