

DRAGONTAIL CLOSES OUT A\$19.25M STRATEGIC FUND RAISING RECEIVING FINAL A\$2.0M CASH FROM ALCEON

Highlights

- Funds received from Alceon, following shareholder approval last week, subscribing for additional Convertible Preference Shares, raising A\$2.0M.
- Completes full A\$19.25M Strategic fund raising across 2 tranches.
- Positions Dragontail with a strong balance sheet to rollout further store installations and bring to market innovative projects in its pipeline.

25 March 2021: Dragontail Systems Limited (ASX: DTS, the “**Company**” or “**Dragontail**”), bringing process efficiency and improving customer satisfaction through its Algo SaaS platform and QT AI camera system to the Quick Service Restaurant (QSR) and foodservice industry, is pleased to announce the receipt of A\$2.0M in cash from Australian fund, Alceon Liquid Strategies Pty Ltd (Alceon), following their subscription to additional Convertible Preference Shares which was approved by shareholders on 17 March 2021.

The funds received from Alceon complete the Company’s Strategic fund raising, the Company have now received the full A\$19.25M. Refer to the Company’s ASX Announcement dated 5 February 2021 for the transaction summary.

The terms of the convertible preference shares to Alceon were summarized in the Company’s Notice of Extraordinary General Meeting dated 11 February 2021.

The Company reported a cash balance of US\$2.05M per end December 2020 and post this date, received a further A\$7.25M in cash (AU\$5.25M from Eldridge Industries LLC and AU\$2.0M from Alceon) from completing stage 2 of the Strategic fund raising.

Ido Levanon, Dragontail’s Managing Director commented: “This funding positions Dragontail with a strong balance sheet to rollout further store installations and bring to market innovative projects in its pipeline.”

This ASX Announcement was approved and authorised by Dragontail’s Managing Director.

Ido Levanon, CEO
P: +61 3 9010 5759

Glen Zurcher, Investor Relations
P: +61 420 249 299 / glen@viriair.com

About Dragontail Systems

Dragontail is revolutionising the Quick Service Restaurant (QSR) and foodservice industry with its core technology offering being its patented **Algo Platform** and **QT AI camera system**, sold under a cloud-based monthly subscription-based Software-as-a-Service (SaaS) revenue model which results in time and cost savings, and improved customer satisfaction through:

- Optimising and managing kitchen process task flow and timing from order to delivery
- Checking food quality and consistency
- Providing customers visibility over their food orders
- Acting as a valuable training tool for staff
- Controlling for food hygiene and sanitisation
- Managing driver activities leading to increased efficiency

The **Algo Platform** 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 Algo integrates into a QSR's point of sale (POS) system.

The **QT AI camera** system's sensor and camera automatically monitor the preparation and cooking process in the kitchen. Using proprietary patented advanced AI machine-learning technology, the system keeps improving its diagnostics, becoming even more efficient. The QT has been upgraded in 2020 for hygiene and sanitisation checking. Dragontail's offering consists of:

1. **Total Technology solution:** Algo Platform + POS + online ordering developed by Dragontail in partnership, resulting in a full and ready integration).
2. **Algo Platform or full Algo:** Ready to integrate into an existing QSR POS system, managing the entire food preparation process from order to delivery.
3. **Algo Lite:** A delivery module – driver tracking and order aggregation. A QSR may begin with this system and migrate across to the full Algo over time.
4. **QT AI camera quality system 'pizza checker':** Proprietary developed camera hardware and software used to quality control food preparation.

Dragontail is rolling out its technology globally and has signed contracts with leading QSR franchisors and franchisees including key contracts with Yum! Brands, TelePizza and household names like Dominos, Pizza Hut and KFC.

Collaborations: Developing relationships with Aggregators (third party delivery operators) to the QSR sector have been identified as integral to Dragontail's growth strategy. Collaborations now cover all leading operators globally (including Deliveroo, DoorDash, Grab and FOOD PANDA) which have been readied with integrations between the Algo Platform and Aggregators' technology systems, now being largely complete.

Dragontail has worked for some time with point of sale (POS) operators to the QSR sector and has formed strong compatibility with a number of their systems. In addition, Dragontail has developed its own fully POS aligned offering found in its Total Technology solution product, under a joint venture. This product has a significantly stronger revenue model over Dragontail's other product lines and is positioned to support QSRs who are wanting a ready to go fully integrated system. In addition, Dragontail announced a number of collaborations in late 2020 in the areas of drone food delivery (Israel) and food trucks (US).

For more information, visit www.dragontail.com.