AT&T and Dragontail Systems Team to Streamline the Food Delivery Process Using IoT Innovation

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Highlights

- Dragontail signs partnership agreement with AT&T*, one of the largest IT&T groups in the US.

- The agreement allows Dragontail to utilise AT&T's marketing and sales resources to expand the market reach to AT&T's enterprise customers in the QSR sector.

- AT&T is a leading service provider to the QSR sector and counts McDonald's, Starbucks and Yum! Brands as customers.

- Dragontail's revolutionary Algo System will use AT&T's highly reliable mobile network.

- The agreement provides a new sales channel for the Algo System in the US where the QSR and fast food market is estimated to be worth circa US$227bn.

Dragontail Systems Limited (ASX: DTS, the "Company") has signed an agreement with AT&T* to provide connectivity for Dragontail's novel proprietary food service system. AT&T is one of the largest IT&T groups in the US.

Dragontail will use the highly reliable AT&T mobile network for its Algo Dispatching System – the Company's proprietary technology that transforms the way fast food and Quick Service Restaurants (QSR) operate.

The Algo is already operating in restaurants in the US, Canada and Israel. The US alone has more than 200,000 QSRs and generates annual revenues of approximately US$227 billion (http://www.ibisworld.com/industry/default.aspx?indid=1980).

The AT&T mobile network with its Internet of Things (IoT) platform, AT&T Control Center, will give Dragontail an important edge in becoming an industry leader in this sector. AT&T is a leading telecommunications and IT services provider to the sector and its customers include a number of large QSRs, such as McDonald's Corporation, Starbucks Corporation and Yum! Brands, Inc.

"In the quick-service restaurant industry, efficiency and quality are just as important as the customer experience," said Joe Mosele, vice president, IoT Solutions at AT&T. "We're excited that the AT&T wireless network will power Dragontail's innovative Algo Dispatching System."

Under the agreement, AT&T Services will offer Dragontail's Algo System to its client base under an agreed pricing structure that will include one time fees for implementation, installation and training; and monthly recurring license and service fees.

The exact fees will depend on the requirements of the client but typically involve a one-time integration and set up fee of between US$5,000 and US$25,000, onsite installation and training of US$1,200 and a monthly fee of around US$245 for the service and support for five Dragontail supplied mobile units.

Dragontail Systems' Chief Executive Officer, Ido Levanon, commented: "We are thrilled to be teaming with AT&T to use its highly reliable mobile network for the Algo Dispatching System. Having a company of AT&T's global caliber on board is a huge win for Dragontail and will be a huge help in bringing our system to life across many of our fast food and quick services restaurant partners."

The Algo uses a sophisticated patented algorithm to optimise and manage the entire food preparation to customer delivery procedure, completely streamlining the entire process and delivering an immediate return on investment.

This system is equivalent to a super smart manager that looks at every single order location, every driver location, every meal status in the kitchen and the pack station, and manages the order of the items that need to be prepared in the kitchen. It also makes dispatching recommendations to ensure Just-In-Time Baking™.

For more information, visit www.dragontailsystems.com. For more information on AT&T's Internet of Things solutions, visit att.com/iot.

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About Dragontail Systems
Dragontail is revolutionising the Quick Service Restaurant (QSR) industry with its Algo System, which uses a sophisticated patented algorithm to optimise and manage the entire food preparation process from order to delivery. The Algo 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 Algo is setting a new standard for the global industry with number of chains, such as Pizza Hut in North America and Israel, and a large Israeli Burger chain, already using the system.

About AT&T
AT&T Inc. (NYSE:T) helps millions around the globe connect with leading entertainment, mobile, high speed Internet and voice services. We're the world's largest provider of pay TV. We have TV customers in the U.S. and 11 Latin American countries. We offer the best global coverage of any U.S. wireless provider.* And we help businesses worldwide serve their customers better with our mobility and highly secure cloud solutions.
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