THE RESTAURANT OF FUTURE HE FUTURE CONNECTED INTELLIGENT END TO END



The Problems that we Solve



Dragontail





freelance drivers



Summary of Key Benefits



For the Customers

- ✓ No more paper, digital receipts
- ✓ Improvement in ATD as more riders are available to deliver when needed
- ✓ Just on time packing leading to Hot & Fresh food
- ✓ Less mistakes
- ✓ Engagement to another level Live order tracking, feedback and review

For the Store Management and Staff

- ✓ No integration, No customization
- ✓ Works with any POS
- ✓ Labor cost reduction and saving in delivery fee's
- ✓ Reduction to customer complaints leading to high return customers
- Optimization in the kitchen and dispatch improving efficiency and leading to a more organized and relaxed work environment
- ✓ More options for rider scheduling
- ✓ Targeted deals and coupons to Increase marketing effectiveness

For the Riders

- ✓ More deliveries per hour leading to higher paid shifts
- ✓ More options for shifts, availability to work for two stores
- ✓ Amazing tools on the DragonDrive App to simplify daily tasks





ABOUT US



Introducing Dragontail Systems

- Founded in 2013
- Based in Melbourne, Australia
- Listed in the Australian Stock Exchange
- Dragontail Systems Ltd. provides technology solutions for the fast food industry.
- Artificial Intelligence used to optimize food and beverage deliveries in high volume food service operations.
- The software optimizes and manages the entire process from food preparation and up to it's delivery to the customer, completely streamlining all processes.
- The company's flagship products include:

- The Algo Dispatching System which automates the kitchen flow and synchronizes it with the dispatching of waiters and drivers.

- The QT[™] Computer-Vision Quality Management System which combines advanced imaging hardware and algorithms to ensure service compliance with defined quality standards.





Watch us and our systems in action at: http://www.dragontail.com/watch-us-in-action/

...or visit us on our new website at:

http://www.dragontail.com/



a DEMO

Drago



Meet the team behind the Technology, and all our account managers that take care of our remarkable global customers. Experience our Culture, and our internal slogans.



A 1.5 min video depicting one example of how our system optimizes a restaurant operation



A 4 min video showing our system in action

Announced Key Customers



CARA GROUP Canada



DOMINOS Australia + Israel



PIZZA HUT Canada + Singapore + Cyprus + Israel



BURGER KING Cyprus



KFC Asia and Cyprus



Dragontail systems

Growth rapidly scaling

- Across leading global brands.
- Forecasted 3,330 contracted stores and approximately 1,700 installed by Q2 2019

	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018 (Actuals as of Sept 24th	6 Months forward Forecast (end of 2019 1 st quarter)
Stores contracted – Algo & QT	115	425	490	1,030	1,730	1,830	1,880	1,910	3,330
Stores installed – Algo & QT	59	78	94	113	138	141	179	215	1,700
Customer receipts (A\$)	48k	54k	67k	96k	197k	218k	155k	436K	
QoQ growth		12%	24%	43%	105%	12%	-29%	281%	
10			Car	A (BURGER	R		Dr	agonta

Business Model



Drago

As of Sept 2018 Actual average monthly recurring revenue per installed store was: \$193.74

Very large, global addressable market

Brand	Country	Estimated Stores		
Pizza Hut	Global	12,000		
KFC	Global	26,000		
Domino's	Global	14,000		
Burger King	Global	13,000		
QSR	USA	300,000		
QSR	China	2,191,000		
QSR	Canada	16,000		
		Due seute !!		

All prices \$U\$D

Installation fees

Monthly subscription fee on a per store basis

Algo Expansion: Pizza Hut



First pilot store Rollout to franchisees Dec 2013 commenced Jan 2015 ဂိုဂို 101 ڡؖۮ Rollout to corporate stores commenced Feb 2014 Rollout to franchisees commenced March 2017 Canada Followed by mandating the technology across the entire nation First pilot store and make it a "Brand Standard" Nov 2015 o Čo 40) Rollout to corporate stores commenced April 2016

Israel

a complete nationwide rollout was accomplished in one month by June 2018 without a Pilot



- **100%** Increase in on-time deliveries
- **2.8%** Reduction in labor cost (as % of sales)
- **9.8%** Same store sales increase, mainly due to an increase in repeat customers orders



PH Israel reported:

Increase in repeat customers

"This solution allows to: Streamline and prioritize the food preparation and delivery process, significantly improving delivery times, product quality, and customer satisfaction. Ultimately removes the thinking and chaos from the BOH ... Customers love it and team members love it too!"

Mohammed Pashar – IT Manager, Pizza Hut Canada – Feb 2017



Algo Expansion: KFC



- Successfully completed complex IT/POS integrations required by KFC Asia
- First two KFC Singapore stores using the 'Algo' platform delivering multiple operational benefits
 - Expected rollout in Singapore early 2019
- First 2 KFC stores going live in the **Philippines** (250 store opportunity)
- Final talks with additional large KFC markets
- Selected as the **only** delivery management platform to present at:
 - KFC Asia's regional "store of tomorrow" conference in Bangkok (January 2018)
 - KFC World conference in Orlando (May 2018)



Investment Highlights

Unique, first mover technology

The Algo is the only system in the world that fully automates the kitchen flow, the driver dispatch and delivery process. Current technologies only focus on driver dispatch and tracking. Significant market opportunity

Fast food/QSR/delivery market size of over \$400 billion globally with over \$250 billion in North America alone. Potential to expand into additional markets such as supermarket deliveries, airline/other catering, and nonfood same day deliveries.

Significant competitive advantage

The Algo is a unique, patent pending system that uses a very sophisticated algorithm and years of on-site operation experience that creates high barriers for entry for potential Dragontail competitors. Established and growing revenue base & pipeline

The Algo is already installed in Israel, Canada Singapore the US and generating revenue from monthly licensing fees. Further growth in existing and new markets is expected. High calibre management team

3

Management have significant expertise across technology, systems management and business development.

Strong validation from leading QSR's

6

Our QSR customers report additional monthly revenues of ~10% and monthly labor cost savings of ~3%, while also reporting significant improvements in customer satisfaction and a reduction in customer complaints. Attracting the leading QSR customers in targeted countries.



Corporate Summary

Capital Structure (ASX: DTS)

Market Cap. as of 21 September 2018	AUD\$29m				
Share Price as at 21 September 2018	AUD\$0.135				
Shares on Issue	215,500,000				
Performance Shares ¹	25,000,000				
Options ²	8,000,000				
Options ³	866,666				

Convert 1 for 1 on achieving annual EBITDA of \$US5.5M before 31 Dec 2019.
1.5M, \$0.25 exp 31 Dec 2019, 1.5M \$0.40 exp 4 Sept 2020, 1.5M \$0.40 exp 20 Jun 2021, 2,5M \$0.25 exp 31 Dec 2020, 2.5M \$0.35 exp 31 Dec 2020
\$0.22 expiry 30 Jun 2019.

Board of Directors

Ido Levanon – Managing Director

20+ years' experience and proven track record in successful management and turnaround of various international companies

Yehuda Shamai – Non-Executive Chairman

Established and managed large Israeli entities with international brands such as Pizza Hut, KFC and Domino's Pizza

Adam Sierakowski - Non-Executive Director

Corporate lawyer and a founding director of the legal firm Price Sierakowski. He has over 20 years of experience in legal practice corporate advice

Ron Zuckerman – Non-Executive Director

Tech entrepreneur and investor, one of the founders of Sapiens International

Stephen Hewitt-Dutton – Non-Executive Director

20 years of experience in corporate finance, accounting and company secretarial matters. Also Dragontail's Company Secretary

Substantial Shareholders	%
YEHUDA SHAMAI	15.17
IDO LEVANON	10.42
GUY BRANDWIN	6.57
NIV ZILBERSTEIN	5.8
CS THIRD NOMINEES PTY LIMITED < HSBC CUST NOM AU LTD 13 A/C>	5.75

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Appendix



The Algo Dispatching System™





Kitchen Display / Make Screen

- Automated kitchen flow and order prioritization
- Fully customizable workflow
- Integrated into POS





- Manage kitchen background activities including forecasting of individual items
- The forecasting is based on machine learning and not just on basic algorithm or historical data, allowing the system to improve rapidly and reach a high level of accuracy very quickly.
- Ensures that items are always available
- Alerts for expiry times per item
- Tracks preparation stage per item including remaining time until next preparation stage
- Data used to report on hourly prep. forecasts



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- Complete packing station management solution
- Optimizes timing of packing based on estimated dispatch





- The heart of the system prioritizes delivery orders with the optimal dispatch option
- Schedules dispatch based on estimated driver pick up time
- Updates in real-time based on traffic, delays etc.





- Designed to make drivers tasks more efficient
- Includes navigation integration to optimize delivery times
- Contains complete customer and order details for easy access
- Enables advanced tracking, driver scheduling and driver management capabilities



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- Engage directly with customers on real-time order status and location of driver
- Communicate special offers, loyalty announcements, feedback surveys etc.
- Optional module to contact driver







- Executive Dashboard offers high-level view of main KPI's
- Advanced reports with customizable filters to drilldown into operational details
- Real-time alerts



INTEGRATION WIZ



Integration Wiz

In collaboration with Weezmo we have the ability to plug and play The Full Algo End-to-End System in any restaurant, without any integration with POS/Online platform companies.



Integration Wiz

Our Latest Development overcomes the common challenge of last mile solutions integration with different POS/online ordering platforms in the different markets... Enabling us to account for ALL orders not just the online orders

While at the same time:

Enables the first ever connection between **offline** and **online retail data,** transforming **offline** invoices from any POS company to **online and digital**



Key Immediate Benefits:

- 1. Offline to online remarketing
- 2. Green receipts (no paper, printers related cost reduction)
- 3. Significant increase in survey response rates
- 4. Closing loops in off-line transactions (for ROI calculations or CPA type transaction)



The QT[™] Camera System



Domino's to be the global pioneer with the rollout of the QT Camera System

- The first pizza chain to roll out QT Camera System, to be installed as the 'Pizza Checker' across all stores in Australia and NZ
- Domino's currently has over 2,000 stores across seven countries
- Under a 12-month agreement, exclusive rights to roll out across the countries Domino's operates in
- Solves #1 customer complaint of incorrect toppings and poorly made pizzas
- The Pizza Checker will help improve product consistency and deliver customers pizza as it should be, every time!



'The Biggest customer-focused product quality innovation ever'



QT[™] Camera

PRODUCT QUALITY

- Ensure correct quantities and distribution for **toppings**, **sauce** and **cheese**
- Automatically identify both type and quality of pizza crust
- Check the chicken or other type of meals color and breading when it comes out of the fryer
- Ensure food is as it's optimal temperature

PORTION CONTROL

- Ensure exact quantities of toppings to reduce "over-topping" and save money
- Ensure correct chicken or other ingredients quantities

REDUCE WASTE

- Ensure "accidental pizzas" are promoted by the call-center / front desk in a timely manner
- Improve accuracy of chicken or other ingredients preparation, and alerting for quality and quantity issues

OPERATION IMPROVEMENTS

• Expediting all after-oven activities, and eliminating orders packing mistakes

CUSTOMER ENGAGEMENT

• Clients can receive an enhanced picture of their freshly made order, using Image Texturing Enhancement Technology





IMMEDIATE ROI



Lower Labour Cost*





SYSTEMS

³² * USA Franchisee data

Faster Delivery Times*



Shorter Rack Time*



Improved Customer Satisfaction*

Dragontail (DT) Stores vs National P8



A Win for the Team*

Improved work environment

✓ Higher employee retention

Lower Re-training cost

Higher driver income (more trips per hour and higher tips)

Employees report less stress during busy shifts

Customer Complaints Reduced by 60%



Algo ROI per Store

\$1,400

Estimated Additional Gross Profit from Sales increase *

Estimated Monthly Labor Cost Saving (based on average savings of 4 hours a day)

Estimated Monthly Chargebacks reduction**

Additional monthly profit per store



Estimated Monthly System Cost: \$300***

1,110%

RO

*Using YUM's research showing 11% increase in the future sales from customers receiving their orders within 30min, an average improvement of U30 deliveries of 20 orders a day, and average orders size of \$30. **Based on reductions achieved in pilot facilities during 4 month. ***Including 3-years amortization.



Dragontail's platform has more features than other platforms in the market

		Feature	Dragontail	Others
	$\left(\right)$	Includes Kitchen Management and Dispatch Modules	V	X
One holistic management		True optimization before orders shows up at the kitchen, for fastest delivery time and upmost efficiency	V	X
	1	Full Integration (Platform integrates to POS)	V	V
platform		Real-time Operational Notifications*	V	X
		White Labelling / Customer Branded App	v	V
Higher driver productivity,	Ś	Advanced Business Intelligence Reporting	V	X
lower labor costs	1	Computer-vision quality management system with Real Time Food Quality Analysis	V	X
		Instore Prediction and Promise Time (Delivery guarantee time)	V	X
Happier, more loyal customers	J	Driver Routing Management	V	V
	1	Customer Satisfaction Result (On-time, Fresh / Hot Delivery)	v	X
		Customer Support Quality**	v	X
		Real-time Delivery Confirmations	v	V
	ſ	Real-time Customer Updates	v	V
Faster ROI	\prec	Intelligent Tracker (Displays last leg of delivery segment to customer)	v	X
		Rapid Integration* (Dispatch Module only)	V	V
		Full Integration (incl. Kitchen Management Module)	v	N/A

Notifies of kitchen, order and delivery statuses, and optimises operations

Based on reviews from social media



25/9/18

**

IP Update

Patent applications have been submitted in a number for countries with more to follow.

	USA	Canada	Australia	New Zealand	Japan	China	Thailand	Singapore
Algo	•							
Algo Innovative Patent			•					
CCSU	•	•	•				•	
Drivers Module App	•	•	•	•			•	•
Key Submittee	Abo	out to be Su	ıbmitted					

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