



6th April 2020

Quarter 4 Expense Re-Forecast & Quarterly Appendix 4C

Xref Limited (ASX:XF1), the human resources technology company, today released its Quarterly Appendix 4C for the quarter ended 31 March 2020. The Quarterly Activities Review for the same period was released on April 2, 2020 (see [Xref Q3 Quarterly Activities Review](#)).

Forecast Expenses - Q4 2020

In the Quarterly Activities Review released on April 2, 2020 the estimate of cash expenses for Q4 2020 was \$3.4 million. Following further work to reduce expenses Xref has revised its estimate for Q4 total cash expenses to \$3.0 million.

Xref is also currently investigating if it will qualify for the Australian Government JobKeeper payment. If Xref is eligible for the subsidy it is expected to contribute \$400,000 over three months and \$800,000 over 6 months, further reducing cash expenses in Q4 2020 and Q1 2021.

All other figures and details released in the Quarterly Activities Review released on April 2, 2020 remain unchanged.

Quarterly Results Investor Call - Today, 6th April

Chief Executive Officer, Lee-Martin Seymour, will host an investor call to discuss the Company's quarterly results announcement today, Monday, 6 April 2020 at 11:00am AEST. The number for Australian investors is 1800 093 431 and for international investors is +61 2 8047 9393. The conference ID is 14239306#.

Investor and media enquiries:

Presentation: xf1.com

Investor Centre: xref.com/en/investor-centre

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Authorised By:

Lee-Martin Seymour. CEO & Co-founder



Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Xref Limited

ABN

34 122 404 666

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,401	8,378
1.2 Payments for		
(a) research and development	(55)	(266)
(b) product manufacturing and operating costs	(277)	(1,002)
(c) advertising and marketing	(176)	(1,013)
(d) leased assets	(265)	(806)
(e) staff costs	(2,529)	(9,681)
(f) administration and corporate costs	(875)	(2,170)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	8	40
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	205	205
1.8 Other (provide details if material)		
- Upfront annual subscriptions paid	(312)	(312)
- GST for the period	(49)	(154)
- Net foreign exchange	(30)	(85)
1.9 Net cash from / (used in) operating activities	(1,954)	(6,866)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	(809)
	(b) businesses	-	-
	(c) property, plant and equipment	(10)	(71)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets - Website	(106)	(106)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	1	(10)
2.6	Net cash from / (used in) investing activities	(115)	(996)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,496
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(130)	(130)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(130)	(3,366)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,738	8,035
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,954)	(6,866)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(115)	(996)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(130)	3,366
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,539	3,539

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,464	5,663
5.2	Call deposits	75	75
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,539	5,738

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	216
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Amounts shown at item 6.1 above are payments made to the directors of Xref Limited (paid through subsidiaries) in the form of contracted salary payments (to executive directors) and directors fees (to non-executive directors) plus statutory entitlements.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,954)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	3,539
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	3,539
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.81

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

The estimated expenses for Q4 FY20 are \$3.0 million, which is 29% lower than total expenses in Q3FY20. The reduction follows a restructure during Q3 and in early April. Expenses will continue to be reviewed and adjusted as appropriate in Q4 and Xref is also investigating whether it may be eligible for the "Job Keeper Subsidy" announced by the Australian Government. If Xref is eligible, this would lower salary and wages expenses by a further \$0.4 million during the June quarter (Q4 FY20).

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

Xref is currently examining further opportunities to accelerate its sales and cash receipts, and further reduce expenses to preserve cash.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes. A detailed operational update (our Quarterly Activities Review) including comments on cash, sales and revenue was released on 2nd April 2020.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 6th April 2020

Authorised by: *The Board of Directors of Xref Limited*