

DRAGONTAIL SCHEME IMPLEMENTATION UPDATE – COURT APPROVAL

31 August 2021: Dragontail Systems Limited (ASX:DTS, **Dragontail** or **DTS**), 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 provide an update on the Scheme of Arrangement (**Scheme**) to effect the acquisition by Yum Connect Australia Pty Ltd, as follows:

- The Federal Court of Australia (**Court**) has approved the Scheme today.
- DTS expects to lodge an office copy of the Court orders with the Australian Securities and Investments Commission by 31 August 2021, at which time the Scheme will become legally effective pursuant to section 411(10) of the *Corporations Act 2001* (Cth) (**Effective**).
- If the Scheme becomes Effective, DTS ordinary shareholders will receive Scheme consideration of A\$0.235 cash for each DTS ordinary share they held as at 5.00pm (Perth time) on 2 September 2021 (ie, the Scheme record date) (**Scheme Consideration**), and such payment will be made after the Scheme is implemented, subject to the terms of the Scheme and depending on the Israeli withholding tax arrangements applicable to them.
- DTS ordinary shareholders are reminded to please read the Scheme Booklet for further information as to the Israeli withholding tax arrangement that applies to you, including the documentation that you will have to provide in order to determine your eligibility for an exemption from or reduced rate of withholding from your Scheme Consideration. We draw shareholders' attention to the flow diagram in Section 2.2 of the Scheme Booklet which sets out the additional supporting documentation (in most cases, a copy of a passport) to be included with the Israeli Withholding Tax Declaration.

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

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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:** Proprietary developed camera hardware and software used to quality control food preparation.

Dragon Tail 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, KFC, Papa John's and Sweetgreen, and has formed partnerships with global aggregators (third party delivery operators such as Uber Eats, Deliveroo, DoorDash, Grab and FOOD PANDA), across a growing number of countries globally.

For more information, visit www.dragontail.com.

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