

ASX RELEASE – CRE8TEK**Quarterly Company Update**

-  North American customer relationships progressing well, with Nationwide increasing scope and implementation process advancing
-  Flamingo continues executing its Asia-Pacific strategy with new paying customers in Australia and a growing pipeline in Asia
-  Successful completion of an oversubscribed \$3.5m placement to sophisticated and institutional investors with an additional \$2m raise underway via Entitlement Offer
-  Discussions advancing with potential re-seller and integration partners to accelerate the scale of the business and open additional revenue streams
-  A short term uplift in resourcing to fast track development of CustomerCreate Product Suite, expected to be market ready in the second half

PERTH, 28 APRIL 2017: Cre8tek Limited (“Cre8tek” or “the Company”) (ASX: CR8) owner of high-tech, Artificial Intelligence company, Flamingo Customer Experience Inc. (“Flamingo”) is pleased to provide an update on activities for the three months ended 31 March 2017, together with its Appendix 4C for the quarter.

The Company notes that references to quarters below are to a calendar year, and not the financial year (e.g. Q3 2017 means July-September 2017).

COMMERCIAL UPDATE

The Company continues to drive momentum by developing its customer relationships and pipeline.

North America

The Company is implementing the JourneyAssist platform and Cognitive Virtual Assistant, ‘ROSIE’ for Nationwide, a Fortune 100 insurer. Cre8tek is also advancing a highly rigorous customer data, privacy and security standards review for Nationwide. The achievement of these security reviews provides a substantial barrier to entry for our competitors. During the implementation phase, the scope of work has been increased for which the Company is being compensated. The Company is confident about the progress of the implementation and will keep the market informed of the go-live date.

Work with another major US-based insurance provider, who signed an agreement in Q4 2016 for a paid trial, has now entered the implementation phase and remains on track.

Negotiations continue with an additional Fortune 100 insurer with the view to proceeding with a paid trial.

Australia

The Company has focused on progressing paid trials with recently announced customers including AMP Limited and DirectMoney. AMP's implementation is progressing according to the Company's expectations and the Company will keep the market informed of the go-live date. DirectMoney's paid trial will commence in Q2 2017 and is estimated to enter implementation in Q3 2017.

Asia

Flamingo is one of eight finalists in MetLife Asia's Start-up accelerator program, for which it will deliver the final pitch on 19 May 2017 in Singapore. If successful, Flamingo will be awarded a US\$100k contract to pilot its solution within the insurer across Asia.

In addition, Flamingo was accepted into Insurtech Asia's program to present to insurance companies in Hong Kong, Indonesia, Thailand, Malaysia and Singapore, between 18 and 28 April 2017.

PRODUCT DEVELOPMENT

Flamingo allocated significant additional resources during the quarter to fast track the development of its CustomerCreate Product Suite, with the goal of being ready to take it to market in the next six months. This has been driven by significant interest received from companies wishing to take a light touch step into Artificial Intelligence. CustomerCreate includes modularised components of the JourneyAssist platform and Cognitive Virtual Assistant, as well as an analytics offering and integration, implementation, and support services. Flamingo views this product suite as a significant competitive advantage and a way to open up new market and customer opportunities, delivering additional revenue with minimal disruption to the Company's business model and limited additional expenditure.

PARTNERSHIP DEVELOPMENT

Flamingo has been exploring a number of partnerships with top tier management consultancies, IT companies, and systems integrators as a means of scaling the business more rapidly and efficiently. Currently, Flamingo has an existing and successful formal partnership with US-based company, The Clarion Group, who provide sales leads in the North American market. Flamingo is in advanced discussions with a number of partners in the Australian and Asian markets with the intention for them to take the Flamingo product suite to market, including the new CustomerCreate product, acting as lead generators, resellers and integration partners.

FINANCIAL UPDATE

The Company received cash of \$3.5m (before costs) from capital raising activities during March and the first week of April (shares were issued post-quarter end on 3 April 2017) and is expected to receive a further \$2m (before costs) for the announced entitlement offer in Q2. The Company also received \$225k of payments relating to invoices of \$253k generated in Q4, referenced in Appendix 4C. Further invoiced amounts totalling \$50k should be received in Q2. The Company also anticipates the receipt of approximately \$750k from an R&D tax credit from the Australian Tax Office and other government grant programs in Q2.

The planned expenditure in the next quarter is focused on Research & Development and investment in further enhancing the Company's Conversational Commerce platform JourneyAssist, and Cognitive Virtual Assistant, 'ROSIE', and completing the development of the CustomerCreate product suite, together with investment in sales and marketing activities. The Company also anticipates incurring some costs in the next quarter in relation

to expanded patent protection activities aligned to the increasing scope of international business activities. While the Company will continue to invest to ensure it takes advantage of the opportunities presented in the rapidly emerging field of Chatbots and Artificial Intelligence, it is moving closer to generating monthly recurring revenue and is well positioned to scale the business without the need to materially increase headcount. The completion of the CustomerCreate development work during Q3 will see an accompanying reduction in development costs going into the following quarter.

CORPORATE

Placement and Entitlement Offer

Subsequent to the quarter, the Company successfully completed an oversubscribed \$3.5m placement to sophisticated and institutional investors via the issue of 87,500,000 shares at \$0.04 cents per share with a 1 for 2 free attaching new listed option exercisable at 6c with a 12 month expiry (with the options being the subject of a separate offer under a prospectus still to be issued).

The Company is also in the process of raising an additional \$2m via a non-renounceable Entitlement Offer with conditional commitments of \$2m received for Entitlement Offer shortfall. Details of the Entitlement Offer are contained in the prospectus released 3 April 2017.

The Company plans to use the proceeds from the capital raising to fast track the implementation and scale up of the Flamingo platform into US based Fortune 100 customers, Australian financial services institutions, to capitalise on opportunities in other verticals and markets such as Asia and for general working capital.

Appointment of Advisor

During the quarter, Mr Tim Brewer was appointed as an advisor to the Company. Over the past decade, Tim has worked side by side with some of the most respected and fastest-growing technology companies, such as Dropbox, HappyCo, Heartland Technology Groups, SEQTA Software, JMARK, HealthEngine, WBM, ConnectWise, Accord Technologies, and Anittel.

Specialising in preparing for scale by aligning governance, strategy, and operations, Tim will play a key role in advising Flamingo as it develops, commercialises and scales one of the world's first Conversational Commerce platforms called 'ROSIE', a Cognitive Virtual Sales Assistant for financial services companies.

Appointment of Company Secretary

During the quarter, Mr Zane Lewis was appointed as Company Secretary.

Mr Lewis is a principal and joint founder of corporate advisory firm SmallCap Corporate which specialises in corporate advice and compliance administration to public companies. He is also a member of Chartered Secretaries Australia.

Appointment of Auditor

On February 1, 2017 BDO Audit (WA) Pty Ltd was appointed as the Company's auditor.

OUTLOOK

Flamingo's sales pipeline in the US and Asia Pacific markets continues to grow substantially and the Company is actively prioritising these opportunities to convert them into paid trials and then subscription based engagements, a process which will be accelerated with the support of the recently raised capital. Additionally, as the Company steps towards scaling, planned partnerships should accelerate additional sales and revenue opportunities.

While the key focus continues to be the US insurance market, there is an encouraging level of interest in Australia, with paid trials having already been signed with multiple customers, providing impetus for interest from other large corporates. Meanwhile, on the back of significant demand for the chat-bot interface and Artificial Intelligence in the Asian markets, the Company has been actively engaged in a number of discussions across numerous Asian countries regarding its current suite of products and remains open to evaluating opportunities for additional use cases that the management team believes could create additional, highly-profitable revenue streams in the future.

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ABOUT CRE8TEK

Cre8tek (ASX: CR8) is a listed company that invests in pioneering technology solutions, with a particular focus on software marketing solutions, application software, communication software, SaaS, online social networking services, and security and encryption. Cre8tek acquired Global Agenda Technologies Pty Ltd (Agenda) in January 2016 and recently acquired high profile Australian Fintech business Flamingo Customer Experience Inc. in November 2016.

ABOUT FLAMINGO:

Based in NYC and Sydney, in the emerging Conversational Commerce field, Flamingo is an Enterprise SaaS company, which provides a Cognitive Virtual Assistant (AI) platform designed for selling complex financial products online. Flamingo's Cognitive Virtual Assistant or Chatbot is called Rosie. Flamingo is one of Gartner's 'Cool Vendors' and clients include large financial services firms. www.flamingo.ai

For further information, investor or media enquiries, please contact:

Jon Snowball / Sue I Ong
FTI Consulting
Email: investor@flamingo.io
Phone: +61 2 8298 6100

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