

22 May 2020

UPDATE - GENERAL MEETING 28 MAY 2020

22 May 2020 (Australia): Dragontail Systems Limited (ASX: DTS, the “Company” or “Dragontail”) provides the following additional information in relation to the General Meeting to be held to approve matters associated with the two-stage equity raising to raise up to A\$19.25m via the issue of convertible preference shares (“Preference Shares”) on 28 May 2020 at the offices of Thomson Geer, Level 14, 60 Martin Place, Sydney at 11am AEST (“Meeting”).

COVID-19 RESTRICTIONS

Under the current guidelines, public gatherings are limited to ten (10) people. Accordingly Shareholders are encouraged to consider participating in the Meeting virtually or voting by proxy rather than attending the Meeting in person. Information regarding online participation at the Meeting (including how to vote and ask questions online during the Meeting) is available in the Virtual Attendance Instructions contained on the proxy form which accompanied the Notice of Meeting. As a result of these restrictions, the Meeting will be limited to addressing the matters set out in the Notice and no update presentation will be given, however, Ido Levanon, the CEO, will provide a short address.

If you wish to attend the Meeting in person at the offices of Thomson Geer, please advise the share registry no later than 48 hours before the Meeting by email to admin@advancedshare.com.au.

ATTENDANCE, VOTING AND QUESTIONS FOR THE MEETING

In accordance with clause 9.9 of the Company's constitution and section 249S of the Corporations Act, and to facilitate Shareholder participation, the Chairperson has determined that Shareholders will have the opportunity to participate in the Meeting virtually through an online platform.

To facilitate such participation, voting on each Resolution will occur by a poll rather than a show of hands.

A live webcast and electronic voting via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to listen to the Meeting and vote online. Please refer to the **Meeting ID** and **Shareholder ID** on the proxy form, or in the email received containing the Notice of Meeting, to login to the virtual meeting website.

Shareholders may submit questions ahead of the Meeting via the portal.

ANNUAL GENERAL MEETING

As advised in our announcement on 8 May 2020, the Directors have resolved to defer the Annual General Meeting to July 2020 to give shareholders and the Board the best opportunity to attend in person. The deferral of the AGM is in line with ASIC's 'no action' position announced on 20 March 2020. The Company continues to assess the situation and a notice of AGM will be sent to shareholders once a date for the meeting has been set.

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For further information please contact:

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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.dragontail.com.

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