

Dragontail completes key commercial milestone with completed rollout of Algo to Pizza Hut

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ASX Announcements

Release Highlights:

- Dragontail successfully completes rollout of Algo System to Pizza Hut locations based in Quebec and Ottawa region.
- Dragontail will now commence installations into Pizza Hut franchise stores starting with Toronto.
- Pizza Hut Canada is owned by Yum! Canada, part of the New York Stock Exchange-listed Yum! Brands Inc., which operates more than 1,000 restaurants in Canada, including KFC and Taco Bell stores.
- Company continues to build its SaaS recurring revenue.
- Canada is a significant market opportunity for Dragontail with the quick serve industry generating \$22 billion in annual revenue[1].

Dragontail Systems Limited (ASX: DTS, the "Company") is pleased to announce that it has achieved a key commercial milestone with the successful completion of the rollout of the Algo System into the Pizza Hut locations based in Quebec and Ottawa region.

This milestone paves the way for Dragontail Systems to continue installing its Algo System, a patented food preparation and delivery optimisation and management solution.

"At Pizza Hut we put our customers and their experience first. Our aim is to make it easier for customers to get a better pizza. We're delighted to be the market leader leveraging Dragontail technology. The Dragontail system has had an immediate positive impact on our customer experience and on our operations." Oliver Robard, YUM! Canada director of operations & IT Oliver Rodbard.

The immediate focus of Dragontail will now be on the installation of the Algo System into Pizza Hut Canada's franchise stores in Toronto, ahead of a potential rollout to other franchise stores in Ontario and across the rest of Canada. There are over 400 Pizza Hut stores in Canada.

Dragontail continues to expand the geographical reach of the Algo System and Canada represents a significant market opportunity for the Company with more than 16,000 Quick Service Restaurants (QSR) generating \$22 billion dollars in annual revenue[1].

"Through our initial rollout to Pizza Hut 's stores, we have been able demonstrate the obvious benefits that our system can bring in operational efficiencies, which mean that the customers' pizza is always hot and fresh when it arrives, increasing overall customer satisfaction," said Dragontail systems managing director, Ido Levanon. "This has resulted in growing interest in the Algo System from other Pizza Hut stores, as well as across the wider QSR industry, and we expect this interest to result in further installations across Canada and other markets in FY17."

About Dragontail Systems

Dragontail is revolutionising the Quick Service Restaurant (QSR) industry with its Algo System, which uses a sophisticated patented algorithm to optimise and manage the entire food preparation process from order to delivery. The Algo is the first system in the world to fully automate and streamline the kitchen flow to deliver immediate and significant returns on investment to fast food and quick service restaurants. The Algo is setting a new standard for the global industry with a number of chains, such as Pizza Hut in North America and Israel, and a large Israeli burger chain already using the system.

[1] <https://www.ibisworld.ca/industry/fast-food-restaurants.html>

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