19 June 2020

DRAGONTAIL COMPLETES STRATEGIC FUNDING

Key Points:

- DTS has finalised the first stage of two tranches from US strategic investors.
- Following the receipt of the first tranche, all liabilities were paid thus positioning the Company as debt free.
- The total amount raised A$19.25m is the largest undertaken by the Company and significantly strengthens its balance sheet.
- DTS now has the financial resources to aggressively scale its sales and marketing to rapidly penetrate large US markets.

19 June 2020 (Australia): Dragontail Systems Limited (ASX: DTS, the "**Company**" or "**Dragontail**") is pleased to announce that it has now received the full amount of A$12m, being the first tranche of two, of the strategic funding secured from US institutional investors. The funds were received subsequent to the Company's successful shareholder approval obtained on 28 May 2020.

Following the receipt of the first tranche of strategic funding, the Company has retired its debt and has sufficient working capital to enable it to expand its activities and leverage the opportunities in its pipe line, predominantly in the US. DTS will also accelerate its growth in Latin America, Europe and Asia-Pacific markets.

The full two-stage strategic funding totals A$19.25m via the issue of convertible preference shares, detailed in the Company's Announcement dated 23 March 2020. The strategic funding was provided by Eldridge Industries LLC, Goudy Park Capital LP and the Company's largest Australia-based shareholder, Alceon Liquid Strategies Pty Ltd.

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

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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.