

26 March 2020

DRAGONTAIL SELECTED AS THE PIZZA HUT ASIA PACIFIC PREFERRED PARTNER

Highlights

- **Dragontail has been chosen as the preferred partner to provide the kitchen and delivery management capabilities – the Algo Platform - for Pizza Hut restaurants across Asia Pacific.**
- **Dragontail and Pizza Hut Asia Pacific signed a Technology Master Services Agreement establishing the strategic relationship.**
- **The Algo Platform will be rolled out across 3-4 markets initially with potential to extend to the remaining Asia Pacific markets totaling approximately 3,000 stores.**

26 March 2020 (Australia): **Dragontail Systems Limited** (ASX: DTS, the “Company” or “**Dragontail**”) is pleased to announce that it has signed a Technology Master Services Agreement establishing Dragontail's and Pizza Hut Asia Pacific Franchise Pte. Ltd's ("**PH APAC**") strategic relationship.

After strong performance of the Algo Platform in the Singapore market during the last 2 years, Dragontail, an approved supplier, was chosen to be the preferred partner to provide the kitchen and delivery management capabilities – the Algo Platform - for Pizza Hut restaurants across all PH APAC's markets .

PH APAC currently have approximately 3,000 stores in 15 countries. PH APAC will recommend to its franchisees that they move onto Dragontail's Algo Platform with an aim of assisting its franchisees to grow their businesses in a sustainable way. PH APAC have advised that to date 3-4 markets, representing 300-400 stores, have registered strong interest in pursuing a partnership with Dragontail and implementing the Algo Platform.

Being a unique solution for the Quick Service Restaurant (QSR) industry, the Algo Dispatch Platform is the only system in the world that fully automates the kitchen flow of restaurants as well as the process of dispatching the order to drivers. The Algo streamlines, enhances and manages the entire restaurant order and delivery process, including order receipt, kitchen prioritization for meal preparation, dispatch route management and customer delivery .

The Algo uses existing QSR infrastructure and adjusts to different kitchen rules and procedures depending on the customer's requirements and is tailor-made as needed. By automating key operational decisions that are commonly made by a restaurant manager, the Algo improves operational efficiency, raises customer service levels, increases the number of repeat customers and therefore store profitability. In addition, it also provides real-time data to management on employee and driver productivity.

The Algo Platform has an add-on modules to further strengthen its value, including Driver Sharing between stores, integration with third party delivery aggregators in order to combine the stores' drivers with the aggregator's drivers and more.

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Mr. Ido Levanon, Dragontail's Managing Director, commented: "we are extremely excited to have Pizza Hut APAC as our strategic partner who believes in our technology as chosen us to be its provider to its stores across such a significant market. This is another strong expression of confidence in our products, and I am sure the results will highly support that".

The Technology Master Services Agreement ("TMSA") is for a period of three years and can be terminated by either party giving 6 months notice. Under the TMSA, franchisees in PH APAC's jurisdictions that choose to install the Algo Platform will pay Dragontail a monthly service fee per store. Based on the initial level of interest of 300-400 stores, the Company estimates revenue over the term of the TMSA of between USD\$1m and USD\$1.3m, with potential to increase to USD\$3m and USD\$6m if the take up were to increase to between 50% and 100% of stores, and assuming an orderly installation over the term of the TMSA.

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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 and is currently installed in approximately 1,250 stores.

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 and is currently installed in approximately 850 stores.

For more information, visit www.dragontailsystems.com.

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

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