



ASX RELEASE

Quarterly Company Update

- Successful completion of oversubscribed AUD\$10M capital raise, introducing new international and domestic institutional investors sees the Company well funded for the next 18 months.
- Seven clients across US, Australia and Asia, three now in live evaluation, two in late stage User Acceptance Testing and two progressing through design into implementation and integration
- Establishing a sales manager and team to deliver on strong interest from US, Australia and Asian markets
- Company changes its name from Cre8tek to Flamingo AI (ASX:FGO)

SYDNEY, 29 January 2018, Flamingo AI Limited (“Flamingo” or “the Company”) (ASX: FGO), Artificial Intelligence and Machine Learning company and provider of Cognitive Virtual Assistant technology, is pleased to provide a quarterly company update on activities.

Commercial Update

In addition to the successful and oversubscribed capital raising of AUD\$5.1M (before costs) in late September, the Company raised an additional AUD\$10M (before costs) under another oversubscribed placement in mid December after receiving significant interest from new international and domestic institutional investors. These funds ensure that the Company moves into 2018 very well resourced to deliver on its strong pipeline of clients in the financial services sector, and with the opportunity to explore new opportunities in other verticals.

During the October to December quarter the Company has been highly focused on progressing clients in the US and Australia through implementation, User Acceptance Testing (“UAT”) and go-live phases of the deployment of Flamingo’s Virtual Sales & Service Assistant, “ROSIE”. The Virtual Assistant is now in live evaluation with three clients in the US and Australia, which involves consumer interaction with the platform, with several more close to go-live phase. Overall, feedback from both clients and their customers who have interacted with the Virtual Assistant has been very positive.

Prior to the completion of the capital raising in late September, the Company had made a strategic decision to prioritise its resources on progressing existing clients, rather than pipeline conversion, during Q3 2017. This saw a consequential reduction in revenue for Q4 2017. Following the September capital raising, resources were immediately deployed into pipeline expansion and conversion activities, which resulted in the signing of a Services Agreement with MetLife Innovation Centre Pte Ltd in Singapore and a binding commercial term sheet with CUA Health Ltd in Australia, and saw the Company advance contractual discussions with a number of other companies locally and internationally.

US

The Company entered into the post-testing go-live phase with Nationwide Insurance using Flamingo's Cognitive Virtual Assistant platform, ROSIE, to guide customers through their application and account set up for the Guaranteed Retirement Income product.

This deployment further strengthens the strong relationship the Company has with Nationwide, which has been a client of Flamingo since 2015. The Master Services Agreement (MSA) with Nationwide allows the Company to



conduct other Statements of Work and Flamingo is currently in active discussions related to potential deployments in multiple Nationwide business units. Given the security and technology review work already conducted it is expected that any future deployments with Nationwide will be substantially faster to implement.

Another US-based Fortune 50 insurer entered go-live where their customers interact with Flamingo's Cognitive Virtual Assistant. The initial trial completed at the end of the Quarter and further contract discussions are now underway. A further US-based Fortune 100 insurer entered UAT, following extensive design, security and integration work conducted by Flamingo for the Cognitive Virtual Assistant platform. Further updates are expected to be available in late Q1 2018 after the completion of the live evaluations or go-live phases.

The Company actively pursued sales opportunities in the US market during the Quarter and is progressing well with a number of targeted key accounts.

The Company sponsored and provided keynote presentations on its Cognitive Virtual Assistant technologies to a global AI conference, AI World, hosted in Boston, during December. This event has generated a number of potential sales leads as well as positioning the Flamingo brand strongly in the North American market.

Australia

In December 2017, the Company signed a binding commercial term sheet with CUA Health Ltd, a subsidiary of Credit Union Australia, for a paid trial of Flamingo's Virtual Sales & Service Assistant. The trial is expected to run for 3 months in live evaluation mode where CUA's customers and CUA Health members will interact with ROSIE.

The Company also continued its go-live phase with AMP where AMP's customers interact with Flamingo's Virtual Assistant on an extended basis.

In Q4 2017 the paid trial and implementation of the Flamingo platform, a Virtual Sales Assistant, for online personal loan provider DirectMoney progressed well and the Company completed security review, integration and UAT. In the live evaluation, Flamingo's Cognitive Virtual Assistant platform, ROSIE, will be used to guide customers through secured and unsecured personal loan applications with DirectMoney. This deployment is significant for Flamingo in demonstrating the Company's expansion beyond the insurance sector to the wider financial services sector.

Asia

As announced on 8 December 2017, the Company has signed a Services Agreement with the MetLife Innovation Centre Pte Ltd ("Metlife") in Singapore. This agreement provides the framework to explore use cases and business development opportunities with MetLife to use Flamingo's Artificial Intelligence in MetLife's online direct business, for which MetLife paid a service fee to the Company.

The outcome of the services agreement will be to agree a definitive scope for a paid trial contract with MetLife within the Asia region which is expected to occur early 2018. The Company is currently in commercial discussions with Metlife regarding the timeline to commence the paid trial in 2018.

The progress and feedback on the implementation phases of a paid trial with CHUBB Asia Pacific for Flamingo's Virtual Assistants, which was initially conducted in Australia, was also very positive.

During the quarter, The Company continued to assess market opportunities for the Flamingo software in the Asian region. Flamingo's CEO, Dr Catriona Wallace, attended and spoke at the Pacific Insurance Conference on 22 November. This has generated additional interest from Asian insurance and re-insurance companies.



Financial Update

In December, the Company raised cash of AUD\$10m (before costs) via a placement of 161,290,323 ordinary shares at an issue price of 6.2 cents per share ("Placement"). The Placement was led by Bell Potter and funds raised via the Placement, combined with the Company's existing cash, will be utilised to accelerate the sales and distribution of the Flamingo product suite in the US, Australian and Asian markets. In addition, the proceeds 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 as well as the exploration of opportunities across additional verticals. The Company is well funded for the next 18 months.

The board and management of the Company welcomed this interest, and believe this additional investment sees the Company well placed to commence 2018 with a strong focus on delivering on revenue growth and accelerated pipeline expansion. The Placement was heavily oversubscribed and conducted to new and existing domestic and international institutional investors and sophisticated investors.

During the AGM held in November 2017, the Shareholders approved (among other things) the re-election of Director Ms Cathie Reid and the change of the Company name to Flamingo AI Limited (with consequential change of ASX listing code to FGO).

The Company received AUD\$140k of payments and issued additional quantified invoicing totalling approximately AUD\$80k in Q4 which is expected to be received in early 2018.

The planned expenditure in the next quarter is focused on accelerated sales and continued implementation and integration of the Flamingo technology in the current paid trials and support of go-live customers. Research and development activities will continue with respect to additions to the JourneyAssist platform and Cognitive Virtual Assistants, ROSIE and MAGGIE.

Outlook

The Company continues to build a very strong sales pipeline in the US, Australia and Asia, and is in advanced contract discussions with a number of companies. Flamingo was a key participant in the AI World Conference, attracting over 2,500 delegates in Boston (11-13 December), which is expected to significantly bolster the market presence and client base in the US market. The Company's relationship with the Clarion Group, based in the US, who generates leads for Flamingo remains very strong.

In order to meet the demands of the market for Flamingo's Virtual Assistant product, the Company is in the process of establishing a sales manager and team in both the US and Asia Pacific. The Company is also looking to broaden the product category to include Virtual Assistant for sales, customer enquiry, claims and customer services for the wider financial services sector. Furthermore, the Company has been actively pursuing interests in verticals outside of financial services and looks forward to providing further updates in due course.

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

Email: 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 is one of IT Analyst Gartner's 'Cool Vendors' and clients include large financial services firms. www.flamingo.ai

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Company Investor Newsletter

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