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ASX Announcement

DRAGONTAIL COMPLETES A NATIONWIDE ROLLOUT OF ITS AI QUALITY CONTROL CAMERA ACROSS ANZ

29 May 2019 (Melbourne): Dragontail Systems Limited (ASX: DTS, the “**Company**” or “**Dragontail**”) is pleased to announce that it has completed the nationwide rollout of Its Artificial Intelligence (AI) quality control Camera - the QT – in more than 800 stores across Australia and New Zealand.

The QT Camera was installed at Domino's Pizza stores as the "DOM Pizza Checker", which is set to drastically improve product quality and consistency throughout all Domino's stores in Australia and New Zealand.

Domino's Pizza Enterprises (DMP) is the first pizza chain to roll out the QT Camera System to tackle one of Domino's most common customer complaints of incorrect toppings and poorly made pizzas.

DMP currently has over 2,450 stores across nine countries, and will examine the use of the technology in other markets based on the success of Australia and New Zealand.

Dragontail was also granted with the official patent rights of the QT quality control camera in the USA. The patent was granted as an apparatus for monitoring preparation of a food product. In addition, the Company was granted with the patent rights in New Zealand and has a pending patent application in Australia.

The QT recognises, analyses and grades pizzas based on pizza type, correct toppings and even distribution. The Camera sits above the cut bench and captures the image of the pizza. By using artificial intelligence it compares this data with a large dataset of correct pizzas, making a quick assessment within seconds.

The camera presents the information to the store and if the food is not as it should be or does not meet the standards set - the store will remake the food at a high quality level and without sending the wrongly prepared food to the customer. This ensures customer satisfaction and saves unnecessary costs and resources.

The artificial intelligence system continues to learn and improve as a result of the data it gathers and thus becomes more and more experienced and accurate in identifying ingredients and quality of food. The technology behind the Artificial Intelligence QT Camera is application-based and can be configured for other fast food types across many global brands using its capabilities to detect failures and to monitor the quality of different products.

Mr. Ido Levanon, Dragontail's Managing Director, added: "The QT Camera is based on a ground breaking technology which leads the Quick Service Restaurant (QSR) industry to a new era. The ability to save resources, create high customer satisfaction, retain customers and manage the stores more efficiently, are significant. The system has additional capabilities, such as product temperature detection and involving the end-customer in the process by sending an image of the food. Domino's are the first to appreciate the value of this product and we are sure it will do wonders in its stores".

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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.