

Israeli Technology Company Revolutionising Restaurant Operations in the QSR Industry Commences Trading on the ASX

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- Dragontail Systems commence trading on the ASX under the ticker code "DTS"
- The \$6 million initial public offering, managed by Trident Capital, was significantly oversubscribed with strong support from institutional and retail investors
- Dragontail's revolutionary technology transforms the way that fast food and quick service restaurants operate
- Funds raised to be used for product development and to grow the business across key markets in the US, Australia, Canada, Asia, Cyprus and Israel
- Key customer relationships already established with leading global fast food businesses such as Pizza Hut and Yum! Brands, Inc.
- Roll-out to a number of additional key customers is expected in the near term

Dragontail Systems Limited (ASX: DTS, or 'the Company') today commenced trading on the Australian Stock Exchange under the ticker code "DTS", following a successful Initial Public Offering (IPO) that raised \$6 million.

The IPO, managed by Trident Capital, was significantly oversubscribed, placing the Company in a strong position to further develop and commercialise its revolutionary technology, known as the Algo Dispatching System, which transforms the way that fast food and Quick Service Restaurants (QSRs) operate from order through to delivery.

Dragontail's technology has already been deployed successfully across a number of leading fast food restaurants in Canada, US, and Israel, and a rollout to a number of other markets and customers is expected in the near term including sectors other than QSRs.

The Algo Dispatching System (the Algo)

The Algo technology completely revolutionises restaurant operations by integrating the food preparation, delivery,

marketing and Customer Relationship Management ("CRM") processes into a single GPS-based algorithm and management software.

Where current systems only focus on driver dispatch and tracking, the Algo allows restaurant operators to more efficiently manage and control the entire operations chain, from ordering through to delivery.

Algo helps restaurants to reduce labour and food costs, increase revenues from repeat customers and improve product quality. Dragontail is already generating revenue from monthly licensing fees as its technology is already installed in restaurants in Israel, Canada and the US.

Key customer relationships

The global QSR market (including fast food) presents a potentially significant opportunity for Dragontail's technology as the addressable market is estimated to be worth in excess of US\$580 billion globally (<http://www.ibisworld.com/industry/global/global-fast-food-restaurants.html>).

The Company has already developed relationships with a number of key customers and has deployed the Algo in fast food restaurants in key markets, including Pizza Hut stores across the US, Canada and Israel.

The Company has also entered into a master agreement with a major international fast food operator, New York Stock Exchange-listed Yum! Brands Inc., which operates licensed brands such as Taco Bell Corp and KFC. The master agreement provides the umbrella terms and conditions for the rollout of Algo to Yum's QSRs.

Further, the Algo is already being used in Burgeranch outlets in Israel. Burgeranch is the largest burger delivery restaurant in Israel and Dragontail plans to leverage these relationships to expand its customer base post listing to many QSR outlets other than pizza.

In addition, Dragontail has established an agreement with one of the world's largest telecommunications groups, AT&T. The agreement will lower deployment costs of the Algo through the provision of cheaper data plans. The Algo System is in addition perfectly suited to optimize other business logistics such as airline catering, hotel room service and non food immediate delivery services.

Management

Dragontail Systems management team brings a wealth of experience across the technology sector in Israel as well as in the US. Executive Director and Chief Executive Officer (CEO), Ido Levanon, has more than 20 years' experience in successful management and turnaround of various international companies, and has also been a seed investor and CEO in several technology start-ups.

Ido leads a team of talented personnel, comprising technology experts and leaders from the fast food and QSR industry.

Near term milestones

Funds raised from the IPO will be used to further expand the use of the Algo Dispatching system in QSRs in the US, Canada, Australia, and globally.

The Company will look to expand the use of the Algo Dispatching system through direct sales to large QSR chains, partnerships with companies that provide Point-of-Sales (POS) systems and partnerships with large technology enablers, such as AT&T, to reach more customers. A number of additional agreements with key partners are expected to be announced in the near term.

Dragontail Chief Executive Officer Ido Levanon commented: "Dragontail is well placed to set the standard for operational excellence for QSR and fast food restaurants globally. Our Algo system is the most advanced of its kind that is trusted and used by international restaurants. This early mover advantage, together with access to capital markets through our IPO on the ASX, will give us a strong edge to become the market leader in our field."

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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.