

6 April 2020

PIZZA HUT AUSTRALIA TO EXTEND ITS COLLABORATION WITH DRAGONTAIL

Highlights

- **Following very positive results from the first Pizza Hut stores using the Dragontail Algo system, Pizza Hut Australia has decided to extend its Algo Platform usage contract for a further two years to three years for existing delivery stores, as well as for new delivery stores added in future.**
- **Pizza Hut Australia will also look at using the Dragontail Algo system combined with the DoorDash delivery service – this would be the first of its kind in Australia**
- **Additionally, Pizza Hut Australia is seeking to collaborate with Dragontail on further tech projects that are expected to significantly boost customer experience.**

6 April 2020 (Australia): **Dragontail Systems Limited** (ASX: DTS, the “**Company**” or “**Dragontail**”) is pleased to announce that Pizza Pan Group Pty Ltd, the Australian master franchisee for Pizza Hut, has decided to extend its contract to use the Algo Dispatching Platform (“**Algo**”) following significant improvements in store performance and customer satisfaction in the initial installed stores. Originally expiring in January 2021, the agreement now extends to January 2023. As previously announced, the rollout of the Algo into all Pizza Hut Australia stores is being expedited, with installation expected to be complete by the end of Q2 2020.

Additionally, both companies are looking at a comprehensive delivery solution that will potentially utilize both the Algo, as well as the DoorDash delivery service. This is now possible due to the entry of DoorDash, America's biggest food delivery service, into Australia. The combined solution would be aimed at providing the lowest delivery time possible, whilst also optimizing labor costs and assuring that meals arrive to the customer “hot and fresh.”

Both companies have also agreed to move forward with additional projects that aim to further enhance customer experience, as part of the ongoing quest to introduce the latest technology innovations into the ever-growing food delivery segment.

Mr. Ido Levanon, Dragontail's Managing Director, commented: "The strong relationship between Pizza Hut Australia and Dragontail is enabling both companies to keep introducing new technology solutions. After DoorDash picked Australia for its first move outside North America, the three companies (DoorDash, PH Australia and Dragontail) are looking at a one-of-a-kind solution that is aimed at achieving the best possible delivery times while providing “out of oven out the door” service which assures the pizzas are always delivered hot and fresh. This will be Dragontail's second market to incorporate the DoorDash service with our AI technology, following the recent launch in the USA.”

Pizza Hut Australia's contract to use the Algo now extends to January 2023. Revenues from the contract extension are expected to be in line with other Algo customers, but will be dependent on the rate of installation and the take up by franchisees and are therefore not able to reliably estimated the at this stage.

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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.