

2 June 2016

AGREEMENT TO ACQUIRE SOFTWARE COMPANY FLAMINGO CUSTOMER EXPERIENCE INC.



- Cre8tek Limited (**Company**) to acquire 100% of Flamingo Customer Experience Inc. (**Flamingo**), a software as a service (**SaaS**) company which has developed a customer experience automation platform (**Flamingo Platform**), adding to the Company's existing technology portfolio.
- The Flamingo Platform guides online customers from page view to purchase, on both mobile and desktop devices. Using **Artificial Intelligence** software developed by Flamingo, the Flamingo Platform learns how customers and employees interact, then is able to automate a customers' 'journey' through sales, on-boarding and retention processes. It also delivers insights which facilitate ongoing product development.
- Current customers include major companies such as Nationwide Insurance, Prime Financial, Quay Credit Union and NY Daily Gazette, with a **strong sales pipeline** in place.
- Flamingo, with offices in New York and Sydney, has delivered materially increased conversion and customer retention rates for its predominantly US customer base. The Flamingo Platform's data science capabilities also provide clients with valuable analytics and insights into customer behaviour.
- Flamingo has initially targeted the **financial services sector** catching a massive addressable market through guiding the online sales experience.
- **Experienced Board of Directors** will be comprised of Ms Cathie Reid, Dr Catriona Wallace and Mr Paul Hunyor joining the existing Directors Mr Faldi Ismail and Mr Bryn Hardcastle upon completion of the Flamingo acquisition.

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The Board of Cre8tek Limited (ASX:CR8) is pleased to announce that it has executed a binding conditional share sale agreement with technology company Flamingo Customer Experience Inc. (Flamingo) and its majority vendors to acquire 100% of the issued capital of Flamingo (Acquisition). The Flamingo Platform is a Conversational Commerce platform that uses machine learning to automate structured journeys that concierge online customers through key touch points in their lifecycle, with a focus on optimising conversion of customers from quotation to payment.

The Flamingo Platform

Customers often have difficulty with the complexity of financial products. This makes it difficult to sell to these customers online, resulting in low conversion rates.

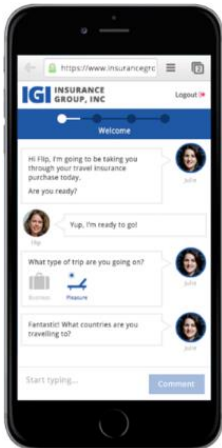
Flamingo, conceived by Dr Catriona Wallace, a multi-award winning, recognised business leader, solves this problem through providing a cloud-based platform that delivers an intelligent guided selling, onboarding or retention experience between companies and their customers.

The Flamingo Platform guides customers from page view to purchase (on both mobile and desktop). This reduces the overwhelm and makes financial products easier to buy online, which has seen a material increase in conversion rates with Flamingo’s existing clients.

With each completed interaction, the Flamingo Platform intelligently learns more about how customers and employees interact. This allows the process to be automated, meaning employees are required less often, or not at all. Flamingo’s customer journey intellectual property is patented.

Further details can be found on Flamingo’s website: www.flamingo.io

How it works



1. Invite customers to a journey to buy your product

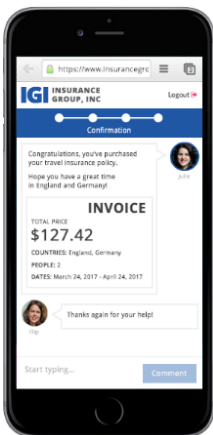
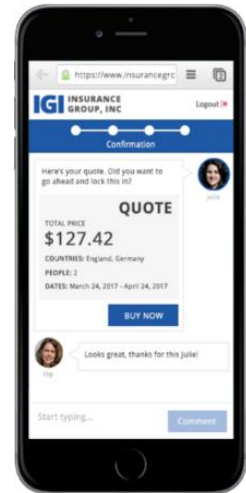
Customers are invited to participate in a journey through a simple link.

The journey is a guided experience which allows the customer to co-design, within parameters set by the client, the product and relationship to suit their individual needs. This experience can be assisted by employees or fully automated (or anywhere in between).

2. Quote

The customer joins a journey with a client employee (or one of Flamingo's automated assistants).

Flamingo uses human-centred design principles to concierge the customer through their options to co-design the product to meet individual needs. Customers can live chat with client employees as an integrated part of the experience.



3. Purchase

After completing the quotation together, the employee (or the automated assistant) will guide the customer to make a payment.

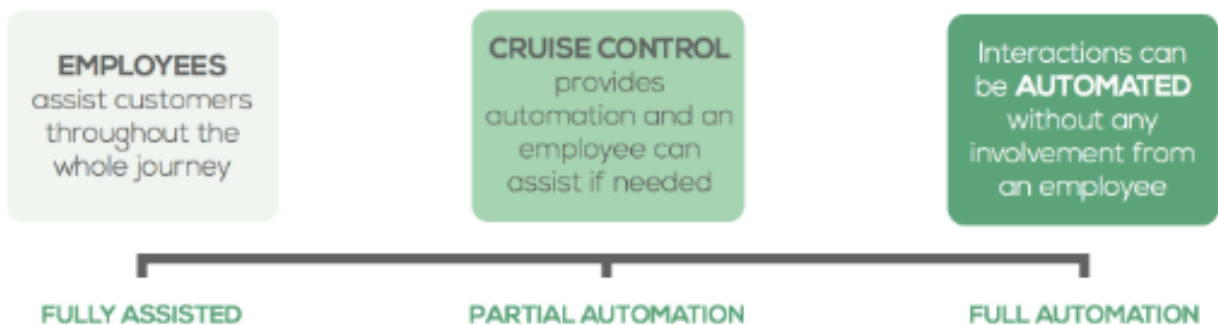
After payment is made the employee acknowledges and congratulates the customer.

4. Automation

With each completed journey, Flamingo intelligently learns more about how customers and employees interact.

Every question asked and answered, every keystroke and chat message is analysed by Flamingo's advanced data-mining algorithms.

This allows Flamingo to automate the customer's journey, so employees are required less or even not at all.





5. Analytics

Flamingo provides dashboards and real-time analytics related to individual and aggregated customer experiences.

- Descriptive statistics
- Product and experience configurations
- Customer behaviour insights
- New market discovery
- Performance and effectiveness of interactions
- Customer insights & engagement scores

Accolades

Flamingo was named in April 2015 by Gartner Inc (a leading information technology research and advisory company) as a ‘Cool Vendor’ in the Customer Relationship Management (CRM) and Customer Support category, identified as one of five innovative vendors with applications to deliver a superior customer service experience and/or reduce operational costs.

Flamingo was selected to be a Springboard Enterprises company, was noted as a Top 3 Start-up to Watch at CeBit and was named in CIO Review as Top 20 Most Promising Customer Experience Management solution providers. Further, Flamingo’s founder and CEO, Dr Catriona Wallace, is also the recipient of a Pearcey Foundation Entrepreneur Award.

Offices and customers

Flamingo’s commercial team is based out of New York and the development team is based in Sydney.

Flamingo, originally conceived in Australia, entered the marketplace in mid-2014 and secured National Australia Bank (NAB) as a foundation pilot partner, helping NAB on-board small to medium business customers. This program was regarded as being very successful so the Flamingo Board determined that the business had global potential and would be best scaled via the US market.

Current customers include multiple business lines of Nationwide Insurance, Prime Financial, Quay Credit Union and NY Daily Gazette, with a strong sales pipeline in place.

The key focus of Flamingo’s technology team is to develop an integrated web acquisition framework, to scale the online platform, to automate the journey with machine learning algorithms and to build self-service SaaS tools for clients. This technology will be built in a way so that once solved for one client, it can be deployed with only minor reconfigurations for other clients.

Key acquisition terms

In consideration for the acquisition of 100% of the issued capital of Flamingo, the Company will issue to Flamingo shareholders, via a newly incorporated US wholly owned subsidiary:

- 272,727,273 fully paid ordinary shares in the Company (**CR8 Shares**) (**Initial Consideration Shares**);
- 90,909,091 Class A Performance Shares will convert into 90,909,091 CR8 Shares if Flamingo executes a legally binding master services agreement (**MSA**) and completes a security audit with a substantial US corporation and either:
 - that MSA remains valid, binding and enforceable for at least 12 months after its execution; or
 - the Flamingo Platform technology is applied in another business vertical of the substantial US corporation outside any business unit where the technology is being trialled;
- 90,909,091 Class B Performance Shares will convert into 90,909,091 CR8 Shares if Flamingo achieves \$13,000,000 in revenue in any 12 month period within 36 months of completion of the Acquisition; and
- 90,909,091 Class C Performance Shares will convert into 90,909,091 CR8 Shares if Flamingo achieves \$28,000,000 in revenue in any 12 month period within 36 months of completion of the Acquisition,

(together, the Class A, Class B and Class C performance shares are the **Performance Shares** and together with the Initial Consideration Shares, the **Consideration Securities**).

In addition to the Consideration Securities, the Company proposes to issue facilitators to the transaction 7,150,000 CR8 Shares, 2,383,334 Class A, 2,383,333 Class B and 2,383,333 Class C Performance Shares (**Facilitator Securities**) and pay \$135,000 cash. The cash payment is proposed to be made to incoming director Mr Paul Hunyor.

The Company has also agreed to provide a loan facility of up to \$300,000 to Flamingo for transaction costs and business costs for the period up to completion. The loan funds will be provided as and when required by Flamingo, but not before mid-June 2016.

Settlement of the Acquisition is conditional upon the satisfaction (or waiver) of the following material conditions precedent on or before 31 August 2016 (or such other date as may be agreed in writing):

- shareholder approval for the issue of the Consideration Securities, capital raising (see below) and Facilitator Securities, including obtaining an independent expert's report;
- shareholder approval for the appointment of Ms Cathie Reid, Dr Catriona Wallace and Mr Paul Hunyor as Directors;
- the Company obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing Rules and Corporations Act;
- execution of ASX restriction agreements to the extent required by ASX;
- the Company obtaining all regulatory approvals (as required), including with respect to Chapter 11 of the ASX Listing Rules;

- the Company entering into employment and/or service agreements (in a form satisfactory to the Company, acting reasonably) with:
 - Ms Cathie Reid, in relation to her appointment as Chair of the Company;
 - Dr Catriona Wallace, in relation to her appointment as Chief Executive Officer and Executive Director of the Company; and
 - Mr Paul Hunyor, in relation to his appointment as a non-executive director of the Company;
- the Company receiving a reinstatement conditions letter from ASX, on terms satisfactory to the Company and Flamingo (both acting reasonably); and
- the Company undertaking a capital raising of not less than \$2,000,000 (**Capital Raising**).

Capital Raising

Subject to shareholder approval (if required) and receipt of a waiver from ASX, the Company will undertake a capital raising of not less than \$2,000,000. Funds raised will be primarily applied to further development of the Flamingo Platform.

Further details on the terms, pricing and structure of the Capital Raising are yet to be settled by the Board, and will be included in the notice of meeting seeking approval for the Acquisition.

Indicative capital structure (excluding Capital Raising)

ITEM	SHARES	OPTIONS	PERFORMANCE RIGHTS	PERFORMANCE SHARES
Existing securities on issue	234,426,409	75,567,186 ²	30,000,000 ¹	
Consideration Securities	272,727,273			272,727,273
Facilitator Consideration	7,150,000			7,150,000
Total issued capital prior to Capital Raising	514,303,682	75,567,186	30,000,000	279,877,273

Notes:

1. Comprised of three tranches of Performance Rights which vest over 3 equal proportions on achievement of a 10 day VWAP share price of \$0.03, \$0.04 and \$0.05 respectively.
2. Comprised of the following:
 - (a) 25,000,000 unquoted options exercisable at \$0.02 each and expiring 4 November 2019;
 - (b) 50,000,000 unquoted options exercisable at \$0.03 each and expiring 5 February 2019;
 - (c) 91,733 unquoted options exercisable at \$10.00 each and expiring 31 July 2016;
 - (d) 98,000 unquoted options exercisable at \$6.00 each and expiring 18 September 2016;
 - (e) 88,705 unquoted options exercisable at \$5.00 each and expiring 22 December 2016;
 - (f) 221,056 unquoted options exercisable at \$3.00 each and expiring 5 February 2018; and
 - (g) 67,692 unquoted options exercisable at \$6.00 each and expiring 5 February 2018.

3. Comprised of the following:
- (a) 90,909,091 Class A Performance Shares to Company Shareholders and 2,383,334 to Facilitators;
 - (b) 90,909,091 Class B Performance Shares to Company Shareholders and 2,383,333 to Facilitators.
 - (c) 90,909,091 Class C Performance Shares to Company Shareholders and 2,383,333 to Facilitators.

Upon completion of the Acquisition (but prior to the issue of shares pursuant to the Capital Raising), Flamingo's founder and CEO, Dr Catriona Wallace, will hold approximately 22.5% of the Company's voting rights. The Company will prepare an independent expert's report and seek shareholder approval pursuant to item 7 of section 611 of the Corporations Act for Dr Wallace's interest.

Board of Directors

Upon completion of the Acquisition, it is proposed that the Company's board of directors will consist of Ms Cathie Reid, Dr Catriona Wallace, Mr Paul Hunyor, Mr Faldi Ismail and Mr Bryn Hardcastle, with Mr Tom Bahen stepping down. A brief resume for each of the directors follows:

Cathie Reid

Cathie is the co-founder of Australia's Epic Healthcare Group, which includes Epic Pharmacy, Epic Digital and the Epic Good Foundation. Epic also founded Icon Cancer Care, now part of the Icon Group which is Australia's fastest growing provider of integrated cancer care services.

Cathie was inducted into the Australian Businesswomen's Hall of Fame in 2015, named one of the Top 100 Women of Influence by the Australian Financial Review in 2013, won a National Telstra Business Women's Award in 2011, and recognised by Monash University with a Distinguished Alumni Award for Professional Achievement in 2012.

Dr Catriona Wallace

Flamingo founder and CEO, Dr Wallace is a multi-award winning, recognised business leader, well published author with a PhD in Organizational Behaviour and is statistically trained. She is regarded as a top-5 global CX expert and is a member of the Springboard Alumni. She is founder and now major shareholder of three successful businesses (excluding Flamingo), including the multi-award winning Customer Experience Design firm, Fifth Quadrant.

Paul Hunyor

Paul is an early stage venture capital investor and fund manager. His professional background is in corporate strategy, finance and venture capital investment. Paul is also an entrepreneur who as founding CEO of Onebigswitch helped grow this startup to >600,000 users, to profitability and to partial exit.

Paul has an MBA and MPA from Harvard. He also has an LLB from the University of Sydney. He has served on the boards or advisory boards of Rebel Sport, Coco Republic, Onebigswitch, Flamingo, and the Grid Fund.

Faldi Ismail

Faldi is an experienced corporate advisor who specialises in the restructure and recapitalisation of a wide range of ASX listed companies, specialising in information technology. He has a significant amount of ASX and investment banking experience and has advised on numerous cross border transactions including capital raisings, structuring of acquisitions and joint ventures overseas. Faldi is also the founder and operator of Otsana Capital, a boutique advisory firm specialising in mergers and acquisitions, capital raisings and Initial Public Offerings.

Faldi currently sits on the board of a number of ASX listed companies.

Bryn Hardcastle

Bryn is an experienced corporate lawyer specialising in corporate, commercial and securities law. He is the principal of Bellanhouse Legal which predominantly advises on equity capital markets, re-compliance transactions and takeovers across a variety of industries. Bryn has extensive international legal experience and has advised on numerous cross border transactions working in the United Kingdom, Middle East and North America. He also has experience acting as a non-executive director of ASX listed companies.

Suspension from trading

As indicated in the Company's announcement of 5 May 2016, ASX has confirmed the Acquisition constitutes a back door listing and requires the Company to re-comply with Chapters 1 and 2 of the Listing Rules.

In accordance with ASX's policy on entities undertaking back door listings, the Company's securities will remain suspended until completion of the Acquisition and successful re-compliance with Chapters 1 and 2 of the Listing Rules.

Indicative timetable

EVENT	DATE
Despatch of Notice of Meeting and Independent Expert's Report	Week commencing 11 July 2016
Lodgement of Prospectus with ASIC	Week commencing 25 July 2016
Shareholder & regulatory consent	Week commencing 8 August 2016
Prospectus close	Week commencing 15 August 2016
Re-instatement of CR8 Shares to trading	Mid-late August 2016

Reinstatement to quotation of the Company's securities will be sought as soon as practicable following completion of the Capital Raising. Timing is subject to confirmation and approval from ASX. These dates are indicative only and subject to change.

Further information

Further details for Flamingo and the Acquisition will be contained in the Company's notice of meeting and prospectus, at which point the Company expects an audit of Flamingo's financial statements to have been completed to enable the preparation of a pro-forma balance sheet demonstrating the effect of the Acquisition.

Agenda Platform

The Company continues to develop the Agenda Platform, consistent with the disclosures made in the Company's prospectus dated 8 December 2015.

Bryn Hardcastle
Chairman
Cre8tek Limited

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