



**CRE8TEK LIMITED**  
**ACN 000 031 292**

**PROSPECTUS**

**THIS PROSPECTUS IS BEING ISSUED FOR THE FOLLOWING OFFERS:**

- **A NON-RENOUNCEABLE PRO-RATA OFFER TO ELIGIBLE SHAREHOLDERS ON THE BASIS OF 10 NEW SHARES FOR EVERY 136 SHARES HELD ON THE RECORD DATE AT AN ISSUE PRICE OF \$0.04 EACH, WITH 1 FREE ATTACHING QUOTED OPTION FOR EVERY 2 NEW SHARES SUBSCRIBED ("ENTITLEMENT OFFER"), TO RAISE APPROXIMATELY \$2,000,000; AND**
- **ANY SHORTFALL UNDER THE ENTITLEMENT OFFER AT AN ISSUE PRICE OF \$0.04 PER NEW SHARE, WITH 1 FREE ATTACHING QUOTED OPTION FOR EVERY 2 NEW SHARES SUBSCRIBED ("SHORTFALL OFFER").**

**CONDITIONAL COMMITMENTS FOR THE SHORTFALL OFFER OF \$2,000,000 HAVE BEEN RECEIVED. SEE SECTIONS 1.9 AND 3.2 OF THE PROSPECTUS FOR FURTHER DETAILS.**

**THIS PROSPECTUS HAS ALSO BEEN PREPARED:**

- **FOR THE OFFER OF 43,750,000 QUOTED OPTIONS TO PLACEMENT PARTICIPANTS;**
- **FOR THE OFFER OF 60,000,000 QUOTED OPTIONS TO IRONSIDE CAPITAL (OR ITS NOMINEES) PURSUANT TO THE IRONSIDE AGREEMENT; AND**
- **FOR THE PURPOSE OF SECTION 708A(11) OF THE CORPORATIONS ACT TO REMOVE ANY TRADING RESTRICTIONS ON THE SALE OF SHARES ISSUED BY THE COMPANY PRIOR TO THE CLOSING DATE.**

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION.  
IT SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL  
ADVISER WITHOUT DELAY.**

**THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A  
HIGHLY SPECULATIVE NATURE.**

## IMPORTANT INFORMATION

This Prospectus is dated 3 April 2017 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Shares or Quoted Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at 108 Outram Street, West Perth, Western Australia during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 6.4).

The New Shares and Quoted Options offered by this Prospectus should be considered highly speculative. Please refer to Section 5 for details relating to investment risks.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

Acceptances of Securities under the Entitlement Offer can only be submitted on an original Entitlement and Acceptance Form sent with a copy of this Prospectus by the Company. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Entitlement Offer. If acceptance is by BPAY there is no need to return the original Entitlement and Acceptance Form. Applications for Additional Securities must be made on the separate section on the Entitlement and Acceptance Form sent with this Prospectus. More information on the Shortfall Offer is in Section 1.3.

No person is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia, New Zealand, Hong Kong and Singapore. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares and Quoted Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offers. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed. Definitions of certain terms used in this Prospectus are contained in Section 8. All references to currency are to Australian dollars and all references to time are to WST (Western Standard Time).

This Prospectus contains forward-looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and are considered by the Board to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this Prospectus. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

## **CORPORATE DIRECTORY**

### **Directors**

Ms Cathie Reid  
Dr Catriona Wallace

Mr Faldi Ismail  
Mr Bryn Hardcastle

Non-Executive Chair  
Chief Executive Officer  
and Executive Director  
Non-Executive Director  
Non-Executive Director

### **Share Registry\***

Automatic Registry Services  
Level 2, 267 St Georges Terrace  
PERTH WA 6000

Telephone: 1300 288 664  
Facsimile: +61 2 9698 5414

### **Company Secretary**

Mr Zane Lewis

### **Registered Office**

108 Outram Street  
WEST PERTH WA 6005

Telephone:

+61 8 9486 7244

Fax:

+61 8 9463 6373

Email:

admin@cre8tek.com.au

### **Legal Advisor**

Bellanhuse Legal  
Ground Floor, 11 Ventnor Avenue  
West Perth WA 6005

### **Lead Manager and Corporate Advisor**

Otsana Capital  
108 Outram Street  
WEST PERTH WA 6005

**ASX Code:**

CR8

**Website:**

www.cre8tek.com.au  
flamingo.ai

### **Auditor\***

BDO Audit (WA) Pty Ltd  
38 Station Street  
SUBIACO WA 6008

\*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

## PROPOSED TIMETABLE FOR THE OFFERS

Event	Date
Announcement of Placement and Entitlement Offer	Monday, 27 March 2017
Lodgement of Appendix 3B and Prospectus with ASX	Monday, 3 April 2017
Notice of Entitlement Offer sent to Shareholders	Wednesday, 5 April 2017
Shares quoted on an “EX” basis	Thursday, 6 April 2017
Record Date for determining Entitlements and Quoted Options	Friday, 7 April 2017
Despatch Notice of Meeting	Friday, 7 April 2017
Prospectus and Entitlement and Acceptance Form despatched to Eligible Shareholders	Tuesday, 11 April 2017
Entitlement Offer opening date	Tuesday, 11 April 2017
Last day to extend the offer closing date	Friday, 28 April 2017
Closing Date of Entitlement Offer (5pm WST)	Wednesday, 3 May 2017
Closing Date of Placement Options Offer and Ironside Options Offer	Wednesday, 3 May 2017
Securities quoted on a deferred settlement basis	Thursday, 4 May 2017
Notification of Shortfall	Monday, 8 May 2017
Shareholder Meeting to approve Ironside Options and Otsana Shortfall participation	Wednesday, 10 May 2017
Anticipated date for issue of the New Shares, Quoted Options, Placement Options and Ironside Options Deferred settlement trading ends	Wednesday, 10 May 2017
Anticipated date for commencement of trading of New Shares, Quoted Options, Placement Options and Ironside Options on a normal settlement basis	Thursday, 11 May 2017

All dates are indicative only and subject to change without prior written notice. Any extension of the Closing Dates will have a consequential effect on the date of issue of the securities offered under this Prospectus and will be announced to ASX.

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## LETTER FROM THE CHAIR

Dear Shareholder,

As you know, we have been making significant strides in our business since listing. We continue to see strong interest in the Flamingo platform among US-based Fortune 100 insurance providers and are now seeing early interest from Australian financial services companies translate into sales opportunities.

We have begun exploring opportunities in verticals outside of our current focus of financial services and insurance and in other geographic markets such as Asia. Additionally, we are in advanced discussions with channel partner organisations who will provide sales leads and implementation support. We are confident in our ability to grow and scale the Flamingo platform and are very excited about the business opportunities that lie ahead.

In order to accelerate this growth, your Company is in the process of raising up to \$5.5 million (before costs), comprising a \$3.5 million placement to institutional and sophisticated investors and an additional \$2 million via an entitlement offer, in which we would like to invite your participation.

With a globally renowned development team now established, proceeds will be used to accelerate and scale our Flamingo platform across a number of live customer engagements, each on track to transition into generating monthly recurring revenue. Flamingo's highly sophisticated machine learning platform is being integrated into our customers' large enterprise systems. Reaching this point has required substantial investment, however, the Company is now well funded to scale without the need to materially increase headcount.

The proposed Entitlement Offer will raise \$2 million (before costs) via the issue of approximately 50 million New Shares at \$0.04 per Share, by offering to Eligible Shareholders 10 New Shares for every 136 Shares held. Entitlement Offer participants will also receive 1 free attaching listed option for every 2 shares subscribed for, on the same terms as the Placement Options described below. Further details of the Entitlement Offer, including a timetable, are contained in this Prospectus.

The Placement, led by Otsana Capital, raised \$3.5 million via the issue of 87.5 million Shares at \$0.04 (4c) per Share. The Placement includes a 1 for 2 free attaching new listed option (exercisable at 6 cents per share with a 12 month expiry). These Placement Options are offered under this Prospectus as a separate offer.

On behalf of the Board and management team, I would like to thank you for your ongoing support. We are thrilled to have you on this journey and we look forward to keeping you updated on our progress.

Yours sincerely,



Cathie Reid  
Chair of the Board

## INVESTMENT OVERVIEW

This Section is intended to highlight key information for potential investors. It is an overview only and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Securities.

Key Information		Further Information
<b>Transaction specific prospectus</b> This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and new Quoted Options. This Prospectus has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.		Important Information
<b>Risk factors</b> Prospective investors should be aware that subscribing for Securities in the Company involves a number of risks. The risk factors set out in Section 5, and other general risks applicable to all investments in quoted securities, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered <b>highly speculative</b> . This Section summarises the key risks which apply to an investment in the Company and investors should refer to Section 5 for a more detailed summary of the risks.		Section 5
<b>Limited operating history</b>	Flamingo, the Company's main operating subsidiary, has limited operating history and there is uncertainty in relation to the business of Flamingo and investors should consider Flamingo's prospects (and therefore the Company's) in light of its limited financial history. In addition, there is no guarantee that the Company will be able to successfully further develop or commercialise Flamingo's products and if it is unable to do so it will not be able to realise significant revenues in the future.	Section 5.1
<b>Failure to attract, retain and engage clients</b>	The potential revenue streams for the Company depend on its ability to attract, retain and engage clients ( <b>Providers</b> ) to the Flamingo Platform. There is a risk that the Company and Flamingo may be unable to attract, retain and engage sufficient Providers for the potential revenue streams to materialise or be sufficient for the continued operation of the Flamingo Platform.	Section 5.1
<b>Sales and marketing success</b>	The Company intends to continue with the commercialisation of the Flamingo Platform, including brand development and sales and marketing. By its nature, there is no guarantee that the Company's brand development and sales and marketing campaign will be successful. In the event that it is not, the Company may encounter difficulty in creating market awareness of the	Section 5.1



Key Information		Further Information
	<p>brand. This would likely have an adverse impact on the Company's ability to generate revenue.</p> <p>Even if the Company does successfully commercialise the Flamingo Platform, there is a risk the Company will not achieve a commercial return. The Company may not be able to sell products and services to clients at a rate which covers its operating and capital costs, or new technology may overtake the Company's technology.</p>	
Competition and new technologies	<p>The industry in which the Company is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could overtake the advancements made by the Flamingo Platform. In that case, the Company's revenues and profitability could be adversely affected.</p> <p>The Company's competition may include businesses with much higher capitalisation and substantially greater resources. These competitors may succeed in developing products and services which are either superior or additional to the Company's, resulting in the migration of existing clients and potential clients to a competitor's business. Competitors with increased access to capital could lead to the Company's business becoming uncompetitive.</p> <p>Further, the cost and time for a new competitor (including new entrants) to develop competing technology or products may not be significant, and may be substantially less than the implied market capitalisation of the Company based on the issue price of \$0.04 per Share. This may result in a heightened risk of competition to the Company. If a person or entity successfully develops and commercialises a competing product, this may have a materially adverse effect on the value and prospects of the Company and consequently on the value of your investment.</p>	Section 5.1
Increased investment in product development and support	<p>There is a risk that maintaining and upgrading the Company's existing products as well as new product development may lead to a higher than anticipated investment spend on IT development.</p>	Section 5.1

Key Information		Further Information
Additional requirements for capital	<p>The funds raised under the Placement and Entitlement Offer are considered sufficient to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operations plans in the future (including in relation to Flamingo) to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. Further additional financing will be required if the Board determines to accelerate the development of the Company's technology.</p> <p>The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of their activities and potential research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.</p>	Section 5.2
<p><b>The Entitlement Offer</b></p> <p>The Company is making a non-renounceable pro-rata offer on the basis of 10 New Shares for every 136 Shares held at 5:00pm (WST) on the Record Date, with 1 free attaching Quoted Option for every 2 New Shares subscribed (<b>Entitlement Offer</b>).</p> <p><b>The Shortfall Offer</b></p> <p>Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer. The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three (3) months following the Entitlement Offer Closing Date. All New Shares and attaching Quoted Options issued under the Shortfall Offer shall be issued on the same terms as the New Shares and Quoted Options being offered under the Entitlement Offer (including the issue price).</p> <p><b>The Placement</b></p> <p>The Company has agreed to issue 87,500,000 New Shares at \$0.04 per New Share (the same issue price as the Entitlement Offer) to sophisticated and professional investors introduced by Otsana Capital (<b>Placement Participants</b>), together with 1 free attaching Quoted Option for every 2 Shares subscribed (<b>Placement Options</b>) for by each Placement Participant (<b>Placement</b>). The Placement raised \$3,500,000 (before costs). A secondary purpose of this Prospectus is to make the offer of the attaching Quoted Options to Placement Participants and to also meet the requirements of section 708A(11) of the Corporations Act so that any trading restrictions on New Shares issued pursuant to the Placement may be removed.</p>		Sections 1.1 to 1.5 inclusive

Key Information		Further Information																					
<p><b>Ironside Options</b></p> <p>Ironside Capital, an unrelated party to the Company, has conditionally agreed to take up \$2 million of shortfall from the Entitlement Offer, subject to (among other things) Ironside receiving binding commitments for that amount, which it has confirmed it has received (see Section 3.2 for further details).</p> <p>As part consideration for this commitment, Ironside (or its nominees) will, subject to prior Shareholder approval, be issued with 60 million options on the same terms as the Quoted Options (<b>Ironside Options</b>).</p> <p>A secondary purpose of this Prospectus is to make the offer of Ironside Options to Ironside (or its nominees). This offer is made subject to receipt of prior Shareholder approval for the issue of the Ironside Options.</p>																							
<p><b>Eligible Shareholders</b></p> <p>The Entitlement Offer is made to Eligible Shareholders only. Eligible Shareholders are those Shareholders who:</p> <ul style="list-style-type: none"><li>• are the registered holder of Shares as at 5.00pm (WST) on the Record Date; and</li><li>• have a registered address in Australia or, subject to the offer restrictions in Sections 1.18 to 1.22 inclusive, New Zealand, Hong Kong and Singapore.</li></ul>		Sections 1.18 to 1.22 inclusive																					
<p><b>Use of funds</b></p> <p>Funds raised under the Offers and Placement are intended to be used as follows:</p> <table><tr><th>Allocation of funds</th><th>Amount (\$)</th><th>%</th></tr><tr><td>Expenses of Placement and Offers</td><td>380,000</td><td>6.9</td></tr><tr><td>Journey Assist Platform &amp; Rosie Development</td><td>1,950,000</td><td>35.5</td></tr><tr><td>Expansion of sales and marketing team and activities</td><td>1,100,00</td><td>20.0</td></tr><tr><td>Client services delivery and implementations</td><td>650,000</td><td>11.8</td></tr><tr><td>General working capital, including corporate and administrative costs</td><td>1,420,000</td><td>25.8</td></tr><tr><td><b>Total</b></td><td><b>\$5,500,000</b></td><td><b>100</b></td></tr></table>		Allocation of funds	Amount (\$)	%	Expenses of Placement and Offers	380,000	6.9	Journey Assist Platform & Rosie Development	1,950,000	35.5	Expansion of sales and marketing team and activities	1,100,00	20.0	Client services delivery and implementations	650,000	11.8	General working capital, including corporate and administrative costs	1,420,000	25.8	<b>Total</b>	<b>\$5,500,000</b>	<b>100</b>	Section 1.6
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Key Information					Further Information
<b>Indicative capital structure</b> The indicative capital structure upon completion of the Offers is set out below:					Section 4.1
	Shares	Quoted Options	Performance Shares	Unquoted Options	Performance Rights
On issue prior to Placement and Offers	596,380,586	-	279,877,273	81,366,123	30,000,000
Placement	87,500,000	43,750,000	-	-	-
Entitlement Offer	50,285,337	25,142,669	-	-	-
Ironside Options	-	60,000,000	-	-	-
Employee Options	-	-	-	8,765,363	-
<b>Total</b>	<b>734,165,923</b>	<b>128,892,669</b>	<b>279,877,273<sup>1</sup></b>	<b>90,131,486<sup>2</sup></b>	<b>30,000,000<sup>3, 4</sup></b>
<b>Notes:</b> 1. Comprised of 93,292,459 Class A performance shares, 93,292,407 Class B performance shares and 93,292,407 Class C performance shares. Full terms and conditions of the performance shares are set out in the Company's prospectus lodged with ASX on 14 September 2016. The Company notes that if the Nationwide master services agreement remains on foot in May 2017, the Class A performance shares will become convertible into Shares (see sections 9.2(a) and 10.2 of the Company's prospectus lodged with ASX on 14 September 2016). ASX escrow applies to the Class A performance shares, with 64,146,101 escrowed until 17 November 2018 and 29,146,358 escrowed until 3 November 2017. 2. Comprised of: (a) 14,842,738 unquoted options exercisable between \$0.029 and \$0.08 each, issued to employees and consultants pursuant to the Company's incentive scheme. Of this figure a total of 8,765,363 options are expected to be issued to employees under the Company's employee incentive scheme prior to the Issue Date; (b) 25,000,000 options exercisable at \$0.02 each on or before 4 November 2019 (escrowed until 5 February 2018); (c) 50,000,000 options exercisable at \$0.03 each on or before 5 February 2019 (escrowed until 5 February 2018); and (d) 288,748 legacy options exercisable between \$3.00 and \$6.00 each on or before 5 February 2018. 3. Comprised of 9,999,999 Class A performance rights, 9,999,999 Class B performance rights and 10,000,002 Class C performance rights. Full terms and conditions of the performance rights are set out in the Company's prospectus lodged with ASX on 8 December 2015. All performance rights escrowed until 5 February 2018; 4. Note the Company has received shareholder approval to issue 3,000,000 Class D, 3,000,000 Class E and 3,000,000 Class F performance rights equally as between non-executive directors Ms Cathie Reid, Mr Bryn Hardcastle and Mr Faldi Ismail. The Class D, E and F performance rights have the same milestones and the Class A, B C performance shares in Note 2 above. The Class D, E and F performance rights must be issued by 30 November 2017.					

Key Information		Further Information																							
<b>Pro-forma balance sheet</b> The indicative pro-forma balance sheet showing the effect of the Offers is in Section 4.2.		Section 4.2																							
<b>Ironside Agreement and Otsana Capital Shortfall Commitment</b> Ironside Capital, an unrelated party to the Company, has conditionally agreed to take up \$2 million of shortfall from the Entitlement Offer, subject to (among other things) Ironside receiving binding commitments for that amount, which it has confirmed it has received (see Section 3.2 for further details). A summary of the key terms of the Ironside Agreement, including the ability for Ironside to terminate, is set out in Section 3.2. Significantly, one of those termination rights is that Ironside may terminate in the event a party which has provided it a binding commitment defaults on that commitment.  Otsana Capital and an institutional investor has each provided a binding commitment to Ironside to take up to \$1 million each of any Entitlement Offer Shortfall, with Otsana’s commitment subject to receipt of prior shareholder approval.		Sections 1.9 and 3.2																							
<b>Effect on control of the Company</b> Shareholders should note that if they do not participate in the Entitlement Offer, their holdings will be diluted.  No investor or existing Shareholder will hold a voting power greater than 20% as a result of the Placement or the Offers.		Section 1.11																							
<b>Directors' interests in Shares and Entitlements</b> The relevant interest of each of the Directors in Shares as at the date of this Prospectus, together with their respective Entitlement is set out in the table below:		Sections 6.7, 6.8 and 1.9																							
<table><tr><th rowspan="2">Name</th><th rowspan="2">Existing Shares</th><th colspan="2">Entitlement</th></tr><tr><th>New Shares</th><th>Quoted Options</th></tr><tr><td>Dr Catriona Wallace</td><td>115,841,391</td><td>8,517,749</td><td>4,258,875</td></tr><tr><td>Ms Cathie Reid</td><td>62,848,740</td><td>4,621,231</td><td>2,310,615</td></tr><tr><td>Mr Faldi Ismail</td><td>4,750,000</td><td>349,265</td><td>174,632</td></tr><tr><td>Mr Bryn Hardcastle</td><td>Nil</td><td>Nil</td><td>Nil</td></tr></table>				Name	Existing Shares	Entitlement		New Shares	Quoted Options	Dr Catriona Wallace	115,841,391	8,517,749	4,258,875	Ms Cathie Reid	62,848,740	4,621,231	2,310,615	Mr Faldi Ismail	4,750,000	349,265	174,632	Mr Bryn Hardcastle	Nil	Nil	Nil
Name	Existing Shares	Entitlement																							
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Ms Cathie Reid	62,848,740	4,621,231	2,310,615																						
Mr Faldi Ismail	4,750,000	349,265	174,632																						
Mr Bryn Hardcastle	Nil	Nil	Nil																						
Details of the Directors’ holdings of other Securities in the Company are set out in Section 6.8.																									

Key Information	Further Information
<p>Dr Wallace has indicated she will subscribe for \$30,000 worth of New Shares (750,000 New Shares).</p> <p>Ms Reid has indicated she will subscribe for \$50,000 worth of New Shares (1,250,000 New Shares).</p> <p>Mr Ismail has indicated he will subscribe for his full entitlement, being \$13,970. In addition, Otsana Capital, an entity associated with Mr Ismail, has subject to prior Shareholder approval, committed to subscribing for up to \$1 million of any Shortfall from the Entitlement Offer.</p>	

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# 1. Details of the Offers

## 1.1 The Offers

This Prospectus is primarily being issued for the following offers:

- (a) the Entitlement Offer; and
- (b) the Shortfall Offer.

This Prospectus is also being issued for the offer of the Placement Options and Ironside Options to selected parties.

## 1.2 Entitlement Offer

The Company is making a non-renounceable pro-rata offer on the basis of 10 New Shares for every 136 Shares held at 5:00pm (WST) on the Record Date at an issue price of \$0.04 per New Share, with 1 free attaching Quoted Option for every 2 New Shares subscribed (**Entitlement Offer**).

The Entitlement Offer will raise approximately \$2,011,413 (before expenses) such that a maximum of approximately 50,285,337 New Shares will be issued, with approximately 25,142,669 free attaching Quoted Options.

The Company has as at the date of this Prospectus 596,380,586 Shares and no Quoted Options on issue. Prior to the Record Date, the Company will issue 87,500,000 Placement Shares so that the issued share capital of the Company at the Record Date will be approximately 683,880,586 (see Section 1.4).

The Company also intends to issue 43,750,000 Quoted Options to the participants in the Placement (**Placement Options**). The Placement Options will be issued pursuant to this Prospectus under the Placement Options Offer and on the same terms and conditions as the Quoted Options set out in Section 6.2.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a Share or Quoted Option, such fraction will be rounded up to the nearest whole Share or Quoted Option. Further details on the rights and liabilities attaching to the New Shares proposed to be issued under the Offers are contained in Section 6.1. The Quoted Options will be granted on the terms and conditions set out in Section 6.2.

Refer to Section 4.1 for additional information regarding the effect of the Offers on the capital structure of the Company.

## 1.3 Shortfall Offer

Any Entitlement not taken up pursuant to the Entitlement Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three (3) months following the Entitlement Offer Closing Date. All New Shares and attaching Quoted Options issued under the Shortfall Offer shall be issued on the same terms as the New Shares and Quoted Options being offered under the Entitlement Offer (including the issue price).

Eligible Shareholders may apply for Additional Securities under the Shortfall Offer by completing the prescribed section on the Entitlement and Acceptance Form designated to the Shortfall and by paying the appropriate Application Monies in accordance with the instructions set out on the Entitlement and Acceptance Form.

The Directors, in conjunction Ironside Capital, reserve the right to issue Shortfall Securities at their absolute discretion. As such there is no guarantee that Applicants under the Shortfall Offer will receive any Additional Securities, applied for under the Shortfall Offer. The Directors, in conjunction with Ironside, reserve the right to issue to an Applicant a lesser number of Shortfall Securities than the number for which the Applicant applies, or to reject an Application, or to not proceed with placing the Shortfall Securities. In that event, Application Monies will be refunded by the Company (without interest) in accordance with the provisions of the Corporations Act.

Pursuant to the Ironside Agreement, Ironside has conditionally agreed to take up \$2 million of Shortfall from the Entitlement Offer, subject to (among other things) Ironside receiving binding commitments for that amount, which it has confirmed it has received (see Section 3.2 for further details). A summary of the key terms of the Ironside Agreement, including the ability for Ironside to terminate, is set out in Section 3.

Otsana Capital (an entity associated with Director Mr Faldi Ismail) and an institutional investor has each provided a binding commitment to Ironside to take up to \$1 million each of any Shortfall, with Otsana's commitment subject to receipt of prior Shareholder approval.

## 1.4 Placement

As announced to the ASX on 27 March 2017, the Company has agreed to issue 87,500,000 New Shares at \$0.04 per New Share (the same issue price as the Entitlement Offer) to sophisticated and professional investors introduced by Otsana Capital (**Placement Participants**), together with 1 free attaching Quoted Option for every 2 Shares subscribed (**Placement Options**) for by each Placement Participant (**Placement**). The Placement will raise up to \$3,500,000 (before costs). A secondary purpose of this Prospectus is to make the offer of the Placement Options to Placement Participants (**Placement Options Offer**) and to also meet the requirements of section 708A(11) of the Corporations Act so that any trading restrictions on New Shares issued pursuant to the Placement may be removed.

The 87,500,000 New Shares to be issued under the Placement are expected to be issued to the Placement Participants on or about 3 April 2017. The 43,750,000 free attaching Placement Options will be issued to the Placement Participants on the Issue Date.

As the issue date of the New Shares under the Placement will be prior to the Record Date for the Entitlement Offer, the Placement Participants will be entitled to participate in the Entitlement Offer.

The Placement Options are being issued with disclosure under this Prospectus in order to:

- (a) remove any secondary sale restrictions that may otherwise attach to the Placement Options; and



- (b) ensure a disclosure exception is available for the issue of Shares on the exercise of the Placement Options and any on-sale of those Shares in the 12 months from the date of issue.

Generally, section 707(3) of the Corporations Act requires a prospectus to be issued if securities are offered for sale within 12 months from their issue and the issue of those securities was made without disclosure (for example, under a prospectus) to investors under Chapter 6D of the Corporations Act.

However, section 708A(11) of the Corporations Act provides an exemption from this general requirement, and accordingly, a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
  - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
  - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

As mentioned above, a secondary purpose of this Prospectus is to comply with section 708A(11) of the Corporations Act and to relieve the Placement Participants and the Company from the obligation to issue a prospectus if the Placement Participants wish to sell any Shares received under the Placement within 12 months of issue.

The Placement Options are exercisable at \$0.06 each on or before the date that is 12 months from their issue and will be issued on the terms and conditions set out in Section 6.2, being the same conditions as the free attaching Quoted Options being offered under the Entitlement Offer.

The Company has applied for quotation of these the Placement Options on the date of this Prospectus.

The Shares issued upon exercise of the Placement Options will be fully paid and will rank equally with Shares on issue at the date of this Prospectus. A summary of the rights and liabilities attaching to Shares is set out in Section 6.1.

## **1.5 Ironside Options**

Ironside Capital, an unrelated party to the Company, has conditionally agreed to take up \$2 million of Shortfall from the Entitlement Offer, subject to (among other things) Ironside receiving binding commitments for that amount, which it has confirmed it has received (see Section 3.2 for further details).

As part consideration for this commitment, Ironside (or its nominees) will, subject to prior Shareholder approval, be issued with 60 million Options on the same terms as the Quoted Options (**Ironside Options**).

A secondary purpose of this Prospectus is to make the offer of Ironside Options to Ironside (or its nominees). This offer is made subject to receipt of prior Shareholder approval for the issue of the Ironside Options. The Notice of Meeting is anticipated to be despatched to Shareholders on or around Friday, 7 April 2017.

## 1.6 Purpose of the Placement, Offers and Use of Funds

Completion of the Placement and Offers will result in an increase in cash at hand of up to approximately \$5,500,000 (before costs).

The funds raised from the Placement and Entitlement Offer are planned to be used in accordance with the table set out below:

Allocation of funds	Amount (\$)	%
Expenses of Placement and Offers	380,000	6.9
Journey Assist Platform & Rosie Development	1,950,000	35.5
Expansion of sales and marketing team and activities	1,100,00	20.0
Client services delivery and implementations	650,000	11.8
General working capital, including corporate and administrative costs	1,420,000	25.8
<b>Total</b>	<b>\$5,500,000</b>	<b>100</b>

**Note:** Refer to Section 6.12 of this Prospectus for further details relating to the estimated expenses of the Offers.

If the Company does not raise the full amount under the Placement and Entitlement Offer, funds allocated will be scaled back on a pro-rata basis.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

There is no certainty to when or what extent any Quoted Options issued under the Entitlement Offer, Placement Options or Ironside Options will be exercised. Depending on the amount raised (if any) from the exercise of those options, the Directors current intention is to apply the funds towards the continued development and improvement of Rosie (the Company's artificial intelligence software) and the Journey Assist platform, increasing internal resources for improved client services delivery and implementation and general working capital.

## 1.7 Opening and Closing Dates

For the Entitlement Offer, the Company will accept Entitlement and Acceptance Forms from the date the Company announces to ASX that despatch of the Prospectus to Eligible Shareholders has occurred until 5:00pm WST on Wednesday, 3 May 2017 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Entitlement Offer Closing Date**).

The Shortfall Offer will remain open for up to three months after the Entitlement Offer Closing Date.

The Placement Options Offer and Ironside Options Offer will remain open until the Entitlement Offer Closing Date.

## 1.8 Minimum subscription

There is no minimum subscription for the Offers. As Ironside has conditionally committed to take up to \$2 million of Shortfall, it is anticipated that the Entitlement Offer will only be undersubscribed if the Ironside Agreement is terminated (refer to Section 3.2 for further details relating to the Ironside Agreement).

## 1.9 Conditionally committed Shortfall

Ironside has entered the Ironside Agreement pursuant which it conditionally commits to take up to \$2 million worth of Shares and attaching Quoted Options (being 50,000,000 Shares and 25,000,000 Quoted Options) in the event of any Shortfall. A material condition to the Ironside Agreement is that Ironside receive binding commitments for that amount, which it has confirmed it has received. Otsana Capital (an entity associated with Director Mr Faldi Ismail) and an institutional investor has each provided a binding commitment to Ironside to take up to \$1 million each of any Shortfall, with Otsana Capital's commitment subject to receipt of prior Shareholder approval.

Ironside is a privately owned investment and corporate advisory group specialising in the provision of corporate advice, generally for companies below \$150m market capitalisation. In particular, Ironside's expertise and experience covers the provision of corporate advice and the leading of transactions in the areas of capital raising (debt and equity), mergers and acquisitions, takeovers, management buyouts, reverse takeovers, trade sales and investor relations.

In consideration for Ironside's obligations, the Company has agreed to:

- (a) pay Ironside a fee of 6% (plus GST) of the total gross amount committed by it (being a fee of \$120,000); and
- (b) subject to Shareholder approval, issue 60 million Quoted Options to Ironside or its nominees (**Ironside Options**).

A separate offer to Ironside or its nominees is being made under this Prospectus for the Ironside Options.

A summary of the Ironside Agreement is contained in Section 3.2, including the events in which Ironside may terminate the agreement. Significantly, one of those termination rights is that Ironside may terminate in the event a party which has provided it a binding commitment defaults on that commitment. Further details are provided in Section 3.2.

## 1.10 Substantial Shareholders

As at the date of the Prospectus, the Company has the following substantial Shareholders:

Substantial Shareholder	Number of Shares	Voting power
Phoenixavier Pty Ltd - an entity associated with Dr Catriona Wallace	115,814,388	16.93%
Flamingo 31 Pty Ltd - an entity associated with Ms Cathie Reid	62,848,740	9.19%

## 1.11 Effect of the Offers on control of the Company and potential dilution

The total number of New Shares proposed to be issued under the Entitlement Offer is 50,285,337 which will constitute 6.85% of the Shares on issue following completion of the Placement and Offers (assuming no other Shares are issued or Securities exercised or converted to Shares prior to the Record Date).

The Company is of the view that the Offers will not affect the Control (as defined by section 50AA of the Corporations Act) of the Company.

Ironside presently has no Shares in the Company, and it has indicated that it has no intention of acquiring Shares in the Company prior to the Record Date. Further, Ironside has advised the Company that Ironside has entered into binding sub-commitment agreements for up to \$2 million in total. Accordingly, it is unlikely that Ironside itself will be taking up the Shortfall, as these obligations are intended to be passed on.

Ironside has advised the Company that no party it has received a binding commitment from may potentially hold voting power of 20% or above.

No nominee has been appointed for Ineligible Foreign Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of their Entitlement, they must have regard to section 606 of the Corporations Act. Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in section 606 as a result of acceptance of their Entitlement should seek professional advice before completing and returning their Entitlement and Acceptance Form.

Eligible Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted. Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record Date	% at Record Date	Entitlements under Entitlement Offer	Holdings if Entitlement not taken up	% post Offers only
Shareholder 1	100,000,000	14.62%	7,352,941	100,000,000	13.62%
Shareholder 2	75,000,000	10.97%	5,514,706	75,000,000	10.22%
Shareholder 3	50,000,000	7.31%	3,676,471	50,000,000	6.81%
Shareholder 4	25,000,000	3.66%	1,838,235	25,000,000	3.41%
Shareholder 5	10,000,000	1.46%	735,294	10,000,000	1.36%
Shareholder 6	5,000,000	0.73%	367,647	5,000,000	0.68%

**Notes:**

1. The dilution effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall is not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.
2. The table above does not take into consideration the Quoted Options and the dilution effect that the exercise of any of the Quoted Options would have on the Shareholders.

### **1.12 Rights trading**

The rights under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your right to subscribe for New Shares or Quoted Options to another party. If you do not take up your Entitlement under the Entitlement Offer by the Entitlement Offer Closing Date, the Entitlement Offer to you will lapse.

### **1.13 Application Forms**

#### **(a) Entitlement Offer**

Acceptance of a completed Entitlement and Acceptance Form by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares and Quoted Options accepted by the Company. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of New Shares and Quoted Options.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form, is final.

The Company will send this Prospectus, together with an Entitlement and Acceptance Form, to all Eligible Shareholders.

**(b) Placement Options and Ironside Options Offers**

Separate application forms will be provided, together with a copy of this Prospectus, to those parties selected to participate in the Placement Options Offer (being the Placement Participants) and Ironside Options Offer.

Acceptance of a completed application form by the Company creates a legally binding contract between the Applicant and the Company for the number of Placement Options or Ironside Options (as the case may be) accepted by the Company. The relevant application form does not need to be signed to be a binding acceptance of Placement Options or Ironside Options (as the case may be).

If the relevant application form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat an application form as valid and how to construe, amend or complete the application form, is final.

**1.14 Issue Date and dispatch**

All Securities under the Entitlement Offer and Placement, are expected to be issued on or before the date specified in the proposed timetable in this Prospectus.

Security holder statements will be dispatched at the end of the calendar month following the issue of the New Shares and Quoted Options under the Offers and Placement.

It is the responsibility of Applicants to determine their allocation prior to trading their New Shares. Applicants who sell Shares before they receive their holding statements do so at their own risk.

**1.15 Application Monies held on trust**

All Application Monies received for the New Shares under the Entitlement Offer will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Shares and Quoted Options are issued under the Entitlement Offer. All Application Monies received in respect of the Entitlement Offer will be returned (without interest) if the New Shares and Quoted Options under the relevant Entitlement Offer are not issued.

**1.16 ASX quotation**

Application has been made for the official quotation of the New Shares and Quoted Options offered by this Prospectus. If permission is not granted by ASX for the official quotation of the New Shares and Quoted Options offered by this Prospectus within three months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

### **1.17 CHESS**

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares and Quoted Options.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of Shares and Quoted Options issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares and Quoted Options.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by the Company's Share Registry and will contain the number of Shares and Quoted Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

### **1.18 Overseas investors**

No Offers will be made to Ineligible Foreign Shareholders. This Prospectus, and any accompanying application form, do not, and is not intended to, constitute an offer of New Shares and attaching Quoted Options in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the New Shares and attaching Quoted Options under the Offers.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Shareholders with a registered address outside Australia should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to accept or deal with their Entitlement. The return of a completed application form from an Applicant with a registered address outside Australia will be taken by the Company to constitute a representation and warranty by that Shareholder that all relevant approvals have been obtained and that the Company may legally issue the New Shares and Quoted Options to that Applicant.

### **1.19 New Zealand offer restrictions**

The New Shares and Quoted Options are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand at the Record Date.

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

### **1.20 Hong Kong**

**WARNING:** The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Entitlement Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

### **1.21 Singapore**

This Prospectus and any other materials relating to the New Shares or Quoted Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares or Quoted Options may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are an existing holder of the Company's Shares. In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares or Quoted Options being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares or Quoted Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### **1.22 Notice to nominees and custodians**

Nominees and custodians that hold Shares should note that the Entitlement Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.



### **1.23 Risk factors**

An investment in Securities of the Company should be regarded as highly speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 5.

### **1.24 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Shares and Quoted Options under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Securities under this Prospectus.

### **1.25 Major activities and financial information**

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2016 and half year ended 31 December 2016 can be found in the Company's 2016 Annual Financial Report and Half Year Report for the interim period 1 July 2016 to 31 December 2016, respectively, lodged with ASX. The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of the Company's Annual Financial Report on 30 September 2016 are listed in Section 6.4. Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

### **1.26 Privacy**

The Company collects information about each Applicant provided on an application form for the purposes of processing the Acceptance and, if the Acceptance is successful, to administer the Applicant's Shareholding in the Company.

By submitting an application form, each Applicant agrees that the Company may use the information provided by an Applicant on the application form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the application form, the Company may not be able to accept or process your Acceptance or Application (as applicable).

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

## **1.27 Enquiries concerning Prospectus**

For all enquiries concerning the Entitlement and Acceptance Form and the Prospectus, please contact the Company's share registry, Automic Registry Services on 1300 288 664 (within Australia) or +61 (0)2 9698 5414 (outside Australia) or [hello@automic.com.au](mailto:hello@automic.com.au).

For general shareholder enquiries, please contact Jon Snowball at FTI Consulting on +61 2 8298 6100 or [investor@flamingo.io](mailto:investor@flamingo.io).

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## 2. Action required by Eligible Shareholders

### 2.1 What Eligible Shareholders may do

The number of New Shares, and the number of attaching Quoted Options to which Eligible Shareholders are entitled, are shown on the accompanying personalised Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) accept all New Shares and free attaching Quoted Options under the Entitlement Offer (refer to Section 2.2);
- (b) accept only part of your Entitlement under the Entitlement Offer and allow the remaining Entitlement to lapse (refer to Section 2.3);
- (c) apply for Additional Securities (refer to Section 2.4); or
- (d) allow all or part of your Entitlement to lapse (refer to Section 2.5).

### 2.2 Acceptance of New Shares under the Entitlement Offer

Should you wish to accept all of your Entitlement to New Shares (and free attaching Quoted Options on the basis of 1 Quoted Option for every 2 New Shares subscribed) under the Entitlement Offer and you are paying via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form. If you elect to pay via BPAY you will not need to return the Entitlement and Acceptance Form. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the Entitlement Offer Closing Date.

Should you wish to accept all of your Entitlement to New Shares (and free attaching Quoted Options on the basis of 1 Quoted Option for every 2 New Shares subscribed) under the Entitlement Offer and you are **not** paying by BPAY, then applications for New Shares under this Prospectus must be made on the Entitlement and Acceptance Form, which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the Entitlement and Acceptance Form by filling in the details in the spaces provided and attach a cheque, bank draft or money order for the amount indicated on the Entitlement and Acceptance Form.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Cre8tek Limited - Share Application Account" and lodged at any time after the issue of this Prospectus and on or before the Entitlement Offer Closing Date at the Company's Share Registry at:

By Mail	By Hand
Cre8tek Limited C/- Automic PO Box 2226 Strawberry Hills NSW 2012	Automic Level 3 50 Holt Street Surry Hills, NSW 2010

### **2.3 If you wish to accept only part of your Entitlement under the Entitlement Offer and allow the remaining Entitlement to lapse**

Follow the instructions in Section 2.2 in relation to the Entitlement under the Entitlement Offer that you wish to accept.

If you do not wish to accept part of your Entitlement, you are not obliged to do anything. The part of the Entitlement Offer that you do not accept will lapse by the Entitlement Offer Closing Date. The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your Entitlement.

### **2.4 If you wish to apply for Additional Securities**

If you wish to apply for New Shares in excess of your Entitlement under the Entitlement Offer by applying for Additional Securities, you may do so by completing the relevant separate section of the Entitlement and Acceptance Form relating to the Shortfall Offer and which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Entitlement and Acceptance Form. Any New Shares applied for in excess of your Entitlement will be applied for under the Shortfall Offer and will be issued at the complete discretion of the Directors.

Completed Entitlement and Acceptance Forms must be accompanied by a cheque, bank draft or money order in Australian dollars, crossed "Not Negotiable" and made payable to "Cre8tek Limited - Share Application Account" and lodged at any time after the issue of this Prospectus and on or before the Entitlement Offer Closing Date at the Company's Share Registry (by delivery or by post) at:

By Mail	By Hand
Cre8tek Limited C/- Automic PO Box 2226 Strawberry Hills NSW 2012	Automic Level 3 50 Holt Street Surry Hills, NSW 2010

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the date and time mentioned above. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

### **2.5 Entitlements not taken up**

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. The Entitlement Offer will lapse by the Entitlement Offer Closing Date. The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your Entitlement.

### **2.6 Enquiries concerning your Entitlement**

See Section 1.27 for contact details in the event you have any queries.

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## 3. Material contracts

### 3.1 Placement Agreement

As announced to ASX on 27 March 2017, pursuant to a placement agreement between the Company and Otsana Capital (**Placement Agreement**), Otsana Capital has agreed to lead manage the Placement and has provided a firm commitment to place the Placement Shares on the following material terms.

- (a) Payment of a:
  - (i) lead manager fee of 2% (excluding GST) of the total funds raised under the Placement; and
  - (ii) commission equal to 4% (excluding GST) of the total funds raised under the Placement.
- (b) Otsana may terminate the Placement Agreement upon the occurrence of any of the following events:
  - (i) **(material adverse change)**: any adverse change occurs which materially impacts or could reasonably be expected to impact the assets, operational or financial position of the Company or a related corporation (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a related corporation);
  - (ii) **(ASX listing)**: ASX does not give approval for the Placement Shares to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;
  - (iii) **(default)**: the Company is in default of any of and the terms conditions of the Placement Agreement or breaches any warranty or covenant given or made by it under the Placement Agreement;
  - (iv) **(event of insolvency)**: an event of insolvency occurs in respect of the Company or a related corporation;
  - (v) **(extended force majeure)**: a force majeure, which prevents or delays the performance of an obligation under the Placement Agreement, lasting in excess of 2 weeks, occurs;
  - (vi) **(judgment against a related corporation)**: a judgment in an amount exceeding \$50,000 is obtained against the Company or a related corporation and is not set aside or satisfied within 7 days;
  - (vii) **(prescribed occurrence)**: a prescribed occurrence occurs, without the prior approval of Otsana Capital. This includes events such as altering the share capital of the Company, agreeing to dispose of or disposing of a whole or substantial part of the Company's business, and agreeing to provide security over a whole or substantial part of the Company's business.

The Placement Agreement is otherwise considered to be on terms standard for agreements of this nature.

### 3.2 Ironside Agreement

Ironside has entered into an agreement with the Company pursuant to which it has conditionally agreed to take up \$2 million of Shortfall from the Entitlement Offer (**Ironside Agreement**), on the material terms and conditions set out below.

Pursuant to the Ironside Agreement, the Company has agreed to pay Ironside:

- (a) a fee of 6% of the funds it has committed to take up (i.e. 6% of \$2m); and
- (b) subject to Shareholder approval, 60,000,000 Ironside Options, to be issued to Ironside or its nominees (none of whom are permitted to be related parties of the Company).

The obligation of Ironside to take up any Shortfall is conditional on Ironside obtaining binding commitments in respect of up to \$2m of Shortfall. Ironside has confirmed to the Company this condition has been met (see Section 1.9 and 3.3). Ironside may nominate and determine the allottees of Shortfall Securities.

Ironside's obligation to take up any Shortfall Securities is subject to certain events of termination. A summary of the key events pursuant to which Ironside may terminate its obligations under the Ironside Agreement prior to the issue of the Shortfall Securities is set out below.

- (a) **binding third party commitments:** any party who has provided Ironside with a binding commitment to take up Shortfall Securities defaults on its commitment;
- (b) **Prospectus:** any of the following occurs in relation to the Prospectus:
  - (i) Ironside reasonably forms the view that there is a material omission, it contains a material statement which is misleading or deceptive, or a material statement has become misleading or deceptive;
  - (ii) Ironside reasonably forms the view that any projection or forecast in the Prospectus becomes, to a material extent, incapable of being met or unlikely to be met in the projected time;
  - (iii) ASIC gives notice of intention to hold a hearing under section 739(2) of the Corporations Act or makes an interim order under section 739(3) of the Corporations Act; or
  - (iv) any person other than Ironside who consented to being named in the Prospectus withdraws that consent;
- (c) **supplementary prospectus:** Ironside reasonably forms the view that a supplementary or replacement document (as appropriate) must be lodged with ASIC under section 719 or section 724 of the Corporations Act and the Company does not lodge a supplementary or replacement document (as the case may be) in the form and content and within the time reasonably required by Ironside;

- (d) **ASX listing:** ASX does not give approval for the Securities, to be issued pursuant to the Offers, to be listed for official quotation or, if approval is granted, the approval is subsequently withdrawn, qualified or withheld;
- (e) **index change:** the ASX All Ordinaries Index as determined at close of trading falls at least 15% below its level at the close of trading on the date of the Ironside Agreement for any three consecutive trading days from the date of execution of the Ironside Agreement and concluding at the time of the issue of the Shortfall Securities;
- (f) **indictable offence:** a director of the Company or any related corporation is charged with an indictable offence;
- (g) **return of capital or financial assistance:** the Relevant Company takes any steps to undertake a proposal contemplated under section 257A or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of Ironside;
- (h) **banking facilities:** the Company's bankers not terminating or issuing any demand or penalty notice or amending the terms of any existing facility or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility;
- (i) **change in laws:** any of the following occurs:
  - (i) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia;
  - (ii) the public announcement of prospective legislation or policy by the Federal Government, or the Government of any State or Territory; or
  - (iii) the adoption by the ASIC, its delegates, ASX, the Reserve Bank of Australia or any other regulatory authority of any regulations or policy,

which does or is likely to prohibit, restrict or regulate the principal business of the Company, the Offers or the operation of stock markets generally;

- (j) **failure to comply:** the Relevant Company fails to comply with any of the following:
  - (i) a provision of its Constitution;
  - (ii) any statute;
  - (iii) a requirement, order or request, made by or on behalf of the ASIC or any Governmental Agency; or
  - (iv) any material agreement entered into by it,

which is likely to prohibit or materially restrict the business of the Company or the Offers;

- (k) **alteration of constitution:** the Company alters its Constitution without the prior written consent of Ironside;
- (l) **extended force majeure:** a Force Majeure, which prevents or delays an obligation under the Ironside Agreement, lasting in excess of two (2) weeks occurs;
- (m) **default:** the Company is in default of any material term and condition of the Ironside Agreement or breaches any warranty or covenant given or made by it under the Ironside Agreement;
- (n) **adverse change:** any adverse change occurs which materially impacts or is likely to impact the assets, operational or financial position of the Relevant Company (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Relevant Company);
- (o) **investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of the Relevant Company;
- (p) **due diligence:** there is a material omission from the results of the due diligence investigation performed in respect of the Offers or the results of the investigation or the verification material provided by the Company to Ironside is false or misleading;
- (q) **prescribed occurrence:** a Prescribed Occurrence occurs;
- (r) **suspension of debt payments:** the Company suspends payment of its debts generally;
- (s) **event of insolvency:** an Event of Insolvency occurs in respect of the Company or a related body corporate;
- (t) **judgment against a Relevant Company:** a judgment in an amount exceeding \$100,000 is obtained against the Relevant Company and is not set aside or satisfied within seven (7) days;
- (u) **calamity:** the occurrence of any calamity or crisis or any change in financial, political or economic conditions or currency exchange rates or controls in Australia or any restriction or limitation on the nature/basis of trading of equities on ASX; and
- (v) **market conditions:** any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or the international financial markets or any material adverse change occurs in national or international political, financial, economic conditions, in each case the effect of which is that, in the reasonable opinion of Ironside, reached in good faith, it is impracticable to market the Offers or to enforce contracts to issue and allot or sub-underwrite the securities pursuant to the Prospectus or that the success of the Offers is likely to be adversely affected.

The Ironside Agreement otherwise contains terms considered standard for an agreement of this type.



### **3.3 Shortfall commitment agreements**

Ironside has entered into Shortfall commitment agreements with Otsana Capital and an unrelated institutional investor, pursuant to which both those parties agree to subscribe for up to 25,000,000 Shortfall shares each (i.e. \$1,000,000 each).

The obligation under the agreements to take up Shortfall is conditional on the Ironside Agreement not being terminated. Otsana Capital's agreement is subject to a further condition that prior Shareholder approval is obtained for the issue of any Shortfall to it. A notice of meeting convening the Shareholder meeting is anticipated to be dispatched to Shareholders on Friday, 7 April 2017.

The Shortfall commitment agreements may be terminated by Otsana Capital and the institutional investor in the event that Ironside does not promptly terminate the Ironside Agreement where a termination right arises under that agreement (see Section 3.2 above), and Otsana Capital or the institutional investor is dissatisfied with Ironside's decision not to terminate.

Otsana will receive a fee of \$40,000 (being 4% of its Shortfall commitment) from Ironside. The unrelated institutional investor will also receive \$40,000 from Ironside, and subject to prior Shareholder approval, will also be issued with 25,000,000 Ironside Options.

## 4. Effect of the Offers

### 4.1 Capital structure on completion of the Placement and Offers

The anticipated capital structure of the Company on completion of the Placement and Offers is set out below. Figures are subject to rounding.

	Shares	Quoted Options	Performance Shares	Unquoted Options	Performance Rights
On issue prior to Placement and Offers	596,380,586	-	279,877,273	81,366,123	30,000,000
Placement	87,500,000	43,750,000	-	-	-
Entitlement Offer	50,285,337	25,142,669	-	-	-
Ironside Options	-	60,000,000	-	-	-
Employee Options	-	-	-	8,765,363	-
<b>Total</b>	<b>734,165,923</b>	<b>128,892,669</b>	<b>279,877,273<sup>1</sup></b>	<b>90,131,486<sup>2</sup></b>	<b>30,000,000<sup>3, 4</sup></b>

#### Notes:

1. Comprised of 93,292,459 Class A performance shares, 93,292,407 Class B performance shares and 93,292,407 Class C performance shares. Full terms and conditions of the performance shares are set out in the Company's prospectus lodged with ASX on 14 September 2016. The Company notes that if the Nationwide master services agreement remains on foot in May 2017, the Class A performance shares will become convertible into Shares (see sections 9.2(a) and 10.2 of the Company's prospectus lodged with ASX on 14 September 2016). ASX escrow applies to the Class A performance shares, with 64,146,101 escrowed until 17 November 2018 and 29,146,358 escrowed until 3 November 2017.
2. Comprised of:
  - (a) 14,842,738 options exercisable between \$0.029 and \$0.08 each, issued to employees and consultants pursuant to the Company's incentive scheme. Of this figure a total of 8,765,363 options are expected to be issued to employees under the Company's employee incentive scheme prior to the Issue Date;
  - (b) 25,000,000 options exercisable at \$0.02 each on or before 4 November 2019 (escrowed until 5 February 2018);
  - (c) 50,000,000 options exercisable at \$0.03 each on or before 5 February 2019 (escrowed until 5 February 2018); and
  - (d) 288,748 legacy options exercisable between \$3.00 and \$6.00 each on or before 5 February 2018.
3. Comprised of 9,999,999 Class A performance rights, 9,999,999 Class B performance rights and 10,000,002 Class C performance rights. Full terms and conditions of the performance rights are set out in the Company's prospectus lodged with ASX on 8 December 2015. All performance rights escrowed until 5 February 2018.
4. Note the Company has received shareholder approval to issue 3,000,000 Class D, 3,000,000

Class E and 3,000,000 Class F performance rights equally as between non-executive directors Ms Cathie Reid, Mr Bryn Hardcastle and Mr Faldi Ismail. The Class D, E and F performance rights have the same milestones as the Class A, B C performance shares in Note 2 above. The Class D, E and F performance rights must be issued by 30 November 2017.

## 4.2 Pro forma consolidated statement of financial position

	Reviewed as at 31 December 2016	Adjustments (see notes below table)	Pro-forma as at 31 December 2016
	AUD	AUD	AUD
<b>Current Assets</b>			
Cash & cash equivalents	2,512,870	5,131,413	7,644,283
Trade and other receivables	385,796	-	385,796
Other current assets	52,412		52,412
<b>Total Current Assets</b>	<b>2,951,078</b>	<b>5,131,413</b>	<b>8,082,491</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	43,784	-	43,784
Development assets	837,215	-	837,215
Other	-	-	-
<b>Total Non-Current Assets</b>	<b>880,999</b>	<b>-</b>	<b>880,999</b>
<b>TOTAL ASSETS</b>	<b>3,832,077</b>	<b>5,131,413</b>	<b>8,963,490</b>
<b>Current Liabilities</b>			
Trade & other payables	(330,030)		(330,030)
Employee benefits	(77,043)		(77,043)
	-		-
<b>Total Current Liabilities</b>	<b>(407,073)</b>	<b>-</b>	<b>(407,073)</b>
<b>TOTAL LIABILITIES</b>	<b>(407,073)</b>	<b>-</b>	<b>(407,073)</b>
<b>NET ASSETS</b>	<b>3,425,004</b>	<b>5,131,413</b>	<b>8,556,417</b>
<b>EQUITY</b>			
Issued Capital	16,502,953	5,549,035	22,051,988
Reserves	94,288	648,897	743,185
Accumulated Losses	(13,172,237)	(1,066,519)	(14,238,756)
<b>TOTAL EQUITY</b>	<b>3,425,004</b>	<b>5,131,413</b>	<b>8,556,417</b>

### Notes:

- Share placement of 87,500,000 Shares at \$0.04 cents per Share to raise \$3,500,000, inclusive of 1 for 2 free attaching Placement Option (exercisable at \$0.06 per share with a 12 month expiry), net of offer costs of \$380,000.
- Additional entitlement offer of 50,285,337 Shares at \$0.04 cents per Share to raise \$2,011,414. Entitlement Offer participants will receive 1 free attaching new Quoted Option for every 2 shares subscribed for on the same terms as the Placement Options.
- Issue of 60,000,000 Ironside Options to Ironside (or nominees) as part consideration for commitment to take up Shortfall.
- Issue of 940,540 Shares to Clarion Group Ltd at \$0.04 per Share in accordance with terms of agreement set out in the Company's prospectus lodged with ASX on 14 September 2016.
- Issue of 900,000 employee options exercisable at \$0.08 each, issue of 5,865,863 of employee options exercisable at \$0.04 each, and issue of 2,000,000 options to Tim Brewer (in accordance with ASX announcement dated 6 February 2017).

### **Basis of preparation**

The pro forma statement of financial position has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The pro forma statement of financial position is based on the reviewed financial position as at 31 December 2016 and assumes that the Placement and Entitlement Offer are fully subscribed. Other than in the ordinary course of business and as disclosed in the Notes above, there have been no other material transactions between that date and the date of this Prospectus.

### **4.3 Market price of Shares**

The latest available market sale price of the Shares on the ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.038 per Share on Friday, 31 March 2017.

The highest and lowest market sale prices of the Shares on the ASX during the three months immediately preceding the lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Lowest:                \$0.037 on 31 March 2017

Highest:             \$0.105 on 12 January and 14 January 2017

### **4.4 Dividend Policy**

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

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## 5. Risk Factors

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which potential investors need to be aware of in evaluating the Company's business and risks of investing in the Company. Potential investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

### 5.1 Specific risks to the Cre8tek business

There are a number of specific risks involved for the Company, and consequently its security holders, including risks specific to the business and assets of Flamingo, the Company's primary operating Subsidiary, which include the following non-exhaustive list.

(a) **Limited operating history**

Flamingo, the Company's main operating subsidiary, has limited operating history and there is uncertainty in relation to the business of Flamingo and investors should consider Flamingo's prospects (and therefore the Company's) in light of its limited financial history. In addition, there is no guarantee that the Company will be able to successfully further develop or commercialise Flamingo's products and if it is unable to do so it will not be able to realise significant revenues in the future.

(b) **Failure to attract, retain and engage clients**

The potential revenue streams for the Company depend on its ability to attract, retain and engage clients (**Providers**) to the Flamingo Platform. There is a risk that the Company and Flamingo may be unable to attract, retain and engage sufficient Providers for the potential revenue streams to materialise or be sufficient for the continued operation of the Flamingo Platform.

(c) **Sales and marketing success**

The Company intends to continue with the commercialisation of the Flamingo Platform, including brand development and sales and marketing. By its nature, there is no guarantee that the Company's brand development and sales and marketing campaign will be successful. In the event that it is not, the Company may encounter difficulty in creating market awareness of the brand. This would likely have an adverse impact on the Company's ability to generate revenue.

Even if the Company does successfully commercialise the Flamingo Platform, there is a risk the Company will not achieve a commercial return. The Company may not be able to sell products and services to clients at a rate which covers its operating and capital costs, or new technology may overtake the Company's technology.

**(d) Competition and new technologies**

The industry in which the Company is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could overtake the advancements made by the Flamingo Platform. In that case, the Company's revenues and profitability could be adversely affected.

The Company's competition may include businesses with much higher capitalisation and substantially greater resources. These competitors may succeed in developing products and services which are either superior or additional to the Company's, resulting in the migration of existing clients and potential clients to a competitor's business. Competitors with increased access to capital could lead to the Company's business becoming uncompetitive.

Further, the cost and time for a new competitor (including new entrants) to develop competing technology or products may not be significant, and may be substantially less than the implied market capitalisation of the Company based on the issue price of \$0.04 per Share. This may result in a heightened risk of competition to the Company. If a person or entity successfully develops and commercialises a competing product, this may have a materially adverse effect on the value and prospects of the Company and consequently on the value of your investment.

**(e) Increased investment in product development and support**

There is a risk that maintaining and upgrading the Company's existing products as well as new product development may lead to a higher than anticipated investment spend on IT development.

**(f) Flamingo's intellectual property**

If the Company fails to protect the intellectual property rights of Flamingo adequately, competitors may gain access which would in turn harm its business.

Legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. Effective patent, trade mark, copyright and trade secret protection may not be available to the Company in every country in which products may become available. Accordingly, despite its efforts, the Company may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

The Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is

successful, could result in significant expense to the Company and cause a distraction to management.

**(g) Intellectual property infringement**

Flamingo relies in part on confidentiality agreements with its employees, consultants, contractors and other third parties to protect its intellectual property. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorised disclosure of confidential information.

Flamingo uses a combination of open source and third party licensed software to develop its own software and platforms, and relies on its ability to protect its intellectual property rights adequately.

Failure to do so may result in competitors gaining access to its technology, which would harm the Company's business. The Company and/or Flamingo may be unable to obtain patent protection in the future. If any patents are issued in the future, they may not provide the Company or Flamingo with any competitive advantages, or may be challenged by third parties.

There is a risk that the validity, ownership or authorised use of intellectual property relevant to Flamingo's business will be successfully challenged by third parties. Any litigation, whether or not it is successful, could result in significant expense to the Company and divert the efforts of its personnel.

**(h) Reliance on key personnel**

The emergence and development of the Flamingo Platform has been in large part due to the talent, effort, and experience of Dr Catriona Wallace, the founder of Flamingo and the Company's Chief Executive Officer.

There is no assurance that Dr Wallace's contract will not be terminated. In addition, there is no assurance that Dr Wallace will remain healthy and able to continue in her role. If her contract were terminated or breached, or if Dr Wallace were no longer to continue in her role, the Company would need to employ alternative staff, and the Company's operations and business would be adversely affected.

**(i) Reliance on specialist staff**

Competition for qualified technical, sales and marketing staff can be intense and no assurance can be provided that the Company will be able to attract or retain key personnel in the future.

The Company is reliant upon employees with specialist IT skills in order to develop and maintain its projects. Any shortage of availability of these skills in the IT employment market could impair the development of its products and business and the rate of such development. Such a shortage could also cause wage inflation which may impact on the Company's profitability.

(j) **Outsourcing**

The Company outsources to consultants for expert advice and contracts organisations for some IT services and there is no guarantee that such experts or organisations will be available as required or will meet expectations.

(k) **Reliance on core information technology and other systems**

The operation of Flamingo's business is dependent upon the performance, reliability and availability of its information technology and security systems. This includes its core technologies such as computer servers and back-end processing systems. These systems may be adversely affected by a number of factors including major events such as acts of terrorism or war or breakdown in utilities such as electricity and fibre optic cabling. Events of that nature may cause one or more of those core technologies to become unavailable. There are also internal and external factors that may adversely affect those systems and technologies such as natural disasters, misuse by employees or contractors or other technical issues. The Company and Flamingo's disaster recovery plans may not cover loss or damage that the Company or Flamingo suffers as a result of such a system failure.

Any damage to, or failure of, Flamingo's key systems can result in disruption to Flamingo's (and therefore the Company's) ability to operate the Flamingo business. Such disruptions have the potential to reduce Flamingo's ability to generate revenue, impact customer service levels and damage Flamingo's brand. This could adversely affect Flamingo and the Company's ability to generate new business and cause the Company to suffer financial loss.

(l) **Dependence on the internet**

Expanding subscriptions of the Flamingo Platform and other future developed products depends on the continued acceptance of the internet as a communications and commerce platform for individuals and enterprises. The internet could become less viable as a business tool due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease-of-use, accessibility and quality-of-service.

The performance of the internet and its acceptance as a business tool have been harmed by "viruses", "worms" and similar malicious programs, and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If for any reason the internet does not remain a widespread communications medium and commercial platform, the demand for the Company's products would be significantly reduced, which would harm its business.

(m) **Security breaches and hacker attacks**

A malicious attack on Flamingo's products, systems, processes or people from external or internal sources could put the integrity and privacy of customers' data and business systems used by Flamingo at risk.



The impact of loss or leakage of customer or business data could include costs for rebates, potential service disruption, litigation and brand damage, resulting in reduced or failing revenues.

Flamingo follows best practice in relation to security policies, procedures, automated and manual protection, encryption systems and staff screening to minimise risks.

Flamingo relies upon the availability of its website to attract new customers. Hackers could render the website unavailable through a disrupted denial of service or other disruptive attacks. Unavailability of the website could lead to a loss of revenues for the Company. Further, it could hinder the Company's abilities to retain existing customers or attract new customers, which could have an adverse impact on the Company's growth.

**(n) Attracting end customers websites**

The Company's revenues will be affected by the ability of Flamingo's clients to attract customers to their websites which utilise the Flamingo Platform. Various factors can affect the level of web traffic arriving at those websites, including:

- (i) Marketing and promotions: If Flamingo clients' marketing and promotion efforts are not effective this may result in fewer 'conversions', meaning less revenue is generated for Flamingo.
- (ii) Brand damage: If the Company, Flamingo or Flamingo's clients suffer from reputational damage, web traffic could be affected.

**(o) Liability claims**

The Company may be exposed to liability claims if its products or services are provided in fault and/or cause harm to its customers (for example, if there was a data breach). As a result, the Company may have to expend significant financial and managerial resources to defend against such claims. If a successful claim is made against the Company or a subsidiary, the Company may be fined or sanctioned and its reputation and brand may be negatively impacted, which could materially and adversely affect its reputation, business prospects, financial condition and results of operation.

**(p) Customer service risk**

Clients may need to engage with Flamingo's personnel in certain circumstances, such as if they have a question about the services or if there is a dispute between a client and Flamingo. The Company needs to recruit and retain staff with interpersonal skills sufficient to respond appropriately to customer services requests. Poor customer service experiences may result in the loss of customers. If Flamingo loses key customer service personnel, fails to provide adequate training and resources for customer service personnel, this could lead to adverse publicity, litigation, regulatory inquiries and/or a decrease in customers, all of which may negatively impact on Flamingo's, and therefore the Company's, revenue.

**(q) Reputational risk**

The Company operates in an online and fast-changing environment. Negative publicity can spread quickly, whether true or false. Disgruntled users posting negative comments about the Company's businesses in public forums may have a disproportionate effect on the Company's reputation and its ability to earn revenues and profits. Additionally, complaints by such users can lead to additional regulatory scrutiny and a consequential increased compliance burden in responding to regulatory enquiries. This could negatively impact upon the Company's profitability.

**(r) Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to Flamingo's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

## **5.2 Market Risks**

**(a) Additional requirements for capital**

The funds raised under the Placement and Entitlement Offer are considered sufficient to meet the immediate objectives of the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operations plans in the future (including in relation to Flamingo) to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. Further additional financing will be required if the Board determines to accelerate the development of the Company's technology.

The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of their activities and potential research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

**(b) Regulatory risks**

The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the

Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

The Company's ability to operate in the future will depend in part on whether it is able to effectively commercialise its potential interests in products. This will depend on successful completion of product development activities, obtaining regulatory approval and on there being commercial demand for such products which cannot be guaranteed.

### **5.3 General risks**

#### **(a) Foreign exchange risks**

The Company has costs and expenses in the US. Accordingly, the depreciation and/or the appreciation of the US dollar relative to the Australian dollar results in a translation loss on consolidation which is taken directly to shareholder equity. Any depreciation of the US dollar relative to the Australian dollar may result in lower than anticipated revenue, profit and earning. The Company could be affected on an ongoing basis by foreign exchange risks between the Australian dollar and the US dollar, and will have to monitor this risk on an ongoing basis.

#### **(b) Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential research and development programmes, as well as on their ability to fund those activities.

#### **(c) Force majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

#### **(d) Insurance risks**

The Company intends to insure its operations and those of Flamingo (as required) in accordance with industry practice. However, in certain circumstances, such insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company affected.

#### **(e) Litigation risks**

The Company is exposed to possible litigation risks including, but not limited to, intellectual property and patent claims. Further, the Company or Flamingo may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and

financial position. The Company and Flamingo are not currently engaged in any litigation.

**(f) Dependence on outside parties**

The Company may pursue a strategy that forms strategic business relationships with other organisations in relation to potential products and services. There can be no assurance that the Company will be able to attract such prospective organisations and to negotiate appropriate terms and conditions with these organisations or that any potential agreements with such organisations will be complied with.

**(g) Market conditions**

Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to security holders arising from the transactions the subject of this Prospectus or otherwise.

## **5.4 Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

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## 6. Additional information

### 6.1 Rights and Liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

- (a) **(Ranking of Shares):** At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.
- (b) **(Voting rights):** Subject to any rights or restrictions, at general meetings:
  - (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
  - (ii) has one vote on a show of hands; and
  - (iii) has one vote for every Share held, upon a poll.
- (c) **(Dividend rights):** Shareholders will be entitled to dividends, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend.
- (d) **(Variation of rights):** The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.
- (e) **(Transfer of Shares):** Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien.

- (f) **(General meetings):** Shareholders are entitled to be present in person or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion. General meetings shall also be convened on requisition as provided for by the Corporations Act.

- (g) **(Unmarketable parcels):** The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the Company intends to sell their relevant Shares unless an exemption notice is received by a specified date.
- (h) **(Rights on winding up):** If the Company is wound up, the liquidator may with the sanction of special resolution, divide the assets of the Company amongst members as the liquidator sees fit. If the assets are insufficient to repay the whole of the paid up capital of members, they will be distributed in such a way that the losses borne by members are in proportion to the capital paid up.

## 6.2 Terms and conditions of Quoted Options

Each of the Quoted Options issued under this Prospectus (including the Placement Options and Ironside Options) will be granted on the following terms and conditions:

- (a) **(Entitlement):** each Quoted Option entitles the holder to subscribe for one Share upon exercise of the Quoted Option.
- (b) **(Exercise Price):** the amount payable upon exercise of each Quoted Option will be \$0.06 (**Exercise Price**).
- (c) **(Expiry Date):** each Quoted Option will expire at 5.00pm (AEST) 12 months from the Issue Date (**Expiry Date**). A Quoted Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) **(Exercise Period):** the Quoted Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).
- (e) **(Notice of Exercise):** the Quoted Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Quoted Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
- (f) **(Exercise Date):** a Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Quoted Option being exercised in cleared funds (**Exercise Date**).
- (g) **(Quotation):** application will be made to ASX for the Quoted Options to form a class of Options quoted on ASX.

- (h) **(Quotation of Shares issued on exercise):** application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Quoted Options.
- (i) **(Timing of issue of Shares on exercise):** after a Quoted Option is validly exercised, the Company must within 30 Business Days of receipt of the Notice of Exercise and receipt of cleared funds equal to the Exercise Price of the exercised Quoted Option:
  - (i) issue the Share; and
  - (ii) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 10 Business Days after issuing the Share.
- (j) **(Shares issued on exercise):** Shares issued on exercise of the Quoted Options rank equally with the then issued Shares of the Company.
- (k) **(Reconstruction of capital):** in the event of any reconstruction (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company prior to the Expiry Date of the Quoted Options, all rights of the Option holder will be varied in accordance with the Listing Rules.
- (l) **(Participation in new issues):** there are no participation rights or entitlements inherent in the Quoted Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Quoted Options without exercising the Quoted Options.
- (m) **(Change in Exercise Price):** there will be no change to the Exercise Price of the Quoted Options or the number of Shares over which the Quoted Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).
- (n) **(Adjustment for bonus issues):** if the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
  - (i) the number of Shares which must be issued on the exercise of a Quoted Option will be increased by the number of Shares which the holder would have received if the holder of the Quoted Options had exercised the Quoted Option before the record date for the bonus issue; and
  - (ii) no change will be made to the Quoted Option Exercise Price.
- (o) **(Transferability):** the Quoted Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

### 6.3 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 6.4 below). Copies of all documents announced to the ASX can be found at <http://www.cre8tek.com.au>.

### 6.4 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offers a copy of:

- (a) the financial statements of the Company for the financial year ended 30 June 2016 and the half-year ended 31 December 2016, being the last two financial statements of the Company lodged with ASIC before the issue of this Prospectus; and
- (b) the following notices given by the Company to notify the ASX of information relating to the Company during the period from the date of lodgement of the financial statements referred to in Section 6.4(a) above until the date of this Prospectus.

Date lodged	Subject of Announcement
27/03/2017	Reinstatement to official quotation
27/03/2017	Cre8tek to raise \$5.5m to accelerate growth
22/03/2017	Suspension from Official Quotation
21/03/2017	TechKnow Presentation
20/03/2017	Trading Halt
13/03/2017	Trial Agreement signed with DirectMoney
09/03/2017	Investor presentation - Sydney Small Cap Showcase 2017
28/02/2017	Half Year Results Commentary
28/02/2017	Half Year Accounts and Appendix 4D
16/02/2017	Flamingo Finalist in MetLife Start-up Match-making Program



Date lodged	Subject of Announcement
06/02/2017	Appointment of Tim Brewer and change of company secretary
06/02/2017	Responses to frequently asked questions
01/02/2017	Change of auditor
31/01/2017	Quarterly update
31/01/2017	Appendix 4C
20/01/2017	Appendix 3B - Release from escrow
06/01/2017	CR8 hires former MetLife Head of Innovation, boosts AI team
16/12/2016	ChatBots market research presentation
14/12/2016	Proof of Concept Contract signed with AMP
9/12/2016	Flamingo boosts US-based team with key hire
9/12/2016	Change of Share Registry Address
30/11/2016	Results of Annual General Meeting
30/11/2016	Investor Presentation
24/11/2016	Flamingo to present on Artificial Intelligence strategy
17/11/2016	Flamingo Update
16/11/2016	Incentive Performance Rights Plan terms and conditions
16/11/2016	Employee Securities Incentive Plan terms and conditions
16/11/2016	Employee Share Option Plan terms and conditions
16/11/2016	Flamingo Financial Accounts
16/11/2016	Statement of Confirmations
16/11/2016	Top 20 Holders
16/11/2016	Distribution Schedule
16/11/2016	Appendix 1A
16/11/2016	Pre-Reinstatement Disclosure
16/11/2016	ASX Circular - Reinstatement to Official Quotation
16/11/2016	Reinstatement to Official Quotation - 17 November 2016
9/11/2016	Appendix 3X - Dr Catriona Wallace
9/11/2016	Appendix 3X - Cathie Reid
9/11/2016	Appendix 3Z - Tom Bahen
9/11/2016	Appendix 3B
9/11/2016	Becoming a substantial holder - C Wallace

Date lodged	Subject of Announcement
9/11/2016	Becoming a substantial holder - C Reid
4/11/2016	Completion of Flamingo acquisition
31/10/2016	Appendix 4C
28/10/2016	Notice of Annual General Meeting
19/10/2016	OOK: Akela secures allocation in OpenDNA's IPO
30/09/2016	Appendix 4G and Corporate Governance Statement
30/09/2016	Annual Report

The following documents are available for inspection throughout the period of the Entitlement Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 6.13 and the consents provided by the Directors to the issue of this Prospectus.

## **6.5 Information excluded from continuous disclosure notices**

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

## **6.6 Determination by ASIC**

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

## **6.7 Directors' interests**

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Shares offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Shares offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Shares offered under this Prospectus.

## 6.8 Directors' interests in Company Shares

The relevant interest of each of the Directors in the Shares of the Company as at the date of this Prospectus, together with their Entitlement under the Entitlement Offer is set out below:

Director	Shares	Shares under Entitlement Offer	Quoted Options under Entitlement Offer	Maximum Shares under Shortfall Offer	Maximum Quoted Options under Shortfall Offer
Dr Catriona Wallace <sup>(a)</sup>	115,841,391	8,517,749	4,258,875	Nil	Nil
Ms Cathie Reid <sup>(b)</sup>	62,848,740	4,621,231	2,310,615	Nil	Nil
Mr Faldi Ismail <sup>(c)</sup>	4,750,000	349,265	174,632	25,000,000	12,500,000
Mr Bryn Hardcastle <sup>(d)</sup>	Nil	Nil	Nil	Nil	Nil

### Notes:

- (a) Dr Wallace also has an interest in 38,604,796 Class A performance shares, 38,604,796 Class B performance shares and 38,604,796 Class C performance shares. Full terms and conditions of the performance shares are set out in the Company's prospectus lodged with ASX on 14 September 2016.
- (b) Ms Reid also has an interest in 20,949,580 Class A performance shares, 20,949,580 Class B performance shares and 20,949,580 Class C performance shares. Further, shareholders have previously approved the issue of 1,000,000 Class D, 1,000,000 Class E and 1,000,000 Class F performance rights to Ms Reid. The Class D, E and F performance rights have the same milestones as the Class A, B and C performance shares (see the Company's prospectus lodged with ASX on 14 September 2016). The Class D, E and F performance rights must be issued by 30 November 2017.
- (c) Mr Ismail also has an interest in 3,333,333 Class A performance rights, 3,333,333 Class B performance rights, 3,333,334 Class C performance rights and 10,000,000 unquoted Options exercisable at \$0.03 each and expiring 5 February 2019 (escrowed until 5 February 2018). Full terms and conditions of the Class A, B and C performance rights are set out in the Company's prospectus lodged with ASX on 8 December 2015. Further, shareholders have previously approved the issue of 1,000,000 Class D, 1,000,000 Class E and 1,000,000 Class F performance rights to Mr Ismail. The Class D, E and F performance rights have the same milestones as the Class A, B and C performance shares (see the Company's prospectus lodged with ASX on 14 September 2016). The Class D, E and F performance rights must be issued by 30 November 2017.
- (d) Mr Hardcastle has an interest in 3,333,333 Class A performance rights, 3,333,333 Class B performance rights and 3,333,334 Class C performance rights. Further, shareholders have previously approved the issue of 1,000,000 Class D, 1,000,000 Class E and 1,000,000 Class F performance rights to Mr Hardcastle. The Class D, E and F performance rights have the same milestones as the Class A, B and C performance shares (see the Company's prospectus lodged with ASX on 14 September 2016). The Class D, E and F performance rights must be issued by 30 November 2017.

Dr Wallace has indicated she will subscribe for \$30,000 worth of New Shares (750,000 New Shares).

Ms Reid has indicated she will subscribe for \$50,000 worth of New Shares (1,250,000 New Shares).

Mr Ismail has indicated he will subscribe for his entitlement in full (approximately \$13,970 worth of New Shares). In addition, Otsana Capital, an entity associated with Mr Ismail, has subject to prior Shareholder approval, committed to subscribing for up to \$1 million of any Shortfall from the Entitlement Offer. See Sections 1.9 and 3 for further details.

## 6.9 Directors' remuneration

The Constitution provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Shareholders in general meetings, to be divided among the Directors as the Directors shall determine, and in default of agreement then in equal Shares.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Directors received the following remuneration for the financial year ended 30 June 2016:

Director	Directors' fees, consulting fees and salary (\$)	Superannuation (\$)	Share based payments (\$)	Total (\$)
Dr Catriona Wallace <sup>(a)</sup>	Nil	Nil	Nil	Nil
Ms Cathie Reid <sup>(b)</sup>	Nil	Nil	Nil	Nil
Mr Bryn Hardcastle <sup>(c)</sup>	15,000	Nil	168,667	183,667
Mr Faldi Ismail <sup>(c)</sup>	15,000	Nil	168,666	183,666

### Notes to 2016 remuneration:

(a) The Company has entered into an executive services agreement with Dr Wallace which commenced upon her appointment on 3 November 2016. The Company remunerates Dr Wallace for her services with an executive remuneration package comprising the following:

- (i) a base salary (inclusive of superannuation) comprised of:
  - (A) a regular salary component of \$275,000 per annum; and
  - (B) a living away from home component of \$24,000 per annum; and
- (ii) a director's fee of \$36,000 per annum (exclusive of statutory superannuation).

For further details see the Company's prospectus lodged with ASX on 14 September 2016.

(b) The Company has entered into a letter of appointment with Ms Reid pursuant to which Ms Reid is paid a fee of \$3,000 per month, plus statutory superannuation for her

services as Non-Executive Chair. Ms Reid was appointed as a director on 3 November 2016.

- (c) Messrs Hardcastle and Ismail are parties to letters of appointment with the Company pursuant to which each is entitled to a fee of \$3,000 per month.

Information relating to the Directors' remuneration for 2015 is not presented as it pertained to a time when the Company was in voluntary administration, not under the control of the existing Directors, and none of the existing Directors were in office.

## **6.10 Related party transactions**

There are no related party transactions involved in the Offers that are not otherwise described in this Prospectus.

## **6.11 Interests of other persons**

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- (b) promoter of the Company; or
- (c) a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the two years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

Otsana Capital is acting as Lead Manager to the Company in relation to the Placement and Placement Options Offer. The Company will pay Otsana Capital the fees set out in Section 3.1 and Otsana will also receive fees from Ironside pursuant to Otsana's Shortfall commitment as set out in Section 3.3. During the 24 months

preceding lodgement of this Prospectus with the ASIC, Otsana Capital has been paid fees totalling \$442,585 (excluding GST) by the Company.

Bellanhouse Legal has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Bellanhouse Legal \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Bellanhouse Legal has been paid fees totalling \$239,671 (excluding GST and disbursements) for legal services provided to the Company.

Ironside Capital has conditionally agreed to take up to \$2 million of the Shortfall. The Company will pay Ironside the fees set out in Section 3.2. During the 24 months preceding lodgement of this Prospectus with the ASIC, Ironside has been paid nil fees by the Company.

## **6.12 Expenses of Offers**

The estimated expenses of the Offers are as follows:

	\$
ASIC and ASX fees	20,550
Legal and preparation expenses	15,000
Printing, mailing and other expenses	14,450
Costs of raising	330,000
<b>Total</b>	<b>380,000</b>

## **6.13 Consents**

- (a) Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Securities under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.
- (b) Each of the parties referred to in this Section:
  - (i) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
  - (ii) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.
- (c) Bellanhouse Legal has given, and as at the date of lodgement of this Prospectus with ASIC has not withdrawn, their written consent to being named in this Prospectus as solicitors to the Company.

- (d) Automic Registry Services has given, and as at the date of lodgement of this Prospectus with ASIC has not withdrawn, its written consent to being named in this Prospectus as the Company's Share Registry. Automic Registry Services has had no involvement in the preparation of any part of this Prospectus other than being named as share registrar of the Company.
- (e) Otsana Capital has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Lead Manager to the Placement Options Offer and the Corporate Advisor to the Company in the form and context in which it is named, together with all references to it in this Prospectus.
- (f) Ironside Capital has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in the form and context in which it is named, together with all references and statements attributable to it in this Prospectus.

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## 7. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in black ink, appearing to be 'B. Hardcastle', with a long horizontal stroke extending to the right.

**Bryn Hardcastle**  
**Non-Executive Director**

Dated: 3 April 2017



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## 8. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**\$** means Australian dollars.

**Acceptance** means a valid acceptance of Securities made pursuant to this Prospectus.

**Act** means any statute of the Commonwealth or of any state of Australia and any regulations made there under.

**Additional Securities** means Securities subscribed for under the Shortfall Offer.

**AEST** means Australia Eastern Standard Time.

**Applicant** means a person who makes an application under this Prospectus.

**Application** means a valid application for Securities offered under this Prospectus made on an Entitlement and Acceptance Form or relevant application form in respect of the Placement Options Offer or Ironside Options Offer.

**Application Monies** means application monies for Shares received by the Company.

**Automic Registry Services** means Automic Pty Ltd (ACN 152 260 814), trading as Automic Registry Services.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Board** means the board of Directors of the Company.

**Business Day** means Monday to Friday inclusive, other than a day that the ASX declares is not a business day.

**CHESS** means ASX Clearing House Electronic Subregistry System.

**Closing Date** means the closing date for the relevant Offer as set out in the indicative timetable.

**Company** means Cre8tek Limited ACN 000 031 292.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Directors** mean the directors of the Company as at the date of this Prospectus.

**Eligible Shareholder** means a person registered as the holder of Shares on the Record Date whose registered address is in Australia, New Zealand, Hong Kong or Singapore.

**Entitlement** means the entitlement to Shares and attaching Quoted Options under the Entitlement Offer.

**Entitlement and Acceptance Form** means the entitlement and acceptance form provided by the Company with a copy of this Prospectus that describes the Entitlement of Shareholders to subscribe for New Shares and Quoted Options pursuant to the Entitlement Offer.

**Entitlement Offer** has the meaning given to it in Section 1.2.

**Entitlement Offer Closing Date** has the meaning given to it in Section 1.7.

**Event of Insolvency** means:

- (a) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person;
- (b) a liquidator or provisional liquidator is appointed in respect of a corporation;
- (c) any application (not being an application withdrawn or dismissed within 7 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purpose of:
  - (i) appointing a person referred to in paragraphs (a) or (b);
  - (ii) winding up a corporation; or
  - (iii) proposing or implementing a scheme of arrangement;
- (d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
- (e) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person's creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 7 days;
- (f) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable Act to be, insolvent or unable to pay its debts; or
- (g) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person.

**Exercise Date** has the meaning given to it in Section 6.2(f).

**Exercise Period** has the meaning given to it in Section 6.2(d).

**Exercise Price** has the meaning given to it in Section 6.2(b).

**Expiry Date** has the meaning given to it in Section 6.2(c).

**Flamingo** means Flamingo Customer Experience, Inc. (a company incorporated pursuant to the laws of Delaware, USA).

**Flamingo Platform** means the online platform developed and operated by Flamingo for an 'intelligent guided selling', onboarding or retention experience between Providers and their customers.

**Force Majeure** means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.

**Ineligible Foreign Shareholder** means a person registered as the holder of Shares on the Record Date whose registered address is not in Australia, New Zealand, Hong Kong or Singapore.

**Insolvency Provision** means any Act relating to insolvency, sequestration, liquidation or bankruptcy (including any Act relating to the avoidance of conveyances in fraud of creditors or of preferences, and any Act under which a liquidator or trustee in bankruptcy may set aside or avoid transactions), and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person.

**Ironside Agreement** means the agreement between the Company and Ironside, the material terms of which are summarised in Section 3.2.

**Ironside Capital** means Ironside Capital Pty Ltd ACN 168 562 918.

**Ironside Options** means the proposed issue, subject to receipt of prior Shareholder approval, of 60,000,000 Quoted Options to Ironside (or its nominees) pursuant to the Ironside Agreement.

**Ironside Options Offer** means the offer of Ironside Options pursuant to this Prospectus.

**Issue Date** means the date of issue of the New Shares and Quoted Options pursuant to this Prospectus.

**Issuer Sponsored** means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**Lead Manager** means Otsana Capital.

**Listing Rules** means the Listing Rules of ASX.

**Material Adverse Effect** means:

- (a) a material adverse effect on the outcome of the Offers or on the subsequent market for the Shares issued under the Offers (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in Shares under the Offers);

- (b) a material adverse effect on the assets, condition, trading or financial position, performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries either individually or taken as a whole;
- (c) Ironside Capital's obligations under the Ironside Agreement becoming materially more onerous than those which exist at the date of the Ironside Agreement; or
- (d) a material adverse effect on the tax position of either:
  - (i) the Company and its Subsidiaries either individually or taken as a whole; or
  - (ii) an Australian resident shareholder in the Company.

**New Share** means a Share issued pursuant to this Prospectus or under the Placement.

**Notice of Exercise** has the meaning given to it in Section 6.2(e).

**Notice of Meeting** means the notice of general meeting which convenes a general meeting of Shareholders to consider and approve, among other things, the issue of the Ironside Options and the participation of Otsana Capital in the Shortfall Offer.

**Offers** means the Entitlement Offer, Shortfall Offer, Placement Options Offer, Ironside Options Offer and **Offer** means either of them.

**Option** means the right to acquire one Share in the capital of the Company.

**Otsana Capital** means Otsana Pty Ltd (ACN 145 168 216), trading as Otsana Capital.

**Placement** has the meaning given to it in Section 1.4.

**Placement Options** means the 43,750,000 Quoted Options to be issued to the Placement Participants under this Prospectus.

**Placement Options Offer** means the offer of Placement Options pursuant to this Prospectus.

**Placement Participants** means each applicant who has subscribed for Shares under the Placement.

**Placement Securities** means the New Shares and Placement Options issued under the Placement.

**Prescribed Occurrence** means:

- (a) a Relevant Company converting all or any of its shares into a larger or smaller number of shares;
- (b) a Relevant Company resolving to reduce its share capital in any way;
- (c) Relevant Company:

- (i) entering into a buy back agreement; or
- (ii) resolving to approve the terms of a buy back agreement under section 257C or 257D of the Corporations Act;
- (d) a Relevant Company making an issue of, or granting an option to subscribe for, any of its shares, or agreeing to make such an issue or grant such an option, other than an issue or agreement to issue in accordance with the Offer or the terms of the Ironside Agreement;
- (e) a Relevant Company issuing, or agreeing to issue, convertible notes;
- (f) a Relevant Company disposing, or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) a Relevant Company charging, agreeing to charge, the whole, or a substantial part, of its business or property;
- (h) a Relevant Company resolving that it be wound up;
- (i) the appointment of a liquidator or provisional liquidator to a Relevant Company;
- (j) the making of an order by a court for the winding up of a Relevant Company;
- (k) an administrator of a Relevant Company, being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) a Relevant Company executing a deed of company arrangement; or
- (m) the appointment of a receiver, or a receiver and manager, in relation to the whole, or a substantial part, of the property of a Relevant Company.

**Prospectus** means this prospectus dated 3 April 2017.

**Quoted Option** means a quoted Option to be issued under this Prospectus, exercisable at \$0.06 each expiring 12 months from the Issue Date, and otherwise having the terms and conditions as set out in Section 6.2.

**Record Date** means 5:00pm (WST) on the date identified in the proposed timetable.

**Relevant Company** means the Company and each Subsidiary.

**Section** means a section of this Prospectus.

**Securities** means Shares and/or Options (as applicable).

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Automic Pty Ltd (ACN 152 260 814), trading as Automic Registry Services.

**Shareholder** means a holder of Shares.

**Shortfall** means the Securities not applied for under the Entitlement Offer (if any).

**Shortfall Offer** has the meaning given to it in Section 1.3.

**Shortfall Securities** means those Securities issued pursuant to the Shortfall Offer.

**Subsidiary** means each company which at the date of execution of the Ironside Agreement or at the time of completion is a subsidiary of the Company within the meaning of the Corporations Act.

**WST** means Western Standard Time.