

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

CRE8TEK LIMITED (CR8)

ABN

99 000 031 292

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-*	27
1.2 Payments for		
(a) research and development	(502)	(823)
(b) business development and marketing	(164)	(253)
(d) leased assets	-	-
(e) staff and board remuneration	(305)	(539)
(f) administration, facilities and corporate costs	(379)	(469)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – transaction costs	(59)	(63)
1.9 Net cash (used in) operating activities	(1,407)	(2,119)

* During the quarter Flamingo generated invoices for \$253,000 of paid trial work for which Flamingo expects to receive full payment. See also section 9 below.

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(29)	(29)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments - shares	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – cash on reverse acquisition	4,057	4,057
2.6	Net cash (used in) investing activities	4,028	4,028

3.	Cash flows from financing activities		
3.1	Proceeds from shares yet to be issued	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(166)	(169)
3.5	Proceeds from borrowings	335 ¹	915
3.6	Repayment of borrowings	(286) ²	(286)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from financing activities	(117)	460

4.	Net increase in cash and cash equivalents for the period	2,504	2,369
4.1	Cash and cash equivalents at beginning of quarter/year to date	27*	163
4.2	Net cash (used in) operating activities (item 1.9 above)	(1,407)	(2,119)

¹ Transfer of funds to Flamingo from Cre8tek limited prior to acquisition date, amount is excluded from section 7 below.

² Repayment of borrowing to a related entity of Cathie Reid, amount is excluded from section 7 below.

4.3	Net cash (used in) investing activities (item 2.6 above)	4,028	4,028
4.4	Net cash from financing activities (item 3.10 above)	(117)	460
	* Refer to the notes on the following page.		
4.5	Effect of movement in exchange rates on cash held	-	(1)
4.6	Cash and cash equivalents at end of quarter	2,531	2,531

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,531	27*
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,531	27*

Notes:

On 3 November 2016, Cre8tek Limited acquired 100% of Flamingo Customer Experience Inc. This transaction has been accounted for as a reverse acquisition under the guidelines and principles of AASB 2 Share Based Payments.

As a result, the Statement of Cash Flows comprises the cash transactions for Flamingo Customer Experience Inc. (and its group entities) for the full quarter and year to date periods and the cash transactions of Cre8tek Limited from the date of acquisition to the period ended 31 December 2016.

***Due to the reverse acquisition accounting the cash balance of \$27,000 shown for the previous quarter is that of Flamingo Customer Experience Inc. only. Cre8tek Limited had a cash balance of \$4.2 million for previous quarter as reported in the Appendix 4C for the quarter ended 30 September 2016.**

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2*	(47)
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

*The amounts included at 1.2 are accounted for in accordance with accounting standards through the application of reverse acquisition accounting. Payments relate to director fees' and remuneration for the CEO of the Company.

Payments of \$47,163 were paid for the quarter, in this instance the amounts are the same as those accounted under reverse acquisition accounting.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2*	(174)
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

*The amounts included at 1.2 are accounted for in accordance with accounting standards through the application of reverse acquisition accounting. Payments made to Otsana Capital for capital raising costs and advisor fees totalling to \$158,787 and legal fees totalling to \$15,000 paid to Bellanhouse Legal.

Total payments of \$249,910 were paid for the quarter, relating to capital raising costs and advisor fees paid to Otsana Capital (\$161,782) and legal fees and disbursements (\$88,122) paid to Bellanhouse Legal.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

None

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(831)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(15)
9.4 Leased assets	-
9.5 Staff costs	(336)
9.6 Administration and corporate costs	(223)
9.7 Other – receipts from customers	253*
9.8 Total estimated cash outflows	(1,152)

*Receipts from customers are for services provided by Flamingo that have been invoiced and for which Flamingo expects to receive full payment.

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	Flamingo Customer Experience Inc.	-
10.2	Place of incorporation or registration	USA	-
10.3	Consideration for acquisition or disposal	(a)	-
10.4	Total net assets	\$723,962(b)	-
10.5	Nature of business	Software as a service provider	-

(a) The acquisition of Flamingo Customer Experience Inc. was a reverse takeover transaction whereby, the consideration was the issue of 272,727,273 ordinary shares and 272,727,273 performance shares in Cre8tek Limited.

(b) Net assets of Flamingo Customer Experience Inc. prior to the reverse transaction based on audited accounts as at 31 March 2016 and as disclosed in the Investigating Accountant's Report included in the prospectus dated 13 September 2016.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:Dave Filov..... Date: 31-01-2017.....
(Company secretary)

Print name: Dave Filov

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.