

17 January 2020

DRAGONTAIL GOES LIVE IN THE USA WITH FIRST STORE INCORPORATING AGGREGATOR DRIVERS

Highlights

- Dragontail goes live in first USA store that combines the Algo kitchen and delivery optimization system with drivers from leading food delivery aggregator, DoorDash.
- Dragontail expects this first-of-a-kind functionality to significantly increase customer demand for the Algo and improve revenue per store over time.
- This is the world's first full integration between a delivery aggregator platform and a store's kitchen operation and delivery system, enabled by Dragontail.
- This launch follows an intensive period of integration work between DoorDash and Dragontail.
- Dragontail's unique technology will allow direct Kitchen-to-Customer optimization to maximize customer satisfaction while minimizing delivery costs to the restaurant, and allowing aggregator platforms to improve utilization of their delivery drivers.

17 January 2020 (Australia): **Dragontail Systems Limited** (ASX: DTS, the “Company” or “**Dragontail**”) is pleased to announce that it is going live with the first store to integrate the power of the Algo kitchen delivery and optimization system (the “**Algo**”) with the functionality to use drivers from leading food delivery aggregator, DoorDash. The launch is taking place at Papa's Pizza in Galveston Texas, an existing Algo customer. **This represents the world's first full integration between an aggregator platform and a store's kitchen operation and delivery system.** Dragontail expects this functionality to significantly increase customer demand for the Algo and improve revenue per store over time.

This exciting development means Dragontail can now offer its QSR customers who use the Algo the ability to combine their own driver fleets with drivers operated by aggregators to fulfill deliveries. The Algo's AI algorithm automatically compares and recommends, on the basis of pre-determined business considerations, which is the most accurate and effective alternative. In this way the Algo optimizes customer satisfaction while minimizing labor cost and the total costs of delivery to the restaurant. In addition, stores that only use aggregator drivers will also be able to improve food quality and customer satisfaction by having real-time coordination between the food preparation function and the driver's arrival.

The launch follows completion of an intensive period of integration work between DoorDash and Dragontail, following the announcement of a strategic alliance in July 2019. DoorDash currently has 340,000 restaurants on their platform in the USA and Canada.

Dragontail is confident that this breakthrough development will open up more opportunities for the Company in the USA, and strengthen its penetration of a market with huge potential, including aggregator platforms.

As part of the Algo's continued development, QSR customers can also use the unique Driver Sharing module that enables nearby stores to share the same pool of drivers, as a joint workforce, while incorporating aggregator's drivers as well.

Mr. Ido Levanon, Dragontail's Managing Director, commented: "This is a very exciting development for the Company, and we expect this first-of-a-kind solution to be a game

changer for every delivery restaurant, by combining DoorDash's extensive operations with Dragontail's full restaurant AI-based optimization system. The combination will result in the most efficient use of drivers and restaurant staff with the ultimate beneficiary, the end customer, receiving their food faster and always hot and fresh. With this integration, Dragontail has recognized a market need – optimization of the delivery function for restaurants and aggregators – and rapidly developed a unique product to meet this need".

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For further information please contact:

Corporate:

Ido Levanon, CEO
P: +61-3 9010 5759

Stephen Hewitt-Dutton, Company Secretary
P: +61-8 6211 5099

About Dragontail Systems

Dragontail is revolutionising the Quick Service Restaurant (QSR) and foodservice industry with its Algo Platform and computer-vision QT quality system that uses artificial intelligence (AI) machine learning.

The Algo Platform 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 patented advanced AI machine-learning technology, the system keeps improving its diagnostics, becoming even more efficient.

For more information, visit www.dragontailsystems.com.

This ASX Announcement was approved and authorised by Dragontail's Board of Directors.