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ASX ANNOUNCEMENT

26 September 2019

ELMO Software Limited
(ASX:ELO)

SPP Offer Booklet and confirmation of despatch

ELMO Software Limited (**ELMO**) announces that it has today despatched the share purchase plan offer booklet (**SPP Offer Booklet**) and personalised application form to shareholders who are eligible to participate in the share purchase plan that was announced to the market on Wednesday, 18 September 2019 (**SPP Offer**).

SPP Offer Booklet

A copy of the SPP Offer Booklet is attached to this release. The SPP Offer Booklet contains important information for Eligible Shareholders (as defined below) in relation to the SPP Offer.

Eligible Shareholders who wish to participate in the SPP Offer must read the SPP Offer Booklet carefully before applying, including considering the key risks related to ELMO and the risks of investing in ELMO shares that are set out in the investor presentation released to ASX on Wednesday, 18 September 2019. Participation in the SPP Offer is entirely voluntary. If an Eligible Shareholder is unsure of what action to take, they should consult their financial or other professional adviser as soon as possible.

Eligible Shareholders

“**Eligible Shareholders**” are those shareholders who (i) were entered in ELMO’s share register as a holder of ELMO shares at 7.00pm (Sydney time) on Tuesday, 17 September 2019, and (ii) have an address on ELMO’s share register in Australia and New Zealand, and (iii) are not in the United States, or acting for the account or benefit of persons in the United States.

Eligible Shareholders who are nominees or custodians holding shares on behalf of eligible beneficiaries (as defined in the SPP Offer Booklet) may also participate in the SPP Offer, subject to the terms set out in the SPP Offer Booklet.

How to apply

The SPP Offer will close at **5:00pm (Sydney time) on Friday, 11 October 2019 (Closing Date)**. Eligible Shareholders who wish to participate in the SPP Offer are encouraged to apply as soon as possible and before the Closing Date.

In order to expedite and facilitate applications, Eligible Shareholders are encouraged to apply on-line from today by clicking on the ELMO SPP offer website at www.elmosoftware.com.au and following the instructions.

Alternatively, Eligible Shareholders may also apply for new shares under the SPP Offer by following the instructions in the SPP Offer Booklet and the personalised application form accompanying the SPP Offer Booklet (once received through the post), which will include details required to complete any payment by BPay®.

Eligible Shareholders must pay their application monies in Australian currency only (either by BPay® through their Australian financial institution or by cheque).

Enquiries on the SPP Offer

If you have any questions in relation to the SPP Offer, or how to participate in the SPP Offer, please contact the ELMO Offer Information Line on 1300 222 378 (from within Australia) or +61 1300 222 378 (from outside Australia) between 8.30am and 5.30pm (Sydney time) until the closing date of the SPP Offer on Friday, 11 October 2019.



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.



Share Purchase Plan

OFFER BOOKLET

The SPP Offer closes at 5.00 pm (Sydney time)
on Friday, 11 October 2019



ELMO Software Limited
ACN 102 455 087



This is an important document and should be read in its entirety.

This document has been prepared by ELMO Software Limited ACN 102 455 087. The SPP Offer is an initiative that provides Eligible Shareholders with the opportunity to purchase New Shares at a discount without brokerage and transaction costs.

This SPP Offer does not take into account the individual investment objective, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision whether or not to accept the SPP Offer, you should consult your financial or other professional adviser.

This document is not a prospectus or other form of disclosure document under the Corporations Act.

THIS OFFER BOOKLET IS NOT FOR RELEASE TO US WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES.

Key Information on SPP Offer

Introduction

ELMO Software Limited ACN 102 455 087 (**ELMO**) is pleased to provide Eligible Shareholders the opportunity to subscribe for up to A\$30,000 of new fully paid ordinary shares in ELMO (**New Shares**) under a share purchase plan (**SPP**) on the terms and conditions set out in this document (**SPP Offer**). Participation in the SPP Offer will not incur brokerage and transaction costs. This document has been issued by ELMO and explains the features, and terms and conditions, of the SPP Offer.

If you have any questions in relation to how to participate in the SPP after reading this Booklet, please call the ELMO Offer Information Line on 1300 222 378 (from within Australia) or +61 1300 222 378 (from outside Australia), or consult your financial or other professional adviser. The ELMO Offer Information Line will be open from 8.30am to 5.30pm (Sydney time), Monday to Friday during the offer period. Alternatively, you can access information about the SPP Offer online at www.elmosoftware.com.au.

SPP – Key Dates*

Record Date (the time that eligibility to participate in the SPP was determined)	7.00 pm (Sydney time) Tuesday, 17 September 2019
SPP Opening Date	Thursday, 26 September 2019
SPP Closing Date	5.00 pm (Sydney time) Friday, 11 October 2019
Completion announcement date (and notice of scale back, if any)	Thursday, 17 October 2019
Allotment Date for New Shares	Friday, 18 October 2019
New Shares commence trading on ASX	Monday, 21 October 2019
Despatch of holding statements for New Shares	Monday, 21 October 2019

* This timetable (and each reference in this Booklet to a date specified in the timetable) is indicative only and ELMO may, at its discretion, vary any of the above dates by lodging a revised timetable with the Australian Securities Exchange (**ASX**). All times referred to in this Booklet are Sydney, Australia time.


Important Notice

This share purchase plan offer booklet (**Booklet**) contains important information. You should read it carefully and in its entirety. The offer of New Shares under the SPP is made in accordance with Australian Securities and Investments Commission (**ASIC**) Corporations (Share and Interest Purchase Plan) Instrument 2019/547 (**ASIC Instrument 2019/547**), which grants relief from the requirement to issue a disclosure document under Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**) in connection with the issue of New Shares under the SPP. Accordingly, this Booklet is not a prospectus or other form of disclosure document for the purposes of the Corporations Act.

The offer contained in this Booklet is not a recommendation to purchase New Shares. If you are in any doubt about the SPP Offer, you should consult your financial or other professional adviser.

If you apply to participate in the SPP Offer you are accepting the risk that the market price of ELMO fully paid ordinary shares (**Shares**) may change between the date of your acceptance of the SPP Offer and the Allotment Date for New Shares.

This means it is possible that, up to or after the Allotment Date, you may be able to buy Shares on market at a lower price than the Issue Price. If the market price of Shares is lower than the Issue Price (as defined in clause 5.1 of the attached SPP Terms and Conditions) after the Allotment Date, the price at which you will be able to sell your New Shares, and their value, will be less than what you paid for them.



This Booklet does not constitute or provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs. If you are in any doubt about whether to participate in the SPP Offer, you should seek advice from your financial, taxation or other professional adviser before participating.

Participation in the SPP Offer is restricted to Eligible Shareholders (as defined in clause 2.1 of the attached SPP Terms and Conditions), principally being existing shareholders of ELMO whose address in ELMO's share register on the Record Date is in Australia or New Zealand and who are not in the United States or acting for the account or benefit of persons in the United States.

This Booklet may not be released or distributed in the United States or to any person acting for the account or benefit of a person in the United States. This Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be unlawful. The New Shares to be offered and sold in the SPP 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 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.

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Shareholders resident in New Zealand

The New Shares under the SPP are not being offered or sold to the public in New Zealand other than to existing shareholders of ELMO with registered addresses in New Zealand on the Record Date to whom the offer of New Shares under the SPP can be made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This document has not been registered, filed or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Distribution by Nominees and Custodians

Nominees and custodians may not distribute any part of this Booklet, and may not permit any beneficial shareholders to participate in the SPP, in any country outside Australia and New Zealand except, with the consent of ELMO, to beneficial shareholders resident in any other country where ELMO may determine it is lawful and practical to offer participation in the SPP.

Market price of ELMO Shares and further information

ELMO recommends that prior to investing you monitor its announcements and the price of its Shares, which can be found on its website at www.elmosoftware.com.au and on the ASX website at www.asx.com.au (ASX code: ELO).

Letter from the Chairman



26 September 2019

Dear Shareholder,

ELMO Software Limited – Share Purchase Plan Offer

On behalf of the Directors of ELMO Software Limited (**ELMO**), I am pleased to offer you the opportunity to participate in this Share Purchase Plan (**SPP**). The SPP allows Eligible Shareholders to purchase up to A\$30,000 worth of new fully paid ordinary shares in ELMO (**New Shares**), without incurring brokerage or transaction costs. The SPP aims to raise up to a maximum of A\$5 million and is not underwritten.

Capital Raising

After market close, on Wednesday, 18 September 2019, ELMO announced its intention to raise approximately A\$60 million by way of:

- a fully underwritten private placement of New Shares to certain existing and new institutional investors (**Placement**) to raise approximately A\$55 million; and
- a share purchase plan (**SPP**) offer of New Shares to existing shareholders to raise approximately A\$5 million,

(together, the **Capital Raising**).

Proceeds from the Capital Raising will be used to fund future acquisitions and to supplement existing sales and marketing, research and development, and client services functions within ELMO.

Placement

On 19 September 2019, ELMO announced the completion of the Placement of new ordinary shares (**Placement Shares**) to institutional and professional investors. The Placement raised a total of approximately A\$55 million before costs.

Further details of the Placement, including a summary of some of the key risks associated with holding an investment in ELMO, are set out in the announcement and investor presentation released to the ASX by ELMO after market close on Wednesday, 18 September 2019 (together, the **Investor Presentation**). A copy of the Investor Presentation is available for persons in Australia and New Zealand that are not in the United States and are not acting for the account or benefit of any person in the United States at ELMO's website – www.elmosoftware.com.au and on the company announcements platform at the ASX website – www.asx.com.au (ASX code: ELO).

Issue Price

The SPP provides Eligible Shareholders (as defined in clause 2.1 of the attached SPP Terms and Conditions) with the opportunity to purchase New Shares at an Issue Price which is the lower of:

- A\$6.00 per New Share, being the price at which the Placement Shares were issued under the Placement, representing an 8% discount to the closing price of Shares on Wednesday, 18 September 2019, the last trading day before the announcement of the Placement; and
- the price that is a 2% discount to the volume weighted average price of ordinary shares in ELMO (**Shares**) traded on the ASX over the five trading days up to, and including, the day on which the SPP closes (being Friday, 11 October 2019) (rounded down to the nearest cent).

Eligible Shareholders may apply for a parcel of New Shares with a minimum value of A\$1,000 up to a maximum value of A\$30,000 (in A\$1,000 increments). The SPP is capped at a maximum raising of A\$5 million. The SPP is not underwritten. Applications that exceed the maximum amount to be raised will be scaled back at the absolute discretion of ELMO. New Shares will rank equally with existing Shares on issue.

Participation

Participation in the SPP is optional and is open to Eligible Shareholders who, at 7.00 pm (Sydney time) on Tuesday, 17 September 2019, were entered in ELMO's share register as a holder of Shares and whose address in ELMO's share register is in Australia or New Zealand and who are not in the United States or acting for the account or benefit of persons in the United States.

Eligible Shareholders who are Custodians holding Shares on behalf of Eligible Beneficiaries are also invited to participate in the SPP on the terms and conditions set out in this Booklet.

How to apply

The SPP opens on Thursday, 26 September 2019 and closes at 5.00 pm on Friday, 11 October 2019.

Eligible Shareholders may apply for New Shares under the SPP by:

- making payment in Australian currency directly by BPAY® (you do not need to return an Application Form under this option);
- applying through the offer site at www.elmosoftware.com.au, and making payment in Australian currency by BPAY® or by cheque made payable to "ELMO SPP" sent to the address set out below; or
- completing the Application Form accompanying this Booklet and sending it together with your payment by cheque made payable to "ELMO SPP" and drawn in Australian currency for the correct amount to ELMO's share registry, Link Market Services Limited (**Registry**), at the following address by no later than 5.00 pm (Sydney time) on the closing date of Friday, 11 October 2019:

Mailing Address

ELMO Software Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

or

Hand Delivery

ELMO Software Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
(Please do not use this address for mailing purposes)

This Booklet contains further information about the SPP, including the terms and conditions of the SPP. The terms and conditions set out the relevant criteria for determining eligibility to participate in the SPP as well as rules relating to applications for New Shares under the SPP. The Board recommends you read this Booklet and the Investor Presentation (in particular the key risks facing ELMO's business and the key risks of investing in Shares set out in the Investor Presentation) before deciding whether or not to participate in the SPP.

If you have any questions in relation to how to participate in the SPP after reading this Booklet, please call the ELMO Offer Information Line on 1300 222 378 (from within Australia) or +61 1300 222 378 (from outside Australia), or consult your financial or other professional adviser. The ELMO Offer Information Line will be open from 8.30am to 5.30pm (Sydney time), Monday to Friday during the offer period. Alternatively, you can access information about the SPP Offer online at www.elmosoftware.com.au

On behalf of the Board, I thank you for your continued support of ELMO.

Sincerely



Barry Lewin
Chairman
ELMO Software Limited

SPP Terms and Conditions

Important notice

If you apply to participate in the SPP, you accept the risk that the market price of Shares may change between the opening of the SPP Offer and the date when New Shares are issued to you under the SPP (**Issue Date**). As such, it is possible that, up to or after the date you receive New Shares under the SPP, you may be able to buy Shares on the ASX at a lower price than the Issue Price under the SPP. The Board encourages you to consider seeking professional financial and taxation advice regarding your participation in the SPP Offer.

This Booklet may not be released or distributed in the United States or to any person acting for the account or benefit of a person in the United States. This Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be unlawful. The New Shares to be offered and sold in the SPP 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 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.

By participating in the SPP, you will be deemed to have accepted, and will be bound by, these terms and conditions.

Unless the context requires otherwise, capitalised terms used in these terms and conditions will have the meaning given to them elsewhere in this Booklet. Clause references are to clauses in this Booklet unless otherwise stated.

1 Offer

- 1.1 ELMO Software Limited ACN 102 455 087 (**ELMO**) offers each Eligible Shareholder (as defined in clause 2.1 below) the opportunity to purchase a minimum of A\$1,000 and thereafter in A\$1,000 increments up to a maximum of A\$30,000 worth of new fully paid ordinary shares in ELMO (**New Shares**) subject to and in accordance with the terms and conditions set out below (such offer, the **SPP Offer**).
- 1.2 The SPP Offer opens on Thursday, 26 September 2019 (**Opening Date**) and closes at 5.00 pm (Sydney time) on Friday, 11 October 2019 (or such other date as ELMO determines in its absolute discretion) (**Closing Date**).
- 1.3 The SPP Offer is non-transferable and, therefore, Eligible Shareholders cannot transfer their right to purchase New Shares to any third party.
- 1.4 The SPP Offer to each Eligible Shareholder (whether as a Custodian or on its own account) is made on the same terms and conditions.
- 1.5 All references to A\$ or dollars in this Booklet are references to Australian dollars unless otherwise indicated.

2 Eligible Shareholders

- 2.1 You are an **Eligible Shareholder** who is eligible to participate in the SPP if you:
 1. were a holder of ELMO fully paid ordinary shares (**Shares**) on ELMO's share register at 7.00 pm (Sydney time) on Tuesday, 17 September 2019 (**Record Date**);
 2. have an address in ELMO's share register in either Australia or New Zealand; and
 3. are not in the United States and are not acting for the account or benefit of a person in the United States.
- 2.2 Eligible Shareholders who are "custodians" (as defined in paragraph 4 of ASIC Instrument 2019/547) (**Custodians**) may participate in the SPP Offer in accordance with clauses 3.2 and 4.5.
- 2.3 The SPP Offer is not made to holders of Shares with an address in ELMO's share register outside of Australia and New Zealand, or that are in the United States or are acting for the account or benefit of a person in the United States, and accordingly those shareholders may not participate.

3 Joint holders and Custodians

- 3.1 If two or more persons are registered in ELMO's share register as jointly holding Shares, they are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder, and a certification given by any of them is taken to be a certification given by all of them.
- 3.2 Subject to these terms and conditions, Eligible Shareholders who are Custodians may participate in the SPP on behalf of each Eligible Beneficiary on whose behalf they hold Shares.
- 3.3 An Eligible Beneficiary is a person:
 1. on whose behalf a Custodian holds Shares as at the Record Date;
 2. who has an address in ELMO's share register in either Australia or New Zealand; and
 3. who is not in the United States and is not acting for the account or benefit of a person in the United States.

4 Applications for New Shares

- 4.1 Eligible Shareholders must apply for New Shares in A\$1,000 increments. Applications must be for a minimum of A\$1,000 worth of New Shares and a maximum of A\$30,000 worth of New Shares.
- 4.2 Eligible Shareholders may apply for New Shares under the SPP by doing one of the following:
1. Making a payment for the appropriate amount via BPAY® on the internet or by telephone, using the details on the Application Form (New Zealand based shareholders cannot apply using BPAY® unless they have an Australian bank account). Please ensure that your payment is received by the Registry before 5.00 pm (Sydney time) on Friday, 11 October 2019. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should take this into consideration when making any electronic payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received in time. You do not need to return an Application Form under this option.
 2. Applying for New Shares by completing your details on the offer site at www.elmosoftware.com.au and making your payment in Australian currency by BPAY® or sending your payment by cheque made payable to "ELMO SPP" to the Registry at the address set out below.
 3. Completing the application form accompanying this Booklet (**Application Form**) and sending it together with your payment by cheque made payable to "ELMO SPP" and drawn in Australian currency for the correct amount to the Registry at the following address by no later than 5.00 pm (Sydney time) on Friday, 11 October 2019:
- | | | |
|----------------------------------|----|---|
| Mailing Address | or | Hand Delivery |
| ELMO Software Limited | | ELMO Software Limited |
| C/- Link Market Services Limited | | C/- Link Market Services Limited |
| GPO Box 3560 | | 1A Homebush Bay Drive |
| Sydney NSW 2001 | | Rhodes NSW 2138 |
| | | <i>(Please do not use this address for mailing purposes)</i> |
- 4.3 Do not forward cash. Receipts for payment will not be issued.
- 4.4 Eligible Shareholders who receive more than one offer under the SPP (for example, because the Eligible Shareholder holds Shares in more than one capacity or in different registered holdings) may apply on different Application Forms for New Shares but may not apply for New Shares with an aggregate value of more than A\$30,000.
- 4.5 If an Eligible Shareholder wishes to subscribe for New Shares as a Custodian for one or more Eligible Beneficiaries, you must also complete and submit a certificate that complies with paragraph 8(3) of ASIC Instrument 2019/547 (**Custodian Certificate**) before their application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected.
- 4.6 ELMO and its officers and agents may accept or reject an application for New Shares in whole or in part at their discretion including, without limitation, if:
1. an application does not comply with these terms and conditions;
 2. it appears you are not an Eligible Shareholder;
 3. your BPAY® payment or Application Form and payment by cheque is not received by the Registry by 5.00 pm (Sydney time) on Friday, 11 October 2019;
 4. paying by cheque, your Application Form is incomplete, incorrectly completed or is otherwise determined by ELMO to be invalid;
 5. your details submitted through the offer site at www.elmosoftware.com.au are incomplete, or incorrectly completed or are otherwise determined by ELMO to be invalid;
 6. paying by cheque, your cheque is dishonoured or has been incorrectly completed;
 7. the amount of your cheque or BPAY® payment is not equal to the amount of your application, in which event ELMO will:
 - a. refund in full your application monies and not allot any New Shares to you; or
 - b. allot to you the number of New Shares that would have been allotted to you had you applied for the highest designated amount that is less than the amount of your payment and refund to you the excess of your application monies;
 8. ELMO believes that you are applying to purchase more than A\$30,000 worth of New Shares in aggregate (including as a result of Shares you hold directly, jointly or through a custodian or nominee arrangement);
 9. your application is for less than A\$1,000 worth of New Shares or not for an amount in a A\$1,000 increment; or
 10. payment of the application monies is not submitted in Australian currency.
- 4.7 You cannot withdraw or revoke your application once you have paid via BPAY® or submitted an Application Form and payment by cheque.

SPP Terms and Conditions cont.

5 Issue Price

- 5.1 The issue price per New Share (**Issue Price**) will be the lower of:
1. A\$6.00 per New Share, being the price at which the Placement Shares were issued under the Placement, representing an 8% discount to the closing price of Shares on Wednesday, 18 September 2019, the last trading day before the announcement of the Placement; and
 2. the price that is a 2% discount to the volume weighted average price of Shares traded on the ASX over the five trading days up to, and including, the Closing Date (rounded down to the nearest cent).
- 5.2 The current price of Shares can be obtained from the ASX – www.asx.com.au, and may be listed in major financial newspapers circulating in Australia.
- 5.3 You agree to pay the Issue Price per New Share for the number of New Shares calculated under clause 6.1 or, if there is a scale back, the number of New Shares calculated under clause 8.

6 Calculation and issue of New Shares

- 6.1 If you apply for New Shares under the SPP, you will apply for a certain value, rather than a certain number, of New Shares. If your application is accepted, ELMO will divide the value of your application monies by the Issue Price (as determined under clause 5.1) in order to determine the number of New Shares which, subject to scale back, will be issued to you.
- 6.2 If the calculation in clause 6.1 produces a fractional number, the number of New Shares issued to you will be rounded up to the nearest whole New Share.
- 6.3 New Shares are expected to be issued to applicants on Friday, 18 October 2019 (**Issue Date**).
- 6.4 New Shares issued under the SPP will rank equally in all respects with existing Shares as at the Issue Date.
- 6.5 ELMO will apply to the ASX for quotation of the New Shares. It is anticipated that the New Shares will be quoted on the ASX as soon as practicable after their issue.
- 6.6 The Registry is expected to send holding statements in respect of the New Shares issued under the SPP on or around the Issue Date.

7 Effect of applying to participate

- 7.1 By making a payment via BPAY®, or by submitting an Application Form or applying through the offer site at www.elmosoftware.com.au and paying by BPAY® or by cheque (on your own behalf and on behalf of each person for whose account you are acting, if applicable):
1. you are deemed to have accepted the SPP Offer and you irrevocably and unconditionally agree to the terms and conditions of the SPP and the terms and conditions of the Application Form and on the offer site at www.elmosoftware.com.au and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
 2. you warrant that all details and statements in your application are true and complete and not misleading (including by omission);
 3. you agree that your application will be irrevocable and unconditional (that is, it cannot be withdrawn);
 4. you warrant that you are an Eligible Shareholder and are eligible to participate in the SPP, and agree to provide (and, if applicable, direct your nominee or Custodian to provide) any requested substantiation of your eligibility to participate in the SPP and of your holding of Shares on the Record Date;
 5. you acknowledge that no interest will be paid on any application monies held pending the issue of New Shares or subsequently refunded to you for any reason;
 6. you acknowledge that ELMO and its officers and agents are not liable for any consequences of the exercise or non exercise of discretions referred to in these terms and conditions;
 7. you agree to pay the Issue Price per New Share up to the maximum of:
 - a. the value of your BPAY® payment or payment by cheque; or
 - b. the value you have selected on the Application Form or on the offer site at www.elmosoftware.com.au,
in each case, as determined by ELMO in its absolute discretion;
 8. you warrant, acknowledge and agree that:
 - a. you are not in the United States and are not acting for the account or benefit of a person in the United States;
 - b. the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States, and therefore, the New Shares to be offered and sold under the SPP may not be offered and 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; and



- c. if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating in the SPP is resident in Australia or New Zealand, and you have not sent this Booklet or any materials relating to the SPP to any person outside of Australia and New Zealand;
9. you warrant that you have not, and you agree that you will not, send, release or distribute any materials relating to the SPP in the United States or to any person in the United States or to any person acting for the account or benefit of a person in the United States;
10. if you (or any person for whom you are acquiring or procuring New Shares) are in New Zealand, you (and any such person):
 - a. are a person who: (i) is an investment business within the meaning of clause 37 of Schedule 1 of the *Financial Markets Conduct Act 2013* (New Zealand) (**FMC Act**), (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act, or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act;
 - b. acknowledge that: (i) Part 3 of the FMC Act shall not apply in respect of the offer of New Shares to you, (ii) no product disclosure statement under the FMC Act may be prepared in respect of the offer of New Shares and (iii) any information provided to you in respect of the offer is not required to, and may not, contain all of the information that a product disclosure statement under New Zealand law is required to contain;
 - c. warrant that if in the future you elect to directly or indirectly offer or sell any of the New Shares allotted to you, you undertake not to do so in a manner that could result in: (i) such offer or sale being viewed as requiring a product disclosure statement or other similar disclosure document or any registration or filing in New Zealand, (ii) any contravention of the FMC Act, or (iii) ELMO or its directors incurring any liability; and
 - d. warrant that: (i) any person for whom you are acquiring New Shares meets one or more of the criteria specified in subclause (a) above, and (ii) you have received, where required, a safe harbour certificate in accordance with clause 44 of Schedule 1 of the FMC Act;
11. if you are applying for New Shares on your own behalf (and not as Custodian), acknowledge and agree that:
 - a. you are not applying for New Shares with an aggregate application price of more than A\$30,000 (including any New Shares which a Custodian has applied to purchase on your behalf under the SPP); and
 - b. the aggregate application price for the following does not exceed A\$30,000:
 - i. the New Shares the subject of the application;
 - ii. any other Shares issued to you under the SPP or any similar arrangement in the 12 months before the application;
 - iii. any other New Shares which you instruct a Custodian to acquire on your behalf under the SPP; and
 - iv. any other Shares issued to a Custodian in the 12 months before the application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the SPP,even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
12. if you are a Custodian and are applying on behalf of an Eligible Beneficiary on whose behalf you hold Shares, acknowledge and agree that:
 - a. you are a Custodian (as that term is defined in paragraph 4 of ASIC Instrument 2019/547);
 - b. you held Shares on behalf of the Eligible Beneficiary as at the Record Date who has instructed you to apply for New Shares on their behalf under the SPP and that the Eligible Beneficiary was provided with a copy of this Booklet before giving such instruction;
 - c. you are not applying for New Shares on behalf of any Eligible Beneficiary with an aggregate application price of more than A\$30,000 under the SPP; and
 - d. the information in the Custodian Certificate submitted with your:
 - i. Application Form; or
 - ii. application through the offer site at www.elmosoftware.com.au,is true, correct and not misleading;
13. you acknowledge that ELMO may scale back all or part of your application in accordance with clause 8;
14. you accept the risks associated with any refund that may be issued to you by direct credit or bank transfer;
15. you are responsible for any dishonour fees or other costs ELMO may incur in presenting a cheque for payment which is dishonoured;
16. you agree to be bound by the constitution of ELMO (as it may be amended from time to time in the future);
17. you represent that you are in compliance with all relevant laws and regulations;

SPP Terms and Conditions cont.

18. you acknowledge that ELMO may vary the timetable set out in this Booklet at its discretion by lodging a revised timetable with the ASX, including extending the SPP Offer, closing the SPP Offer early or withdrawing the SPP Offer completely;
19. you acknowledge that the market price of Shares may rise or fall between the date of the opening of the SPP Offer and the Issue Date and that the Issue Price you pay for New Shares may exceed the market price of Shares on the Issue Date;
20. you acknowledge that there are risks associated with acquiring and holding Shares, including those key risks described in the Investor Presentation;
21. you acknowledge that none of ELMO or its subsidiaries or their respective directors, officers, employees, agents or advisers has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;
22. you authorise ELMO and its officers and agents to do anything on your behalf necessary for New Shares to be issued to you in accordance with these terms and conditions and to register you as the holder(s) of New Shares issued to you;
23. you acknowledge that ELMO may at any time and in its absolute discretion determine that your application is valid, in accordance with the terms and conditions of the SPP, even if your Application Form or the details submitted through the offer site at www.elmosoftware.com.au is incomplete, contains errors or is otherwise defective;
24. you declare that you are at least 18 years of age and have full legal capacity and power to perform all your rights and obligations in respect of the SPP Offer; and
25. you authorise ELMO and its officers and agents to correct minor or easily rectified errors in, or omissions from, your Application Form or the details submitted through the offer site at www.elmosoftware.com.au, and to complete the Application Form or the details submitted through the offer site at www.elmosoftware.com.au by the insertion of any missing or minor detail.

8 Scale back

- 8.1 ELMO may undertake, in its absolute discretion, a scale back of applications for New Shares (if, for example, the application for New Shares would exceed the overall maximum raising amount of A\$5 million) to the extent and in the manner it sees fit. Any scale back may not be pro rata.
- 8.2 If there is a scale back, you may receive less than the parcel of New Shares for which you have applied.
- 8.3 If a scale back produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be allotted will be rounded up to the nearest whole number of New Shares.
- 8.4 If there is a scale back, the difference between the application monies received from you, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded to you without interest.

9 Dispute resolution

- 9.1 ELMO may settle, in any manner it deems appropriate, any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the SPP whether generally or in relation to any participant or any application for New Shares, and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates.
- 9.2 The powers of ELMO under these terms and conditions may be exercised by the directors of ELMO or any delegate or representative of them.

10 Variation and termination

- 10.1 ELMO reserves the right at any time to:
 1. amend or vary these terms and conditions;
 2. waive strict compliance with any provision of these terms and conditions;
 3. increase the size of the SPP Offer;
 4. withdraw the SPP Offer or suspend or terminate the SPP;
 5. vary the timetable for the SPP, including the Closing Date;
 6. accept late applications under the SPP Offer;
 7. not accept an application, not issue New Shares, or issue New Shares to a value less than that applied for under the SPP by an Eligible Shareholder (including a Custodian applying on behalf of one or more Eligible Beneficiaries); and
 8. undertake a scale back in accordance with clause 8.
- 10.2 Any such amendment, variation, waiver, suspension, withdrawal, non-acceptance or termination will be binding on all Eligible Shareholders even where ELMO does not notify you of that event.
- 10.3 In the event that the SPP is withdrawn or terminated, all application monies will be refunded. No interest will be paid on any money returned to you.

11 Privacy policy

- 11.1 Chapter 2C of the Corporations Act requires information about a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder.
- 11.2 ELMO and the Registry may collect personal information to process your application, implement the SPP and administer your holding of Shares. The personal information contained in ELMO's share register is also used to facilitate payments and corporate communications (including financial results), annual reports and other information to be communicated to holders of Shares, and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.
- 11.3 Your personal information may be disclosed to joint investors, the Registry, securities brokers, third party service providers (including print and mail service providers, technology providers and professional advisers), related entities of ELMO and its agents and contractors, and the ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.
- 11.4 Link Market Services Limited's privacy policy is available on their website: www.linkmarketservices.com.au.

12 Costs of participation

- 12.1 ELMO will not charge any brokerage, commissions or other transaction costs in respect of the application for, and allotment of, New Shares under the SPP.

13 No underwriting

- 13.1 The SPP is not underwritten meaning that there is no guaranteed minimum amount that will be raised under the SPP. The amount to be raised under the SPP is capped at a maximum of A\$5 million.

14 Governing law

- 14.1 These terms and conditions are governed by the laws in force in New South Wales. Any dispute arising out of, or in connection with, these terms and conditions, or the SPP Offer, will be determined by the courts of New South Wales. By accepting the SPP Offer, you agree to submit to the non-exclusive jurisdiction of the courts in New South Wales. Other terms and conditions, and rights and obligations in respect of Shares, are contained in the constitution of ELMO.
- 14.2 The terms and conditions of the SPP prevail to the extent of any inconsistency with the Application Form.

Enquiries:

If you have any questions in relation to how to participate in the SPP after reading this Booklet, please call the ELMO Offer Information Line on 1300 222 378 (from within Australia) or +61 1300 222 378 (from outside Australia), or consult your financial or other professional adviser. The ELMO Offer Information Line will be open from 8.30am to 5.30pm (Sydney time), Monday to Friday during the offer period. Alternatively, you can access information about the SPP Offer online at www.elmosoftware.com.au.

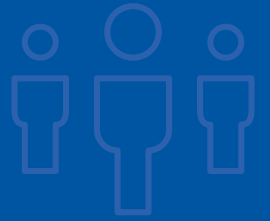
About ELMO Software Limited

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.

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ELMO Software Limited
ACN 102 455 087