



ELMO Software Limited
ABN 13 102 455 087

25 February 2019

Belinda Chiu
Adviser, Listings Compliance
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Belinda

ELMO SOFTWARE LIMITED (ASX: ELO)
Response to Price Query

We refer to ASX's "Price Query" letter dated 25 February 2019 and respond to the questions in that letter as follows:

- 1. Is ELO aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?**

No, ELO is not aware of any information concerning it that has not been announced to the market, which if known by some in the market, could explain the recent trading in its securities.

However, ELO notes that it is due to announce its FY19 half-year results to the market on Thursday, 28 February, which in accordance with normal practice may include an update to the market on the outlook for ELO and further earnings guidance. One explanation for the price increase may be that certain investors are pre-empting the results announcement but at this stage ELO is not in a position to comment further since its results are still subject to final sign-off by management and approval by the Board.

- 2. If the answer to question 1 is "yes":**
 - a. Is ELO relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?**
 - b. Can an announcement be made immediately?**
 - c. If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?**

Not applicable.

3. Is there any other explanation that ELO may have for the recent trading in its securities?

ELO is a thinly traded stock with limited liquidity. When reasonable volumes are traded, price volatility tends to occur.

4. Please confirm that ELO is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

ELO is in compliance with the Listing Rules, including Listing Rule 3.1.

5. Please confirm that ELO's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its Board or an officer of ELO with delegated authority from the Board to respond to ASX on disclosure matters.

ELO confirms that the above responses have been authorised and approved by the Board of ELO.

Yours faithfully,



Anna Sandham
Company Secretary

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.elmosoftware.com.au



25 February 2019

Ms Anna Sandham
Senior Governance Consultant
ELMO Software Limited

By email

Dear Ms Sandham

ELMO Software Limited ('ELO'): Price Query

We note the change in the price of ELO's securities from a low of \$4.61 to an intra-day high of \$6.25 today.

Request for Information

In light of this, ASX asks ELO to respond separately to each of the following questions and requests for information:

1. Is ELO aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?

In responding to this question, please consider in particular whether ELO is aware of any information that its earnings for the 6 month period ending on 31 December 2018:

- (a) are likely to differ materially (downwards or upwards) from any earnings guidance it has given for the period; or
 - (b) if ELO has not given any earnings guidance for the period, are otherwise likely to come as a surprise to the market (by reference to analyst forecasts for the period or, if ELO is not covered by analysts, its earnings for the prior corresponding period)?]
2. If the answer to question 1 is "yes".
 - (a) Is ELO relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in ELO's securities would suggest to ASX that such information may have ceased to be confidential and therefore ELO may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that ELO may have for the recent trading in its securities?
4. Please confirm that ELO is complying with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that ELO's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of ELO with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **2:30pm PM AEDT today Monday, 25 February 2019**. If we do not have your response by then, ASX will likely suspend trading in ELO's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ELO's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to ELO's obligations under Listing Rules 3.1 and 3.1A and also to Guidance *Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that ELO's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in ELO's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in ELO's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Kind regards

Belinda Chiu

Senior Adviser, Listings Compliance (Sydney)