



Xref Limited
Appendix 4E
Annual Report

Company details

Name of entity:	Xref Limited
ACN:	122 404 666
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

Results for announcement to the market

				Reporting Period	Previous Period
				\$	\$
Revenues from ordinary activities	up	56%	to	12,555,708	8,028,306
Profit from ordinary activities after tax attributable to the owners of Xref Limited	up	N/A	to	78,084	(10,056,090)
Loss for the year attributable to the owners of Xref Limited	down	100%	to	(22,032)	(10,041,232)

Earnings per share

	Reporting period	Previous period
Weighted average number of ordinary shares used in calculating basic earnings per share	181,978,936	172,871,318
Weighted average number of ordinary shares used in calculating diluted earnings per share	202,917,529	172,871,318
	\$	\$
Basic earnings per share (cents)	0.04	(5.82)
Diluted earnings per share (cents)	0.04	(5.82)

Dividends

There were no dividends paid, recommended, or declared during the current financial period.

Previous period

There were no dividends paid, recommended, or declared during the previous financial period.

Review of operations

The profit for the Group after providing for income tax amounted to \$78,084 (30 June 2020: a loss of \$10,056,090).

Highlights of the financial year included:

- **Success in a challenging market** - COVID-19 continued to present challenges for businesses globally but Xref was able to thrive.
- **Increased market demand** - the conditions presented by COVID-19 resulted in an increased interest in verification tools that can be used to make confident hiring decisions in a remote working environment.
- **Record sales and revenue** - a 56.88% increase in Group sales year-on-year and a 56.44% increase in Group revenue.
- **A profitable result** - having seen a cash burn rate of \$5.2 million in FY20, Xref achieved its maiden full year cash flow surplus in FY21. As well as a maiden net profit after tax of \$78,084 and EBITDA of \$1.04m
- **A leading online brand** - 4.7 star ratings across three major online review sites, G2, Google My Business and Capterra and a leading position in G2's reference checking category.
- **New product development** - the planning and initial development of a new Xref platform designed to meet emerging client needs and significantly increase the addressable market.
- **Cash Balance** - Cash on hand at 30 June 2021 was \$8.13 million

Outlook

The Group anticipates continued growth driven by its existing reference checking services, as well as additional expected growth from the new platform in development.

The success achieved during COVID-19 to date is expected to continue, given the strength of the company's existing client portfolio, along with the pipeline of opportunities established by marketing-led lead generation during FY21.

A full report on the Group's performance for the half year is contained within the attached Interim Report

Net tangible assets

	Reporting period	Previous period
	\$	\$
Net tangible assets (liabilities) per ordinary security	(0.02)	(0.02)

Control gained over entities

Not applicable

Loss of control over Entities

During the last quarter of the 2020 financial year it was determined by the directors to close the Norway office and transfer management of existing accounts and sales operations to the Europe head office based in London. The subsidiary that operated out of Oslo Norway, Xref AS was wound up in accordance with Norwegian Corporations Law in June 2021. There has been no major impact on the operations in Norway with sales continuing to be made to Norwegian businesses out of Xref UK.

Dividend reinvestment plans

Not applicable

Details of associates and joint ventures

Not applicable

Foreign Entities

Detail for origin of accounting standards used in compiling the report

Not applicable

Events occurring after the reporting date

With the fluctuating restrictions enforced by COVID-19 continuing to have an impact on businesses globally, and the virus itself still rife in many markets, its ongoing effect is impossible to predict. As such, it is not viable to put a figure on the impact it has had following the reporting date, particularly since Australian states have seen various levels of lockdown lifted and reintroduced during that time.

On 19 August 2021 the interest rate applicable to the debt funding of \$5m provided by Pure Asset Management was renegotiated downwards from 9.95% to 8.50%. This will result in an interest saving of \$214,800 for the remainder of the term. In addition, Xref cannot voluntarily repay all or any part of the loan during the period commencing from 19 August 2021 until and including the date that is 12months after 19 August 2021. All other conditions relating to the debt funding remain unchanged.

No other matter or circumstances have arisen since the end of FY21, which could have had a notable impact on operations.

Audit qualification or review

The Financial Report for the year ended 30 June 2021 has been audited with the independent auditor's report included within the attached Annual Report. An unqualified opinion has been issued.

Attachments

The Annual Report of Xref Limited for the year ended 30 June 2021 is attached.

Signed



Lee-Martin Seymour
Managing Director

31 August 2021

Authorised for release by the Board of Directors of Xref Limited