

ASX ANNOUNCEMENT

**DRAGONTAIL LAUNCHES DISPATCHING AND DRIVER TRACKING AT RECIPE UNLIMITED CORPORATION, (formerly Cara Operations Limited)
CANADA'S LARGEST FULL SERVICE RESTAURANT OPERATOR**

17 July 2018 (Melbourne): Dragontail Systems Limited ("**Dragontail**") (ASX: DTS) is pleased to announce the Dispatching and Driver Tracking launch with Swiss Chalet, a premier brand under Recipe Unlimited Corporation ("**Recipe**") (formerly Cara Operations Limited) (TSX: RECO), Canada's largest full service restaurant operator.

Dragontail's agreement with Recipe (see ASX Announcement 14 September 2017) will initially see the Algo installed at 300 of Recipe's approximately 1,381 restaurants in Q4 2018.

With the goal of improving the guest delivery experience, Dragontail was tasked with developing a wide range of specific features related to Recipe's store environments. Throughout the process, Dragontail leveraged its capabilities and advanced technology to deliver on the customer's service vision. In a unique and dedicated manner, Dragontail added specific capabilities to the Algo platform that will enable Recipe to achieve its ambitious goals, including a white label Recipe Driver Application.

This "tailor made" Application can be downloaded directly from the play store to the driver's own mobile device, with specific brand designs and unique user security features. The Application allows drivers to receive payment directly from the end customer, "on the spot", when the food is being delivered. This capability, as with some others, was made possible by the ability of Dragontail to meet the most stringent requirements in terms of information security, thus fulfilling the client's goals and characterizing the system according to its specific needs. Adding this module contributes to operational efficiency and facilitates the interaction with the customer as well as streamlining the internal process that take place within the store.

In addition, Dragontail's world class tracker has also been embedded in all Recipe brand native ordering apps, allowing customers to track their deliveries from one platform.

The integration involved many different components for both call centre visibility and third party vendors such as Visionmax. Dragontail was able to develop both an easily deployable and user friendly environment by creating a seamless user experience. By doing so, the staff can manage all integrations directly inside the current and familiar platform they have become accustomed to using.

"Continuous improvement of our guests' experience is always a priority for us at Recipe and across our specific restaurant brands," says Frank Hennessey, CEO, Recipe Unlimited Corporation. "We are extremely excited to see the first phase of Dragontail Dispatching and Driver Tracking come to life at Swiss Chalet in Q4 of this year."

Commenting on entering to the roll out phase, Managing Director Ido Levanon said:

"Since our products are designed to make a real difference in the operations of the restaurant segment, the deployment process is different and involves more factors and takes into account various aspects that influence the store's operations. We must not forget that we use a disrupting technology, and we take the necessary measures to ensure a process that is carried out in accordance with the client's expectations. In this case the integration and customization was comprehensive due to the special adaptations that were required from the customer's side, which led to the need to meet

security requirements of the highest levels. We are very pleased and comfortable with the process we have gone through with Recipe, as with all our other clients. We are proud of the uncompromising quality of our products and customer support abilities. This is what distinguishes us from the other players in the market. Our customers' satisfaction speaks for itself."

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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.