Dragontail Continues to Scale Up with Second Full-Service Agreement Signed in North America and KFC Philippines' Pilot

21 May 2018 (Melbourne): Dragontail Systems Limited (ASX: DTS) is pleased to announce:

1)   Full-service technology installations, that more than double Dragontail's revenue per store for those installations, are gaining pace in North America with the second agreement signed (the first in Canada) within one week
2)   KFC Philippines will be piloting the 'Algo' platform, with the potential to be rolled out across more than 230 stores.

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Dragontail's second full-service installation agreement, and the company's first in Canada, has been signed with Salvatoré®. This agreement follows in the footsteps of the full-service agreement signed with Top Tomato's Inc (in the US) last week.

Salvatoré® currently has 12 pizza restaurants in Quebec, Canada, with another opening in August 2018. The full-service system operates in French (rather than English) and will be mandatory across all Salvatoré® locations and in new locations as it continues growing the number of franchisees. First stores will go live in July.

This second full-service technology solution leverages the strategic partnership between Dragontail, Point-of-Sale (POS) company Novasero, and online ordering company OrderUP. Like the Top Tomato's Inc agreement, this new agreement more than doubles revenue generation for Dragontail on a per-store basis for these installed stores to over US$400 per month.

Commenting on the agreement, Managing Director Ido Levanon said: "I am delighted to have signed our second full-service technology solution agreement in North America within the space of one week. Our passion is to

provide Quick Service Restaurant and other foodservice operators with revolutionary technologies and unique solutions that help them run their businesses more efficiently. We believe we are the only technology provider globally providing a full-service solution that manages online ordering, point-of-sale, kitchen and delivery."

KFC Philippines, with over 230 stores, to pilot the 'Algo' platform.

KFC Philippines has agreed to pilot Dragontail's 'Algo' platform in three stores over June and July 2018. If successful, the 'Algo' platform will then have the potential to be rolled out across more than 230 KFC Philippines stores by early 2019.

Commenting on the pilot, Ido Levanon said: "We are excited to pilot Dragontail's 'Algo' optimisation and analytics platform with KFC Philippines. We are confident KFC Philippines will experience an immediate and significant return on investment through improved food quality, kitchen efficiency and customer feedback, optimised resources and reduced operating costs, as other Pizza Hut and KFC operations have.

"The Philippines is KFC's oldest Asian market. It is key in Dragontail's Asia growth strategy, and this pilot is further evidence of our growing relationship with KFC globally. We will shortly present at the KFC global franchisee conference in Orlando – the only delivery optimisation technology company invited to do so. This is on top of the positive reception we received to our presentation at KFC Asia's regional "store of tomorrow" convention in January."

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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.