



# SaaS, cloud-based Talent management software solutions

---

- ✓ RECRUITMENT
- ✓ ONBOARDING
- ✓ PERFORMANCE MANAGEMENT
- ✓ LEARNING AND DEVELOPMENT
- ✓ COURSE LIBRARY
- ✓ SUCCESSION PLANNING
- ✓ EMPLOYEE ADMINISTRATION

---

**FY17 Results Presentation**

---

**30 AUGUST 2017**



## Forward-looking statements

This presentation may include forward-looking statements. Such statements can generally be identified by the use of words such as 'may', 'will', 'expect', 'intend', 'plan', 'estimate', 'anticipate', 'believe', 'continue', 'objectives', 'outlook', 'guidance', 'forecast' and similar expressions. Indications of plans, strategies, management objectives, sales and financial performance are also forward-looking statements.

Such statements are not guarantees of future performance, and involve known and unknown risks, uncertainties, assumptions, contingencies and other factors, many of which are outside the control of ELMO Software Limited (**ELMO** or **Company**). No representation is made or will be made that any forward-looking statements will be achieved or will prove to be correct. Actual results, performance, operations or achievements may vary materially from any forward-looking statements. Circumstances may change and the contents of this presentation may become outdated as a result. Readers are cautioned not to place undue reliance on forward-looking statements and ELMO assumes no obligation to update such statements.

No representation or warranty, expressed or implied, is made as to the accuracy, reliability, adequacy or completeness of the information contained in this presentation.

## Past performance

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

## Information is not advice or offer of securities

This presentation is not, and is not intended to constitute, financial advice, or an offer or an invitation, solicitation or recommendation

to acquire or sell ELMO shares or any other financial products in any jurisdiction and is not a prospectus, product disclosure statement, disclosure document or other offering document under Australian law or any other law. This presentation also does not form the basis of any contract or commitment to sell or apply for securities in ELMO or any of its subsidiaries. It is for information purposes only.

ELMO does not warrant or represent that the information in this presentation is free from errors, omissions or misrepresentations or is suitable for your intended use. The information contained in this presentation has been prepared without taking account of any person's investment objectives, financial situation or particular needs and nothing contained in this presentation constitutes investment, legal, tax or other advice. The information provided in this presentation may not be suitable for your specific needs and should not be relied upon by you in substitution of you obtaining independent advice. Subject to any terms implied by law and which cannot be excluded, ELMO accepts no responsibility for any loss, damage, cost or expense (whether direct, or indirect, consequential, exceptional or special damages including but not limited to loss of revenue, profits, time, goodwill, data, anticipated savings, opportunity, business reputation, future reputation, production or profit, any delay costs, economic loss or damage) incurred by you as a result of any error, omission or misrepresentation in this presentation.

## Preparation of information

All financial information has been prepared and reviewed in accordance with Australian Accounting Standards. Certain financial data included in this presentation is 'non-IFRS financial information'. The Company believes that this non-IFRS financial information provides useful insight in measuring the

financial performance and condition of ELMO. Readers are cautioned not to place undue reliance on any non-IFRS financial information including ratios included in this presentation.

## Presentation of information

- **Pro forma** Except where explicitly stated, the financial data in this presentation is provided on a pro-forma basis. Information on the specific pro-forma adjustments is included in the Appendix to this document.
- **Currency** All amounts in this presentation are in Australian dollars unless otherwise stated.
- **FY** refers to the full year to 30 June.
- **Rounding** Amounts in this document have been rounded to the nearest \$0.1m. Any differences between this document and the accompanying financial statements are due to rounding.

## Third party information and market data

The views expressed in this presentation contain information that has been derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. This presentation should not be relied upon as a recommendation or forecast by ELMO. Market share information is based on management estimates except where explicitly identified.

## No liability or responsibility

The information in this presentation is general in nature and is provided in summary form and is therefore does not purport to be complete.

To the maximum extent permitted by law, ELMO and each of its affiliates, directors, employees, officers, partners, agents and

advisers and any other person involved in the preparation of this presentation disclaim all liability and responsibility (including without limitation, any liability arising from fault or negligence) for any direct or indirect loss or damage which may arise or be suffered through use or reliance on anything contained in, or omitted from, this presentation. ELMO accepts no responsibility or obligation to inform you of any matter arising or coming to their notice, after the date of this presentation, which may affect any matter referred to in this presentation.

This presentation should be read in conjunction with ELMO's other periodic and continuous disclosure announcements lodged with ASX.



## Danny Lessem

**CO-FOUNDER AND CHIEF EXECUTIVE OFFICER**

**Founded ELMO in 2002**

### Background

- Danny Lessem is the CEO, Executive Director and co-founder of ELMO
- Danny is responsible for leading the development and execution of the Company's long term strategy and delivering on growth objectives for the business. Danny also plays a key part in the day-to-day management of the Company's operations and has been critical to the success of ELMO
- Danny has over 20 years software experience having led SaaS companies in senior roles including CEO at Compu Technologies
- Danny holds a Bachelor of Laws (LL.B.) and Bachelors of Arts and Law from the University of Witwatersrand, South Africa



## Trevor Lonstein

**CHIEF FINANCIAL OFFICER**

**Joined ELMO in 2014**

### Background

- Trevor Lonstein is the CFO of ELMO and has over 15 years of experience in accounting and finance
- Trevor is responsible for all aspects of the accounting and finance function, from ensuring efficient, controlled and timely recording and reporting systems, to budgeting, forecasting, and cash flow analysis
- Prior to joining ELMO, Trevor owned and operated Adrite Digital Colour Printing and held senior roles as Senior IT Project Manager at Allens Arthur Robinson, Ships Financial Controller at Orient Cruise Lines MV Marco Polo and a career of over eight years in auditing with Deloitte Touche Tohmatsu's member firms in England and Australia
- Trevor holds a Bachelor of Commerce (BCom) in Accounting and Finance from the University of Cape Town in South Africa and is a Fellow of the Institute of Chartered Accounts in England and Wales

# Agenda



**Danny Lessem**  
CEO



# Financial and operational highlights



**\$17.0 million**

FY17 pro forma revenue

▲ Up 4% on prospectus forecast<sup>1</sup>

**\$1.2 million**

FY17 pro forma EBITDA

▲ Up 42% on prospectus forecast<sup>1</sup>

**\$19.1 million**

SaaS revenue run rate

Reflecting 89% of forecast FY18 pro forma SaaS revenue<sup>2</sup>

**524**

Customer base<sup>3</sup>

▲ Up 11% since 31 December 2016

**2.29**

Modules per customer

▲ Up from 2.22 since June 30 2016<sup>4</sup>

**92.3%**

Customer retention rate<sup>5</sup>

1. Vs. pro forma FY17 forecast as per IPO Prospectus on a like-for-like basis

2. June 2017 SaaS revenue annualised

3. As at 30 June 2017

4. Excludes Techni Works

5. Customer retention is calculated by dividing the number of customers in the reference period who were customers at the end of the prior period by the number of customers at the end of the prior period

## New product offerings



**HR Core & Succession modules**

## Technology enhancements



**128 product enhancements**

## Acquisition



**Techni Works**

## New Zealand



**Established New Zealand office to support operations**

## Workforce



**106 employees**

**Listed on the ASX on 27 June 2017**  
**Raised \$25m in new equity**

# ELMO at a glance



ELMO is one of Australia and New Zealand's leading providers of integrated talent management software solutions

ELMO's SaaS, cloud-based platform provides organisations with a centralised approach to managing an employee's lifecycle from 'hire to retire'

ELMO employs 106 people with 4 offices in Australia and New Zealand<sup>1</sup>



Integrated Human Capital Management (HCM) software providing 'hire to retire' software solutions across 7 modules



Primarily targets mid-market organisations (100 – 1,000 employees)



Scalable SaaS, cloud-based platform, multi tenant infrastructure, single source code



Customer base of 524<sup>1</sup> organisations and deployed across 13<sup>2</sup> different industries



Platform, technology, software solutions and learning content is developed and maintained in-house by ELMO's Australian based team

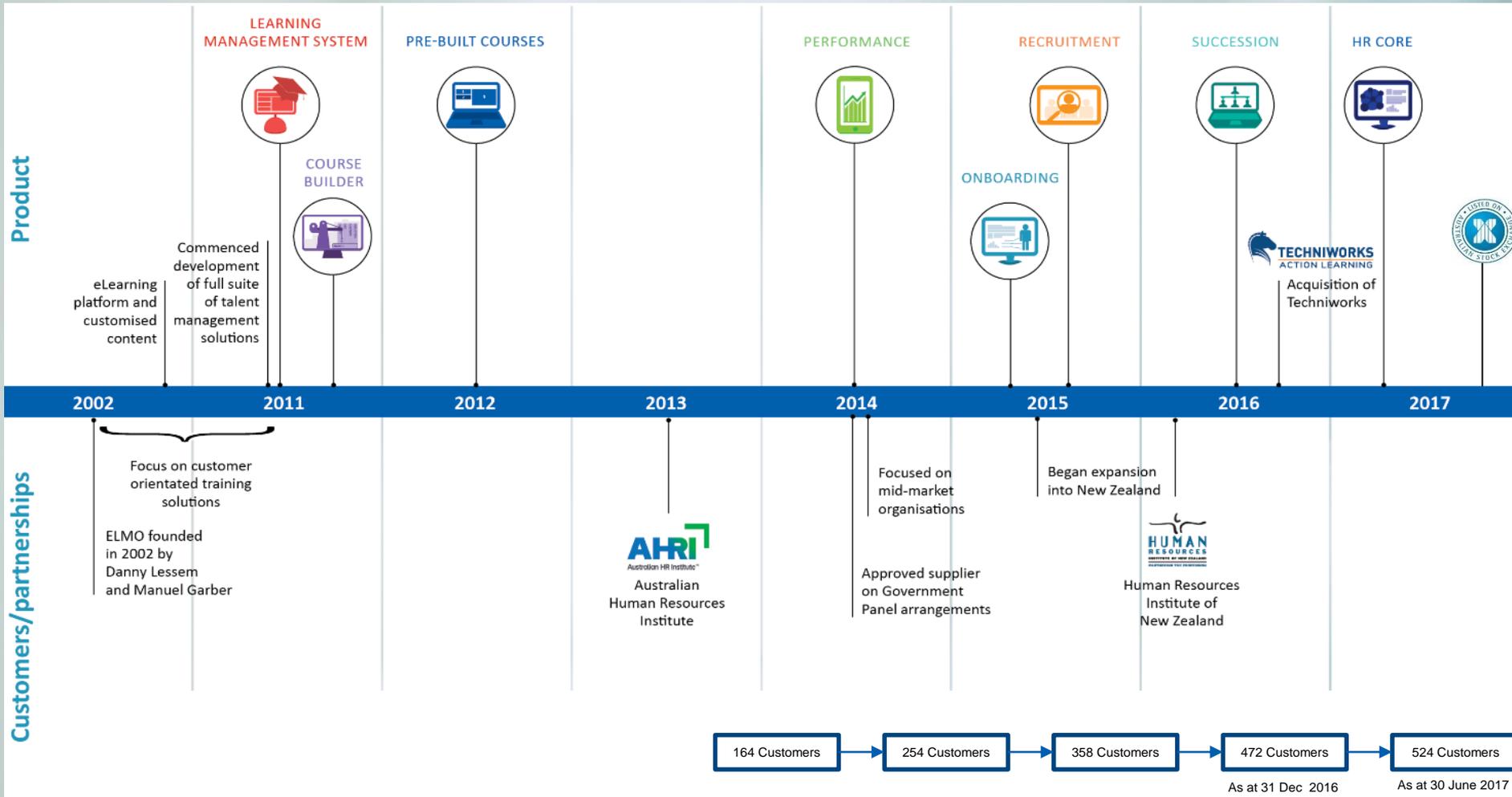


Over 400 eLearning course content library covering a broad range of topics which has been developed for over 15 years

1. As at 30 June 2017

2. Includes construction and mining, education, finance, government, healthcare and pharmaceuticals, hospitality, industrials, IT, telecommunications and media, not for profit organisations, professional services, property, retail and transport.

# ELMO history



# Leading integrated talent management platform



# Broad, diversified customer base



Government	Australian Government Australian Taxation Office	Family & Community Services Ageing, Disability & Home Care	Queensland Government	Department of Education					
Education	RMIT UNIVERSITY	MACQUARIE University	Murdoch UNIVERSITY	QUT					
Construction and mining	TAYLOR	BMD Construction	KOMATSU	australbricks					
Professional services	cbus	HLB Mann Judd Accountants   Business and Financial Advisers	Grant Thornton An instinct for growth™	propell NATIONAL VALUERS					
Healthcare and pharmaceuticals	Healthscope	SONIC HEALTHCARE LIMITED	I-MED Network Radiology Comprehensive care. Uncompromising quality.	MERCK SHARP & DOHME					
Other <sup>1</sup>	IBM	K	中国银行 BANK OF CHINA	VicSuper	PACIFIC BRANDS	HAWKER PACIFIC	BEEF + LAMB NEW ZEALAND	SONIC HEALTHCARE	VILLA MARIA NEW ZEALAND
	Queensland COUNTRY CREDIT UNION	TOSHIBA	MSS security	Lite n' Easy	FUSION REAL BRANDS PTY LTD	FUJITSU	STAPLES	Australian Military Bank	ASSETLINK



524<sup>2</sup> organisations  
across Australia, New  
Zealand and Singapore



Largest customer contributes  
<2.9% of FY17 revenue<sup>3</sup>



Top 10 customers contribute  
<16% of FY17 revenue<sup>3</sup>



Industry agnostic

1. Includes finance, IT, telecommunications and media, industrials, hospitality, property, retail, transport and not for profit industries

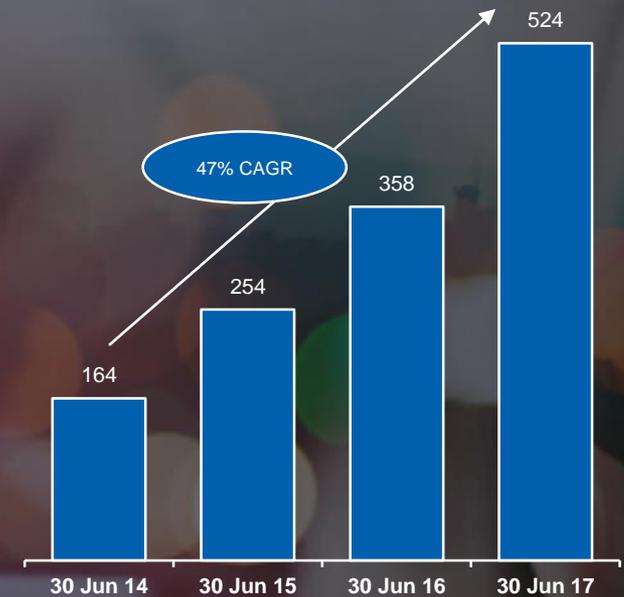
2. As at 30 June 2017

3. Based on statutory SaaS revenue

## EXAMPLES OF RECENT CUSTOMER WINS

	Contract term	Number of employees	Modules purchased	Industry
Bank Australia RESPONSIBLE BANKING	3 years	400	<ul style="list-style-type: none"> <li>• Course Library</li> <li>• Learning</li> <li>• Onboarding</li> <li>• Performance</li> <li>• Recruitment</li> <li>• Succession</li> </ul>	Finance
DAIKIN	3 years	500	<ul style="list-style-type: none"> <li>• Course Library</li> <li>• Learning</li> <li>• Onboarding</li> <li>• Performance</li> <li>• Recruitment</li> </ul>	Industrials
Government of South Australia	3 years	1,500	<ul style="list-style-type: none"> <li>• Course Library</li> <li>• Learning</li> <li>• Performance</li> </ul>	Government
silverchef	3 years	340	<ul style="list-style-type: none"> <li>• Course Library</li> <li>• Learning</li> <li>• Onboarding</li> <li>• Performance</li> <li>• Recruitment</li> </ul>	Finance
TUH Health Fund All together better.	3 years	200	<ul style="list-style-type: none"> <li>• Course Library</li> <li>• Learning</li> <li>• Onboarding</li> <li>• Performance</li> <li>• Recruitment</li> <li>• Succession</li> </ul>	Healthcare and pharmaceuticals

## ELMO's CUSTOMER BASE GROWTH



**166 additional customers added during FY17<sup>1</sup>**



**Average annual FY17 revenue per customer of ~\$33.2k<sup>2,3</sup>**



**Average modules per customer of 2.29**



**Customer retention of 92.3%**

1. Includes 82 customers from Techni Works acquisition  
 2. Based on pro forma revenue  
 3. Excludes Techni Works



**Trevor Lonstein**  
CFO



# Financial performance



- Revenue, EBITDA are ahead of prospectus forecast
- Strong recurring revenue of 93% and SaaS revenue growth of 31% (excluding Techni Works)
- Pro forma cash receipts as a % of pro forma revenue of over 112%
- SaaS revenue run rate of 89% of FY18 prospectus forecast<sup>1</sup>

A\$(000) June year end	Pro forma FY16	Pro forma FY17	Pro forma FY17 prospectus forecast	vs. FY16	vs. FY17 prospectus forecast
SaaS revenue	12,588	15,735	15,706	25.0%	0.2%
Other income	901	1,240	652	37.7%	90.2%
<b>Total revenue</b>	<b>13,489</b>	<b>16,975</b>	<b>16,358</b>	<b>25.8%</b>	<b>3.8%</b>
<b>Gross profit</b>	<b>12,247</b>	<b>15,286</b>	<b>14,765</b>	<b>24.8%</b>	<b>3.5%</b>
Total operating expenses	10,680	14,063	13,904	31.7%	1.1%
<b>EBITDA</b>	<b>1,567</b>	<b>1,223</b>	<b>861</b>	<b>-21.9%</b>	<b>42.1%</b>
<i>EBITDA margin</i>	11.6%	7.2%	5.3%		
<b>Financial metrics</b>					
Pro forma cash receipts	15,704	19,039	19,035		
<i>Pro forma cash receipts as a % of pro forma revenue</i>	116.4%	112.2%	116.4%		
<i>SaaS revenue growth</i>	40.4%	25.0%	24.8%		
<i>SaaS revenue growth (excl Techni Works)</i>	50.0%	31.0%	30.8%		
<i>Recurring revenue</i>	93.0%	93.0%	96.0%		
<i>Pro forma gross margin</i>	90.8%	90.1%	90.3%		
<i>R&amp;D as % of revenue (Total R&amp;D spend)</i>	16.0%	15.1%	15.2%		
<b>Operational metrics</b>					
Number of customers	358	524	536	46.3%	(2.2)%
Revenue per SaaS customer (excl Techni Works)	31.6	33.2	32.5	5.2%	2.3%
Modules per customer (excl Techni Works)	2.22	2.29	2.29	3.2%	0.0%
Employees	80	106	106	32.5%	-

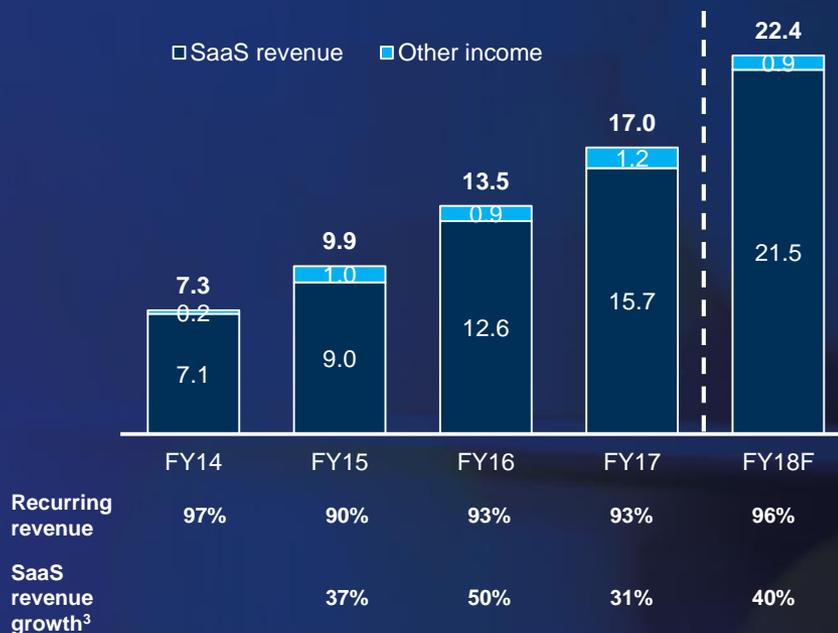
1. June 2017 SaaS revenue annualised

# Financial snapshot

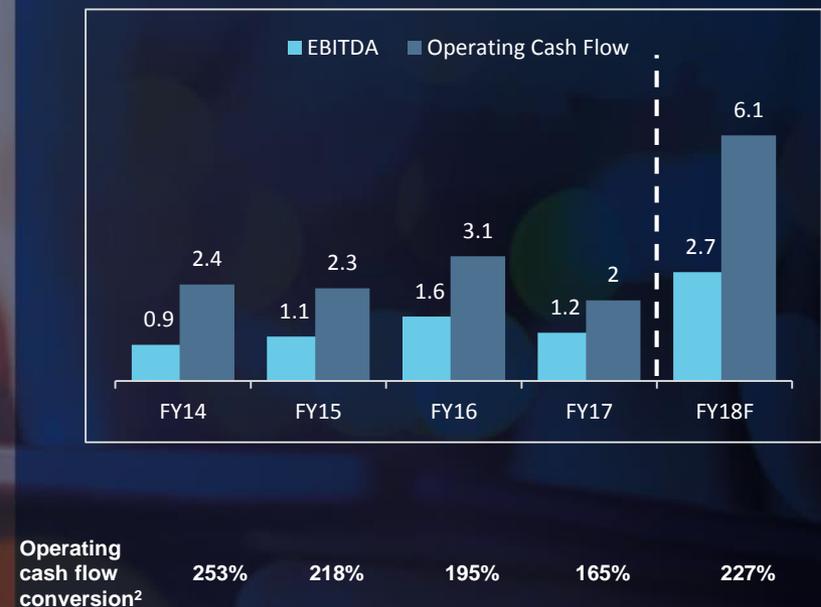


- Strong revenue visibility with 93% recurring revenue<sup>1</sup> and typical contract length of 3 years
- Customers pay annual license fees in advance – contributing to positive working capital position throughout the year
- Strong cash position of \$26.6m at 30 June 2017

## PRO FORMA HISTORICAL AND FORECAST REVENUE (\$M)



## PRO FORMA EBITDA VS. OPERATING CASH FLOW (\$M)



1. Excludes RTO division.  
 2. Operating cash flow conversion is operating cash flow expressed as a percentage of EBITDA.  
 3. Excludes Techni Works.

# Agenda



**Danny Lessem**  
CEO



# Delivering on growth strategy



## Greater usage from existing customers

- Increasing penetration amongst existing customer base with average modules per customer of 2.29, up from 2.22 as at June 2016
- Strong customer retention rate of 92.3%



## New customers in existing markets

- 166 new customers, including Techni Works customers, added during FY17
- Total customer base, including Techni Works, of 524 as at 30 June 2017
- Continuation of strong sales momentum
- Aim to further increase adoption amongst mid-market firms
- Significant opportunity to further penetrate existing markets



## Expand product line

- Succession & HR Core module launched in FY17
- Spent 15% of FY17 revenue on R&D<sup>1, 2</sup>
- Continuous development and deployment of new features on existing modules with 128 enhancements released during FY17
- 4 new modules slated for release in the next 2-3 years



## Growth through acquisitions

- Completed acquisition of Techni Works during FY17
- Actively seeking bolt on acquisitions or complimentary technology to augment ELMO's value proposition



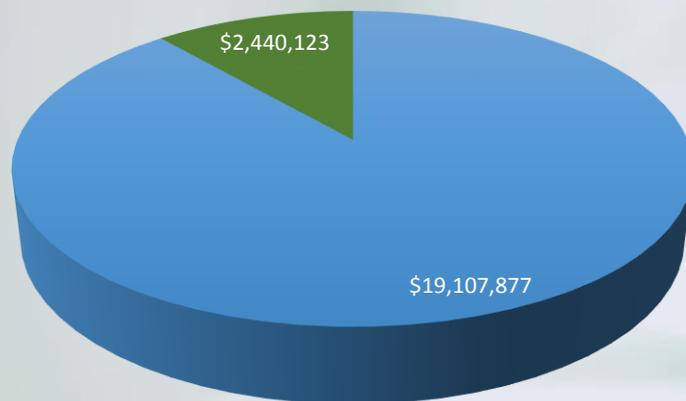
## Geographic expansion

- NZ customer base of 31, up 41% since 31 December 2016
- 264% increase in NZ revenue base from FY16

1. Includes both expensed and capitalised Research and Development costs.  
2. Based on pro forma revenue.

- Supportive June 2017 revenue run rate representing 89% of FY2018 pro forma forecast
- ELMO reaffirms its FY2018 pro forma forecasts

June 17 SaaS revenue run rate as a % of FY18 forecast



- Coverage of FY18 SaaS prospectus forecast revenue
- Remainder of FY18 SaaS prospectus forecast revenue to be booked

FY18 Pro forma forecast

A\$('000)	Forecast
June year end	FY18
SaaS revenue	21,548
Other income	853
Total revenue	22,402
Cost of sales	(1,883)
Gross profit	20,518
Sales and marketing	(8,620)
Research and development	(565)
General and administration	(8,649)
Total operating expenses	(17,835)
EBITDA	2,684

1. Based on June revenue run rate



## LEADING INTEGRATED TALENT MANAGEMENT PLATFORM

- Broad, integrated suite of modules
- Cloud delivery
- Single source code
- Extensive course library/ proprietary learning content



## BROAD AND DIVERSE CUSTOMER BASE<sup>1</sup>

- CAGR of customer base ~47% since FY14, 524 active customers
- Largest customer is < 2.9% of revenue
- Top 10 customers account for < 16% of total revenue
- Industry agnostic



## HIGH RECURRING REVENUE WITH ATTRACTIVE CASH FLOW PROFILE

- 93% recurring revenue
- > 38% pro forma SaaS revenue CAGR (FY14 – FY17)
- Customer contracts typically ~3 years and pay annually in advance



## LARGE AND GROWING ADDRESSABLE MARKET

- Global talent management TAM ~US\$6.1 billion (ANZ ~US\$258m)
- Accelerating penetration of cloud-based talent management solutions
- Increasing adoption in mid-market



## MULTIPLE LEVERS TO DRIVE GROWTH

- Increasing module usage from existing customers
- New customers in ANZ
- Continued product innovation to broaden solution offering
- Strategic acquisition opportunities



## EXPERIENCED MANAGEMENT TEAM

- Danny Lessem founded ELMO in 2002, > 20 years software experience
- Stable management team with strong track record of growth and innovation
- Executive incentives aligned through equity ownership

1. Includes Techni Works

# APPENDIX



# Pro forma income statement



A\$(000) June year end	Pro forma historical			
	FY14	FY15	FY16	FY17
SaaS revenue	7,111	8,968	12,588	15,735
Other income	207	965	901	1,240
<b>Total revenue</b>	<b>7,318</b>	<b>9,933</b>	<b>13,489</b>	<b>16,975</b>
Cost of sales	(624)	(869)	(1,242)	(1,689)
<b>Gross profit</b>	<b>6,694</b>	<b>9,064</b>	<b>12,247</b>	<b>15,286</b>
Sales and marketing	(1,659)	(2,599)	(4,435)	(6,397)
Research and development	(434)	(451)	(437)	(338)
General and administration	(3,663)	(4,955)	(5,808)	(7,328)
<b>Total operating expenses</b>	<b>(5,756)</b>	<b>(8,005)</b>	<b>(10,680)</b>	<b>(14,063)</b>
<b>EBITDA</b>	<b>938</b>	<b>1,059</b>	<b>1,567</b>	<b>1,223</b>

# Reconciliation from statutory to pro forma income statement



June year end (\$000s)	FY14	FY15	FY16	FY17
<b>Statutory revenue</b>	<b>7,981</b>	<b>10,024</b>	<b>12,626</b>	<b>16,679</b>
Net impact of Techni Work acquisition	1,604	1,436	1,285	285
Revenue from discontinued operation	(2,268)	(1,527)	(423)	10
<b>Pro forma revenue</b>	<b>7,317</b>	<b>9,933</b>	<b>13,488</b>	<b>16,974</b>
<b>Statutory EBITDA</b>	<b>889</b>	<b>1,079</b>	<b>1,055</b>	<b>410</b>
EBITDA from discontinued operation	(153)	0	643	247
Net impact of Techni Work acquisition	1,566	1,343	1,234	275
Offer costs	0	0	0	1,635
Incremental public company costs	(1,364)	(1,364)	(1,364)	(1,344)
<b>Pro forma EBITDA</b>	<b>938</b>	<b>1,058</b>	<b>1,568</b>	<b>1,223</b>

# Balance sheet



June year end (\$000s)	30 June 2016	30 Jun 2017
Cash and cash equivalents	3,017	26,601
Other current assets	3007	4,443
<b>Total current assets</b>	<b>6,024</b>	<b>31,044</b>
Intangibles	2,951	5,971
Other non-current assets	385	605
<b>Total non-current assets</b>	<b>3,336</b>	<b>6,576</b>
<b>Total assets</b>	<b>9,360</b>	<b>37,620</b>
Trade and other payables	1,446	3,014
Income in advance	6,966	9,072
Other current liabilities	454	1,654
<b>Total current liabilities</b>	<b>8,866</b>	<b>13,740</b>
<b>Total non-current liabilities</b>	<b>522</b>	<b>115</b>
<b>Total liabilities</b>	<b>9,388</b>	<b>13,855</b>
<b>Net assets</b>	<b>(28)</b>	<b>23,765</b>

# Key risks



<p><b>Failure to retain existing customers and attract new customers</b></p>	<p>The success of ELMO's business relies on its ability to attract new customers and to retain and increase revenue from existing customers. ELMO's customers have no obligation to renew their service offering when their contract term ends and ELMO cannot guarantee that all or any of its customers will renew their current service offering after the completion of their contract term. ELMO also cannot guarantee that it will successfully increase revenue from its existing customers through the ability to cross-sell other modules to the same customers.</p> <p>If customers do not continue to use ELMO's platform and do not increase their usage over time, and if new customers do not choose to use ELMO's platform, the growth in ELMO's revenue may slow, or decline, which will have an adverse impact on ELMO's operating and financial performance.</p>
<p><b>Ability to attract and retain key personnel</b></p>	<p>A perceived critical component of the success of the Company is the ongoing retention of key personnel, specifically, founder and CEO, Danny Lessem, and members of the senior management and product research and development teams.</p> <p>There is a risk ELMO may not be able to attract and retain key personnel or be able to find effective replacements for those key personnel in a timely manner. The loss of such personnel, or any delay in their replacement, could have a significant negative impact on management's ability to operate the business and achieve financial performance targets and strategic growth objectives.</p>
<p><b>Reliance on ELMO's talent management software solutions and failure to adequately maintain and develop it</b></p>	<p>ELMO's business model depends on ELMO's ability to continue to ensure that ELMO's customers are satisfied with the functionality of ELMO's talent management software solutions. The market for talent management software solutions is subject to evolving industry standards, changing regulations as well as ever changing customer needs, requirements and preferences. ELMO's success will depend on its ability to adapt and respond effectively to these changes on a timely basis. There is a risk that ELMO may fail to maintain its software platform adequately or that future updates may introduce errors and performance issues causing customer satisfaction to fall. Any of these factors may result in reduced sales and usage of ELMO's solutions, loss of customers, damage to ELMO's reputation and an inability to attract new customers.</p>
<p><b>Reliance on up-take of SaaS-based talent management software solutions</b></p>	<p>ELMO's future revenue and growth depends on the increasing adoption of SaaS-based talent management software solutions. It may be difficult for ELMO to persuade potential customers to change their existing legacy on premise, manual paper-based or point solution and adopt SaaS-based talent management solutions like ELMO's. If ELMO's solutions are not accepted and used by more mid-market organisations or if the market for talent management solutions fails to grow as expected, ELMO's platform could be adversely affected and revenue growth may slow, which could negatively impact ELMO's operating and financial performance.</p>
<p><b>Failure to effectively manage growth</b></p>	<p>ELMO has experienced a period of considerable growth in both revenue, employee numbers and customer base. Based on ELMO's projections, ELMO expects further growth in the future which could place significant strain on the current management, operational and finance resources as well as the infrastructure supporting ELMO's platform. Failure to appropriately manage growth could result in failure to retain existing customers and a failure to attract new customers which could adversely affect ELMO's operating and financial performance.</p>

# Key risks (cont.)



<p><b>Failure to realise benefits from product research and development</b></p>	<p>Developing software and technology is expensive and often involves an extended period of time to achieve a return on investment. ELMO believes that it must continue to dedicate resources to ELMO's innovation efforts to develop ELMO's software and technology product offering and maintain the Company's competitive position.</p> <p>ELMO may not however, receive benefits from these investments for several years or may not receive benefits from these investments at all. There is a risk that ELMO may fail to realise benefits from its innovation and product development related costs.</p>
<p><b>Disruption or failure of technology and software systems</b></p>	<p>ELMO and its customers are dependent on the performance, reliability and availability of ELMO's platform, data centres and communications systems (including servers, the internet, hosting services and the cloud environment in which ELMO provides its solutions).</p> <p>Any disruption or failure of ELMO's technology and software systems could potentially lead to a loss of customers, legal claims by customers, and an inability to attract new customers, any of which could adversely impact ELMO's operating and financial performance.</p>
<p><b>Loss or theft of data and failure of data security systems</b></p>	<p>ELMO's products involve the storage of customers' confidential and proprietary information including information regarding their employees. ELMO's business could be materially impacted by security breaches of customer data either by unauthorised access, theft, destruction, loss of information or misappropriation or release of confidential customer data. There is a risk that any measures taken may not be sufficient to prevent or detect unauthorised access to, or disclosure of, such confidential or proprietary information, and any of these events may cause significant disruption to ELMO's business and operations. This may also expose ELMO to reputational damage, regulatory scrutiny and fines, any of which could materially impact ELMO's operating and financial performance.</p>
<p><b>Success of sales and marketing strategy</b></p>	<p>ELMO's future success is partly dependent on the realisation of benefits from investment spent on sales and marketing campaigns and initiatives. Failure to realise intended benefits from sales and marketing investment could negatively impact ELMO's ability to attract new customers and adversely impact ELMO's operating and financial performance.</p>
<p><b>Revenue recognised throughout term of customer contracts</b></p>	<p>ELMO invoices customers annually in advance and recognises revenue monthly on a pro-rated basis throughout the term of the contract. As a result, most of the revenue realised in any given period relates to agreements entered into during previous periods. Consequently, a shortfall in demand for ELMO's solutions or losses in the existing customer base may not be reflected in the revenue results of that period but are likely to negatively impact revenue in subsequent periods. Accordingly, the effect of a shortfall in revenue from ELMO's platform may not be fully reflected in the financial performance until future periods.</p>
<p><b>Other key risks</b></p>	<p>The above risks are a summary of some of the key risks, but not an exhaustive list of all of the risks associated with the Company or an investment in the Shares. Investors are recommended to carefully review all risks included in Section 5 of the Prospectus before making an investment decision.</p>



## HR CORE

- **Leave management** – Leave requisition and authorisation workflows
- **Organisation charts** – Overview of organisation's structure and reporting relationships
- **Employee self-service** – Enables employees to access and update personal information, request leave and access payroll slips from any device, anywhere and at any time
- **Manager self-service** – Enables managers to access employee information, approve leave requests and view team analytics from any device, anywhere and at any time



## RECRUITMENT

- **Job requisition** – Select the required job position, add specific requirements, alert recruitment manager, track and monitor progress, and customise approval workflows
- **Talent pool** – Search existing employees, search the candidate database, match job criteria, and rank candidates
- **Job posting** – Integrate with job boards and social media, preset posting rules, and track costs
- **Branded careers webpage** – Embed customer organisation's website, customise branding, incorporate company media, and post jobs automatically



## ONBOARDING

- **Personalised onboarding webpage** – Present company information and video, guidelines for onboarding process, onboarding task list, and team member introductions
- **Workflows and approvals** – Configure process and select stakeholders, prerequisites, time delays, and conditions
- **Electronic forms** – Configurable forms, document upload facility, and integration with ATO and other 3rd parties



## PERFORMANCE

- **Performance appraisals** – Configure to customer's requirements, features goal setting, competency models, development plans and 360 reviews
- **Manager team view** – Access direct and indirect reports, view current status of appraisals, search facility, export and print
- **Succession planning** – Identify high performers, mitigate flight risk, recruit from within, foster strategic succession
- **Configurable reports** – Generate at the click of a button, choose fields for comparison, coloured graphs for visual display, export to Excel and/or PDF, and email reports



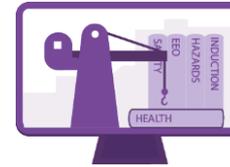
## SUCCESSION

- **Ensure business continuity** – Determine role criticality, identify high performers and mitigate flight risk
- **Employee career progression** – View succession pathways, identify skills gaps and create development plans
- **Foster strategic succession** – Match high potential employees to critical roles and compare candidate suitability by skills, performance, potential and aspirations



## LEARNING

- **Learner's view** – Personalised learning plan, eLearning courses, instructor-led training (ILT), policy acknowledgements, assessments and surveys
- **Course catalogue** – Course self-selection, search facility, configurable enrolment rules, access to over 400 pre-built eLearning courses
- **Manager team view** – Access direct and indirect reports, view current status of learning, search facility, export and print
- **Configurable reports** – Generate at the click of a button, choose files for comparison, use coloured graphs for visual display, export to Excel and/or PDF, automate report emails



## COURSE BUILDER

- **Create courses** – Insert images/movies, edit text, record voice-over, and use interactive features (buttons, rollovers, hotspots, etc.)
- **Create assessments** – Select question type (multi-choice, T/F, drag and drop), insert images/voice-over, randomise questions, and set pass mark
- **Create surveys** – Select question type (multiple choice or free text), compulsory and anonymous optionality
- **Preview and publish** – Customer branding, update customer in real-time, publish ELMO or SCORM compliant LMS



## PRE-BUILT COURSES

- **Best practice eLearning content** – Compliance sources updates, quality assurance, expert instructional design
- **Course editor** – Accessible via the Internet, no programming skills required, access to ELMO royalty free image library, upload your own multimedia
- **Course features** – Customer branding, multimedia enabled, touch screen optimised, modify content with the ELMO course editor
- **Assessment features** – Automatic marking, multimedia enabled, touch screen optimised, modify Q&As with ELMO course editor

# Experienced board and management team



## Board



**Jim McKerlie**  
CHAIRMAN AND  
INDEPENDENT NON-  
EXECUTIVE  
DIRECTOR  
Joined ELMO in 2017



**Danny Lessem**  
CO-FOUNDER AND  
CHIEF EXECUTIVE  
OFFICER  
Founded ELMO in 2002



**Trevor Lonstein**  
CHIEF FINANCIAL  
OFFICER  
Joined ELMO in 2014



**David Hancock**  
INDEPENDENT NON-  
EXECUTIVE  
DIRECTOR  
Joined ELMO in 2017

## Senior Executives



**Gordon Starkey**  
CHIEF OPERATING  
OFFICER  
Joined ELMO in 2007



**Samuel Sun**  
CHIEF  
TECHNOLOGY  
OFFICER  
Joined ELMO in 2010



**Monica Watt**  
GENERAL  
MANAGER HUMAN  
RESOURCES  
Joined ELMO in 2015



**Darryl Garber**  
HEAD OF  
CORPORATE  
DEVELOPMENT AND  
STRATEGY  
Joined ELMO in 2011



Deep knowledge  
of the technology  
and HCM sector



Strong founder  
commitment  
(Danny owns  
22.1%)



Stable  
management team  
– average tenure of  
6 years



Incentives of  
key management aligned  
to the  
success of the  
company



History of growth  
and innovation