

25 March 2019

ASX Announcement

DRAGONTAIL GRANTED THE PATENT FOR ITS AI QUALITY CONTROL CAMERA IN THE USA

Highlights:

- **Dragontail has been notified of the granted official patent rights in the US for one of its flagship products - the QT quality control camera.**
- **The patent content is broad and comprehensive, protecting the QT Camera's unique technology and work method and encompass 18 different claims.**
- **The camera is already being deployed in hundreds of QSR stores in Australia.**
- **The patent granted is another validation that Dragontail is leading the way with its unique and innovative AI technology.**

25 March 2019 (Melbourne): Dragontail Systems Limited (ASX: DTS, the “**Company**” or “**Dragontail**”) is pleased to announce that on March 20 the USPTO issued Dragontail a notification of the grant of a patent for its QT Quality Control Camera in the USA that will be released on or about April 9, 2019 (patent No. 10,254,264). The QT Camera relies on a unique work method that uses artificial intelligence and channels the information collected by it to monitor the food items its scans. The QT Camera provides an indication of the food quality and its suitability to the standards set by the store and the end-customers' requirements, in real time and acts as an efficient management tool.

The patent was granted for the QT Camera as an apparatus for monitoring preparation of a food product, comprising of an imager and a controller configured to receive order related data showing ingredients that are visible on the food product as well as their distribution on the food product.

The patent also includes the ability to:

1. compare the processed image to pre-stored data received from a database, in order to extract prepared product data;
2. Identify in the extracted prepared product data the ingredients that are visible on the food product and their distribution on the food product;
3. Compare the extracted prepared product data to the order related data; and
4. Determine a compliance of the food product with a required quality level based on comparing the extracted prepared product data to the order related data wherein the pre-stored data comprises processed images with identified visible food ingredients and their distribution on the food product as previously inspected.

The benefits to Dragontail's customer that chooses to include the QT Camera as part of the food preparation cycle are immediate and expressed in increasing customer satisfaction, ensuring food was prepared according to the standards set by the store and cost savings as only properly made food will be delivered to the end-customer.

The QT Camera provides a snapshot that is displayed on the computer screen in the store within seconds and serves as an effective management tool to control and monitor the food quality in real time. Using Artificial Intelligence, the QT camera itself, on the basis of information gathered and stored in it, gives an indication of the suitability of the food to the standards set and the order made by the end-customer.

Ido Levanon, Dragontail Systems' Managing Director said: "Receiving the QT Camera patent in the USA in addition to other markets, in a way that protects our product so broadly and comprehensively is a significant achievement for us, especially when it comes to an important territory like the US. We knew we had created something unique, instrumental and revolutionary, and after working with the USA patent office for over a year we are now holding the official approval for that."

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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.