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ASX ANNOUNCEMENT

4 June 2020

Completion of Share Purchase Plan

Key Highlights

- ELMO Software Limited (**ELMO** or **Company**) has successfully completed its Share Purchase Plan offer (**SPP**)
- ELMO has raised a combined total of A\$72.8 million to accelerate organic growth initiatives and fund acquisition opportunities

ELMO Software Limited is pleased to announce the completion of its share purchase plan offer to existing eligible shareholders. The SPP Offer received applications totalling approximately A\$2.8 million.

Following the completion of the SPP Offer, together with the proceeds of the earlier Placement, ELMO has raised a combined total of approximately A\$72.8 million taking ELMO's pro forma cash position at 31 May 2020 to A\$140.3, which will accelerate organic growth initiatives within ELMO and also fund acquisition opportunities.

ELMO's CEO Danny Lessem said, "We are delighted to complete the Institutional raise and SPP. The funds will assist to further scale ELMO, strengthen our competitive advantage and also help fund our acquisition pipeline both regionally and in the United Kingdom."

The SPP Offer was announced to the market on 11 May 2020 following the successful completion of ELMO's A\$70 million institutional share placement (**Placement**). The SPP Offer allowed eligible shareholders the ability to subscribe for up to A\$30,000 of new fully paid ordinary shares in ELMO (**New Shares**) at the lower of:

- (i) the issue price under the Placement (being A\$7.00); and
- (ii) the price that is a 2% discount to the VWAP of ELMO shares on the ASX over the five trading days up to, and including, the closing date of the SPP Offer (rounded down to the nearest cent).

In accordance with the above, the issue price of shares under the SPP Offer has been set at A\$6.50 per share, being the price that is a 2% discount to the VWAP of ELMO shares on the ASX over the five trading days up to the closing date of the SPP Offer (rounded down to the nearest cent).

The New Shares under the SPP Offer will be issued to participants on Tuesday, 9 June 2020. The New Shares will rank equally with all existing ELMO fully paid ordinary shares on issue. Holding statements for the New Shares will be despatched on or around Wednesday, 10 June 2020, with trading in the New Shares on ASX on a normal settlement basis commencing on the same day.

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About ELMO Software Limited

Founded in 2002, ELMO is a cloud-based HR & Payroll software provider. The Company offers customers a unified platform to streamline processes for HR, and also manage payroll and rostering / time & attendance. ELMO operates on a Software as a Service (“SaaS”) business model based on recurrent subscription revenues.

Further information about ELMO can be found at www.elmosoftware.com.au.

IMPORTANT NOTICE

This announcement may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be unlawful. The New Shares have not been, and will not be registered under the US Securities Act of 1933, as amended (US Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the US Securities Act (which ELMO has no obligation or intention to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable US state securities laws.

The information in this announcement is of general background and does not purport to be complete. It should be read in conjunction with ELMO's other periodic and continuous disclosure announcements lodged with ASX Limited, which are available at www.asx.com.au.

This announcement contains certain “forward-looking statements”. Forward-looking statements can generally be identified by the use of forward looking words such as “forecast”, “estimate”, “likely”, “anticipate”, “believe”, “expect”, “future”, “project”, “opinion”, “opportunity”, “predict”, “outlook”, “guidance”, “intend”, “should”, “could”, “may”, “target”, “plan”, “propose”, “to be”, “foresee”, “aim”, “will” and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements, and include statements in this announcement regarding the conduct and outcome of the Placement and SPP and the use of the proceeds. Forward-looking statements, opinion and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections and guidance on future earnings and estimates are provided as a general guide only and should not be relied on as an indication or guarantee of future performance and may involve significant elements of subjective judgement, assumptions as to future events that may not be correct, known and unknown risks, uncertainties and other factors, many of which are outside the control of ELMO. A number of factors could cause actual results, performance or achievements to vary materially from any forward-looking statements and the assumptions on which statements are based, including but not limited to the risk factors set out in the investor presentation released by ELMO to ASX today. Except as required by applicable law or regulation (including the ASX Listing Rules), ELMO undertakes no obligation to provide any additional or updated information or update any forward-looking statements, whether as a result of new information, future events or results, or otherwise.