

26 July 2018

ASX Announcement

## **Dragontail Systems Accelerates its Technologies Solutions Installations**

### **Highlights**

- **Installations of the Algo Platform over the next 4 months from predominantly global QSR companies are expected to grow by approximately 200% from 210 stores installed currently.**
- **Company estimates global installations of its flagship products to be approximately 1,000 stores by the end of the year.**
- **The Algo Platform continues to grow robustly in Canada where it was first deployed 2 years ago and has by now performed almost 5 million transactions.**
- **Recent achievements with large scale installations commencing with Cara Group (Renamed Recipe Unlimited) in Canada and efficient fast completion of PH Singapore roll out establish credibility of Company's capacity to achieve installation ambitions.**

**Dragontail Systems Limited** (ASX: DTS, the "**Company**" or "**Dragontail**") is pleased to announce the acceleration of installations in both of its flagship products worldwide - the **Algo Platform**, an optimization algorithm that streamlines, enhances and manages the entire restaurant order and delivery process; and the artificial intelligence (AI) **QT Camera** systems sensor that instantly checks the quality of the food preparation.

The Company's two flagship products have been installed in leading international Quick Service Restaurant ("**QSR**") brands globally, including: Pizza Hut ("**PH**") Canada, Domino's Australia, PH Singapore, Burger King Cyprus, Recipe Unlimited Corporation - Canada, (formerly Cara Operations Limited), and more.

Since its ASX listing in December 2016 the Company has deployed significant resources into developing solid and lasting relationships with leading global QSR brands in a competitive market. This has taken more time than originally expected however the Company has successfully established installations in 4 continents and is poised to benefit from the long lead time building a foundation for acceleration.

The number of installations of the Algo Platform is expected to increase by approximately 200% over the next 4 months, and the total number of installations of both the Algo Platform and QT Camera is estimated to be approximately 1,000 stores by the end of the year.

Dragontail has demonstrated operational, professional and technological capabilities to achieve these installation ambitions, demonstrated in the recent achievement to roll out the Algo Platform in all PH locations across Singapore at the pace of up to 6 stores a day and the commenced roll out of 300 stores for Canadian QSR group Recipe Unlimited (Previously Cara Group).

The Canadian QSR market where the company made its first significant penetration has demonstrated the operational robustness of the Algo Platform for over 2 years now and reached almost 5 million transactions. Dragontail expects to report continued strong growth in this region as the adoption by major QSR brands of the Company's flagship products continues.

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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](http://www.dragontailsystems.com).

This document contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "targets", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Although the Company believes that its expectations reflected in forward looking statements are reasonable, such statements involve risk and uncertainties, no assurance can be given that actual results will be consistent with the forward looking statements.