Flamingo AI Raises $10M in Over-subscribed Placement

- Binding commitments for $10,000,000 in an over-subscribed capital raise
- Raising is supported by domestic and international institutional investors
- Placement proceeds and existing funds will be used to ensure Flamingo is well positioned in the rapidly growing AI sector
- Funds to be used to resource and convert the significant US and Asia Pacific sales opportunities and hasten the machine learning product and IP development

SYDNEY, 13 December, 2017, Flamingo AI Limited ("Flamingo" or the "Company") (ASX: FGO), Artificial Intelligence company and provider of Cognitive Virtual Assistant technology, is pleased to announce it has received binding commitments to raise $10,000,000 (before costs) via a placement of 161,290,323 ordinary shares at an issue price of 6.2 cents per share ("Placement").

The continuing increase in market awareness around the significant disruptive potential of the Company's artificial intelligence technology has generated strong interest in the Company and its products, and recently attracted domestic and international institutional investors who wish to support the Company in its continued growth and expansion. The board and management of the Company welcomed this interest, and believe this additional investment will see the Company well placed to commence 2018 with a strong focus on delivering on revenue growth and accelerated pipeline conversion.

The Placement was heavily oversubscribed and conducted to new and existing domestic and international institutional investors and sophisticated investors within the Company's capacity under ASX Listing Rules 7.1 and 7.1A.

The number of shares to be issued under the Company's Listing Rules 7.1 capacity is 120,967,742 and the number of share to be issued under the Company's Listing Rules 7.1A capacity is 40,322,581.

The issue price pursuant to the Placement of 6.2 cents per share represents a 10.1% discount to the last closing price of Flamingo shares on 11 December 2017 of 6.9 cents per share.

Bell Potter Securities Limited acted as Lead Manager to the Placement.

Settlement of the Placement is scheduled to occur on Monday, 18 December 2017 with the shares expected to be issued the same day and commence trading on Tuesday, 19 December 2017.

Use of Funds

The funds raised via the Placement combined with the Company's existing cash proceeds will be utilized to accelerate the sales and distribution of the Flamingo product suite in the US, Australian and Asian markets. In addition, the Placement will allow for further development of the machine learning platform, bringing several new products to market and the expansion of sales and support activities within the existing client base.

Ironside

The Company refers to its announcement dated 27 June 2017 in relation to the corporate mandate entered into between the Company and Ironside Capital Pty Ltd ("Ironside") dated 26 June 2017 ("Mandate") and its announcement dated 20 September 2017 advising that the Mandate had been terminated by mutual agreement.

To finalise all obligations under the Mandate, the Company will issue to Ironside 5,000,000 unquoted options to acquire shares in the Company exercisable at $0.05 per option expiring two years from the date which the options are issued.

The options are expected to be issued using the Company's Listing Rule 7.1 capacity on or about the date the shares under the Placement are issued.

[ENDS]

For further information, investor or media enquiries, please contact: investor@flamingo.io

ABOUT Flamingo AI
Flamingo AI (ASX: FGO) is an Australian listed company based in Sydney and New York. In the Machine Learning sector, Flamingo is a SaaS company, providing Cognitive Virtual Assistant (AI) platforms designed for enterprises selling and servicing complex products online. Flamingo's Virtual Assistants are ROSIE & MAGGIE. Flamingo AI is one of IT Analyst Gartner's 'Cool Vendors' and clients include large financial services firms. www.flamingo.ai

Flamingo AI - Social Media Policy
Flamingo AI is committed to communicating with the investment community through all available channels. Whilst ASX remains the prime channel for all material announcements and news, investors and other interested parties are encouraged to follow Flamingo on Twitter @FlamingoAI

Company Investor Newsletter
The Company encourages investors to subscribe to the Flamingo investor community newsletter at https://flamingo.ai/investor-portal/