

ASX RELEASE – CRE8TEK

Quarterly Company Update

- Monthly Recurring Revenue contract signed with Nationwide Insurance, US-based Fortune 100 company
- Software and Services Agreement executed with Chubb Insurance Asia Pacific
- Six US and Australian customer paid trials progressing into implementation and integration, with three in late stage User Acceptance Testing (UAT)
- A second Artificial Intelligence/Machine Learning product, a Cognitive Virtual Enquiry Assistant called MAGGIE developed.
- Successful completion of an oversubscribed \$5.1M capital raise to introduce new institutional, professional and sophisticated investors
- Receipt of \$290k, being \$190k revenue and \$100k from the Export Market Development Grant
- Strong interest in US, Australia and Asian markets continues to strengthen the sales pipeline

PERTH, 30 October 2017: Cre8tek Limited (“Cre8tek” or “the Company”) (ASX: CR8), owner of high-tech, Artificial Intelligence company and Cognitive Virtual Assistant platform provider, Flamingo Customer Experience Inc. (“Flamingo”) is pleased to provide an update on activities.

Commercial Update

The Cognitive Virtual Assistant implementation work across both the US and Australia progressed well with clients advancing through security audits, integration, User Acceptance Testing (UAT) and pre-seeding of the Machine Learning engine, ROSIE. Feedback from clients and their customers who have interacted with the Virtual Assistant has been very positive. The Company also continues to drive momentum by developing its customer relationships and pipeline across the target markets with a focus on the US, Australia and Asia.

North America

The Company made a significant progress with US-based client, Fortune 100 insurance firm, Nationwide Insurance. As announced on 10 August 2017, the Company has signed a Production Statement of Work (SoW) which includes a Monthly Recurring Revenue (MRR). The Flamingo platform, constituting the Cognitive Virtual Sales Assistant and the Cognitive Virtual Service Assistant, powered by machine learning engine, ROSIE, and the JourneyAssist platform, has been integrated into Nationwide systems ready for go-live where Nationwide customers will interact with the Flamingo platform.

The existing Master Services Agreement with Nationwide Insurance allows Flamingo to negotiate multiple SoWs across multiple Nationwide business units. The Company is in active discussions with Nationwide with expectation to add multiple Virtual Assistants to other lines of business or product lines within Nationwide.

The Company is also progressing well with two other paid Production Pilots with US based Fortune 100 insurers having moved through integration into UAT work.

Australia

The implementation and deployment of the JourneyAssist platform and the development and training of ROSIE, the Cognitive Virtual Assistant (CVA) for Leading Australian financial institution, AMP Limited ("AMP") progressed to soft-launch, live with customers, in September.

The paid trial and implementation of the Flamingo platform, a Virtual Sales Assistant, for online personal loan provider, DirectMoney commenced during Q2 2017 and is progressing well. The implementation is due to be completed in Q4 2017 and is focused on the provision of a Cognitive Virtual Assistant guiding customers through the online application of personal loan products.

The Company signed a Software and Services Agreement with Chubb Asia Pacific Pte. Limited and work on the deployment commenced in September.

Asia

The Company continued to assess market opportunities for the Flamingo software in the Asian region and is in commercial discussions with several parties including Chubb Asia Pacific and MetLife Asia.

Product development

As announced 7 September 2017, the Company has released a new product, a Cognitive Virtual Enquiry Assistant, which the Company has named MAGGIE. This product supports Flamingo's strategy to develop a product that is a 'light touch' step into Artificial Intelligence for clients.

MAGGIE, the Cognitive Virtual Inquiry Assistant was developed as a direct response to requests for an entry level Artificial Intelligence product that is an improvement on current FAQ and webchat tools. In particular, it is expected that this product is suited to companies with complex products and websites.

Financial Update

In September, the Company raised cash of \$5.1m (before costs) via a placement of 128,078,638 ordinary shares at an issue price of 4 cents per share ("Placement"). The capital raise was led by Bell Potter. Funds raised under the Placement will be used for product development, account management, sales and business development and general working capital and corporate expenses.

The Company received AUD\$176k (USD\$136k) and AUD\$14k of payments relating to invoices generated in Q2. Additional quantified invoicing totalling approximately AUD\$117k was issued in Q3 and is expected to be received in Q3 or early Q4. The Company anticipates the generation of revenues in Q4 from both existing and new customer engagements.

The Company also received approximately \$100k in September 2017 from the Export Market Development Grant which is Australian Government financial assistance program for aspiring and current exporters.

The planned expenditure in the next quarter is focused on continued implementation and integration of the Flamingo technology in the current paid trials and support of go-live customers. This includes investing in operational infrastructure and resource capabilities across the US and Australia to support live clients with 24x7 support. Research and development activities will continue with respect to additions to the JourneyAssist platform and Cognitive Virtual Assistants, ROSIE and MAGGIE.

The Company remains well positioned to scale the business and is extending headcount in those areas to support customers who are live with the platform as well as expanding business development activities.

Outlook

The Company's key focus over the remainder of CY17 is the execution of current paid client implementations across the US and Australia. This includes establishing operational capabilities in both countries to support live clients with 24x7 support. In addition, the Company will continue to progress efforts and resources into maintaining a high level of security capability in the Flamingo platform and a Culture of Security across the business.

The Company continues to develop its strong sales pipeline in the US and Asia Pacific markets both directly and with the assistance of its channel partners, such as the Clarion Group, Deloitte and Industrie&Co. The release of MAGGIE, will accelerate the progress of new customers, particularly those organisations where systems are not yet developed to uptake a fully integrated AI implementation such as a Cognitive Virtual Sales Assistant. This Virtual Enquiry Assistant is a significant step towards a fuller AI capability for these firms, and early indications are that the insurance and financial services market has great interest in this product.

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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 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:

Email: investor@flamingo.io

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