



ELMO Software Limited
ABN 13 102 455 087

ASX ANNOUNCEMENT

28 March 2018

ELMO successfully completes A\$45 million institutional placement

ELMO Software Limited (“**ELMO**”) is pleased to announce that it has successfully completed an institutional placement to raise approximately A\$45 million through the issue of approximately 8.3 million new shares (the “**Offer**”). The placement was conducted at \$5.40 per new share (“**Offer Price**”), which represents a 10.1% discount to the last close price on Monday, 26 March 2018, and a 9.5% discount to the 5-day VWAP to Monday, 26 March 2018.

As a result of strong demand for the Offer, the company has determined to increase the size of the Offer to \$45 million from \$40 million as announced to the market on Tuesday, 27 March 2018. Proceeds from the placement will be used to fund future acquisitions, strengthen the balance sheet to support ongoing research and development, sales and marketing and general corporate purposes. The additional \$5 million of proceeds will be used to fund future acquisitions. As noted in its announcement on 27 March 2018, ELMO has signed a non-binding indicative offer letter for a potential acquisition of a complementary business for a total consideration of approximately \$8.65 million, completion of which is subject to due diligence and execution of a binding sale and purchase agreement. ELMO is confident it will deploy a substantial portion of its raised funds within the next 12 months, primarily for acquisition opportunities valued between ~\$5 million and ~\$30 million in total consideration price.

ELMO CEO, Danny Lessem said: *“We are very pleased with the level of institutional support for the raising both from existing and new shareholders, and we welcome our new shareholders to our register. We look forward to the next phase of the company’s growth with their support”.*

Settlement of the Offer is scheduled to occur on Tuesday, 3 April 2018, with the placement shares being allotted and quoted on the Australian Securities Exchange (“ASX”) on Wednesday, 4 April 2018. 5,417,158 of the new shares to be issued under the institutional placement will be issued within ELMO’s existing placement capacity under ASX Listing Rule 7.1A and the balance of the new shares, being 2,916,176 shares, will be issued within ELMO’s placement capacity under ASX Listing Rule 7.1.

Share Purchase Plan

As previously announced, ELMO will offer a Share Purchase Plan (“SPP”), under which eligible existing ELMO shareholders will be given the opportunity to acquire up to \$15,000 of additional shares in ELMO at \$5.40 per share, being the same issue price as shares issued under the institutional placement. The SPP will not be underwritten and will be capped at \$5 million (and will be subject to ELMO’s discretion to scale back applications if necessary). Participation in the SPP will be optional.

Further information relating to the SPP, including the terms and conditions of the SPP, will be provided in a separate SPP Offer Booklet which will be dispatched to eligible shareholders on or about 4 April 2018.

ELMO provides the following disclosures under ASX Listing Rules 3.10.5A and 7.1A.4(b):

- The dilutive effect of the issue of the Placement on existing shareholders is as follows:



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	Number of securities issued	% of post Placement issued share capital
Ordinary shares issued under Listing Rule 7.1	2,916,176	4.6%
Ordinary shares issued under Listing Rule 7.1A	5,417,158	8.6%
Total	8,333,334	13.2%

- ELMO issued shares as a placement to institutional, sophisticated and professional investors (rather than as a pro rata issue) as this was considered to be the most efficient and expedient mechanism for raising funds in a timely manner. ELMO is also undertaking an SPP for existing eligible shareholders capped at \$5million;
- The issue was not underwritten;
- Fees of approximately \$2,000,000 will be incurred in connection with the issue.

For further information please contact:

Danny Lessem
Chief Executive Officer
+61 2 8305 4600

Michael Brown
Investor Relations
+61 400 248 080

About ELMO

Established in 2002, ELMO is a cloud-based HR & Payroll software provider. The company offers customers a unified platform to streamline processes for employee administration, recruitment, onboarding, learning, performance, remuneration, compliance training and payroll. ELMO operates on a Software as a Service ("SaaS") business model based on recurrent subscription revenues.

For more information please visit www.elmotalent.com.au

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This announcement contains forward-looking statements, which can usually be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or words of similar effect. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of ELMO, and which may cause actual outcomes to differ materially from those expressed in the statements contained in this announcement. Undue reliance should not be placed on these forward-looking statements. These forward-looking statements are based on information available to ELMO as of the date of this announcement. Except as required by law or regulation (including ASX Listing Rules), ELMO undertakes no obligation to update these forward-looking statements.

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A number of figures, amounts, percentages, estimates, calculations of value and fractions in this document are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

Statements in this announcement are made only as at the date of this announcement.