

ASX RELEASE – CRE8TEK

Quarterly Company Update

- Signed a Trial Agreement contract with a third US based insurance company
- North American and Australian customer paid trials progressing into implementation and integration, with two in User Acceptance Testing (UAT)
- Flamingo continues to execute its North American strategy with a growing pipeline
- AsiaPacific expansion strategy commenced with the winning of Judge's Selection for Asian based contract with Metlife Asia. Flamingo was one of three winners of a contract with MetLife Asia, from 8 Finalists and 140 entrants, globally
- Successful completion of \$3.5m placement to sophisticated and institutional investors
- Receipt of the R&D Tax Incentive of \$723k
- Significant progress undertaken on the development of new product, Virtual Inquiry Assistant
- Submission of additional patent applications for the JourneyAssist and ROSIE machine learning technology in 14 jurisdictions
- Strong interest in US, Australia and Asian markets continues to strengthen the sales pipeline

PERTH, 28 July 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 30 June 2017, together with its Appendix 4C for the quarter.

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

Commercial Update

The Company continued to focus and progress the implementation of its proprietary software across Australia and North American paid trials, with two customers entering User Acceptance Testing. The Company also focused time and resources this quarter on developing a high level of data and technology security capabilities within the platform as well as developing a new product, a Virtual Inquiry Assistant. The Company also continues to drive momentum by developing its customer relationships and pipeline across the target markets (Australia, North America and Asia).

North America

In early May, the Company signed a Trial Agreement with a US based insurance company on a paid basis to pilot its proprietary software. Creation of the testing environment commenced and deployment of the test is expected to commence in Q4 2017. Once initiated, the trial is expected to run for approximately six months.

The Company also made significant progress made with US-based client, Fortune 100 insurance firm, Nationwide. As announced on 26 June 2017, the Company has received approval from Nationwide on the ‘non-negotiable’ extended security requirements (applicable to all vendors handling customer data),

meaning that progress can now move into the integration and production phases of the deployment. Following the Application Programming Interface (API) based integration, the platform will then enter User Acceptance Testing (UAT) before moving into the live production environment where Nationwide customers will interact with the Cognitive Virtual Assistant (CVA).

The Company also is progressing well with a third paid trial with a large US based Fortune 100 insurer moving into final stages of integration 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") continued to progress well during Q2 and entered User Acceptance Testing.

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 trial is expected to run for six months with implementation to be completed in Q3 2017 and is focused on the online sales of personal loan products.

Asia

During the quarter, the Company commenced activities to assess market opportunities for the Flamingo software in the Asian region. In the last week of April, the Company participated in the InsurTech Asia Summit and Roadshow which connected 100 corporate leaders and 30 global insurers across Singapore, Hong Kong, Kuala Lumpur, Bangkok, and Jakarta. The roadshow component involved the Company presenting to more than 10 of the major insurers, many with global footprints.

During the quarter, Flamingo also participated over 12 weeks as one of eight finalists in MetLife Asia's startup accelerator program, 'collab'. On Friday 19th May, the Company's CEO Catriona Wallace presented to nine senior MetLife executives as part of the final pitch event. The Company was awarded a Judge's Selection Award which provides a contract with MetLife Asia to deliver a trial of the Flamingo solution to one of MetLife's Asian businesses. The value and terms of the contract are currently being negotiated. This relationship and participation in the program has provided valuable exposure for the company in the Asian market.

Intellectual Property Protection Extension Applications

During the Quarter, the Company lodged patent applications in 14 jurisdictions to maintain priority for the existing patent application lodged for JourneyAssist.

The Company will continue to work with its patent attorneys in CY17 to identify further opportunities for intellectual property protection relating to continued research and development activities.

Product development

Due to interest from clients and the broader Insurance market, the Company focused resources this quarter on the development of a new product, a Cognitive Virtual Inquiry Assistant. This product supports Flamingo's strategy to develop a product that is a 'light touch' step into Artificial Intelligence for clients. The Virtual Inquiry Assistant does not need to be integrated into client systems, hence no APIs (Application Programming Interfaces) are required. This ensures that the time to implement the Virtual Inquiry Assistant is significantly less than the fully integrated Virtual Sales Assistant.

The Company is targeting release of this product within CYQ3, generating new sales opportunities for Flamingo, with preliminary customer conversations indicating a strong level of interest.

Partnership Development

The Company continued to execute on its partnership strategy to assist with the identification of new sales opportunities across North America and Australia markets and to assist with the integration of the Flamingo technology. The Company's relationship with strategic US partner the Clarion Group continues to deliver introductions in the US market, and a number of these are progressing into advanced discussions.

Flamingo also partnered with information technology solutions firm, Industrie&Co on a non-exclusive basis. Industrie&Co team members have been trained to perform integration work of the Flamingo platform, constituting the JourneyAssist product and Cognitive Virtual Sales Assistant, ROSIE. During the quarter, Industrie &Co conducted the integration work for a number of Flamingo clients including online personal loan provider, DirectMoney. The aim of this partnership is to significantly reduce the integration and implementation timeframe for Flamingo deployments. Both parties intend to enter into a longer term strategic and commercial partnership, encompassing both future integrations and lead generation opportunities through Industrie&Co's substantial customer network.

Flamingo also signed a Memorandum of Understanding (MoU) with leading professional services firm, Deloitte Australia ("Deloitte") (see ASX announcement 15 May 2017). Under the MoU Deloitte will collaborate with Flamingo to identify opportunities, initially within the Australian market. The relationship will assist Flamingo scale its business more efficiently through identifying opportunities to introduce its product to new clients, with Deloitte acting as an integration partner and reseller of the product. At the completion of a six month term, an opportunity exists under the MoU for the two parties to enter into a full Partnership or Alliance Agreement.

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). The Company also received \$99k of payments relating to invoices of USD\$75k generated in Q2, referenced in Appendix 4C. Additional quantified invoicing totalling approximately \$250k is anticipated to be issued in early Q3 and also received in Q3. The Company also anticipates the generation of revenues in Q3 from both existing and new customer engagements.

The Company received approximately \$723k (before costs) via an R&D tax credit from the Australian Tax Office. The Company expects to receive approximately \$100k (before costs and pro-rata allocation) from the Export Market Development Grant in Q3 2017.

The planned expenditure in the next quarter is focused on continued implementation and integration of the Flamingo technology in the current paid trials. This includes investing in operational infrastructure and resource capabilities across Australia and the US to support live clients with 24x7 support. In addition, the Company will continue to invest in resources to develop a high level of security capability and meeting security requirements for customers. Research and development activities will continue with respect to additions to the Customer Create product suite together with enhancements to the Company's Conversational Commerce platform and Cognitive Virtual Assistant.

Whilst the Company plans to continue to invest in development activities to take advantage of new market opportunities, the Company is moving closer to final implementation for current paid trials and accordingly closer to generating monthly recurring revenue. The Company remains well positioned to scale the business with current headcount and is extending headcount in those areas to support implementation, integration and operations support for go-live.

Corporate

Placement to sophisticated investors

The Company successfully completed a \$3.5m placement to sophisticated and institutional investors via the issue of 87,500,000 shares at \$0.04 per share with a 1 for 2 free attaching new listed option exercisable at 6c with a 12 month expiry. In addition the Company raised approximately \$135,000 at \$0.04 per share with a 1 for 2 free attaching new listed option exercisable at 6c with a 12 month expiry via a non renounceable entitlement issue.

Given the successful placement of \$3.5m in March 2017 and recent receipt of R&D Tax credit, the Company is well-funded for CY17.

Resignation of Director

On 27 June 2017, the Company announced that Mr Faldi Ismail had resigned as a Director of Cre8tek Limited. Mr Ismail played a key role in the 2015 recapitalisation of Cre8tek Limited (then Marion Energy Limited) and subsequent transformation. Mr Ismail leaves with the Company's best wishes for his future endeavours.

Appointment of Corporate Advisor

The Company appointed Ironside Capital as the new corporate advisor. Ironside Capital is a privately owned investment and corporate advisory group specialising in the provision of corporate advice, generally for companies below A\$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, trade sales and investor relations.

Outlook

The Company's key focus over the remainder of CY17 is the execution of current paid client implementations across Australia and the North American markets. This includes establishing operational capabilities across Australia and the US to support live clients with 24x7 support infrastructure. 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 will continue to progress its product strategy through new product development to position Flamingo with a competitive advantage being a light touch step into AI. This includes broadening the product category to include Virtual Assistants for sales, customer enquiries, customer service, employees and insurance agents. The Company anticipates further information regarding new product development activities will be provided to the market during Q3.

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. The Company anticipates that the release of the additional light touch Virtual Assistants currently under development will accelerate the progress of some of those 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 Inquiry 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 approach.

[ENDS]

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

Flamingo - Social Media Policy

Flamingo 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 - @FlamingoCX
