



ASX Announcement/Press Release: 6th October 2021
 Xref Limited (ASX: XF1)

Quarterly Update: 126% Sales Growth and \$1.2m Cash Surplus in Q1FY22

- **Sales** - \$5.4 million - up 126% on the previous corresponding quarter
- **Revenue** - \$3.9 million - up 77% on the previous corresponding quarter
- **Cash Receipts** - \$5.8 million
- **Cash Surplus** - \$1.2 million

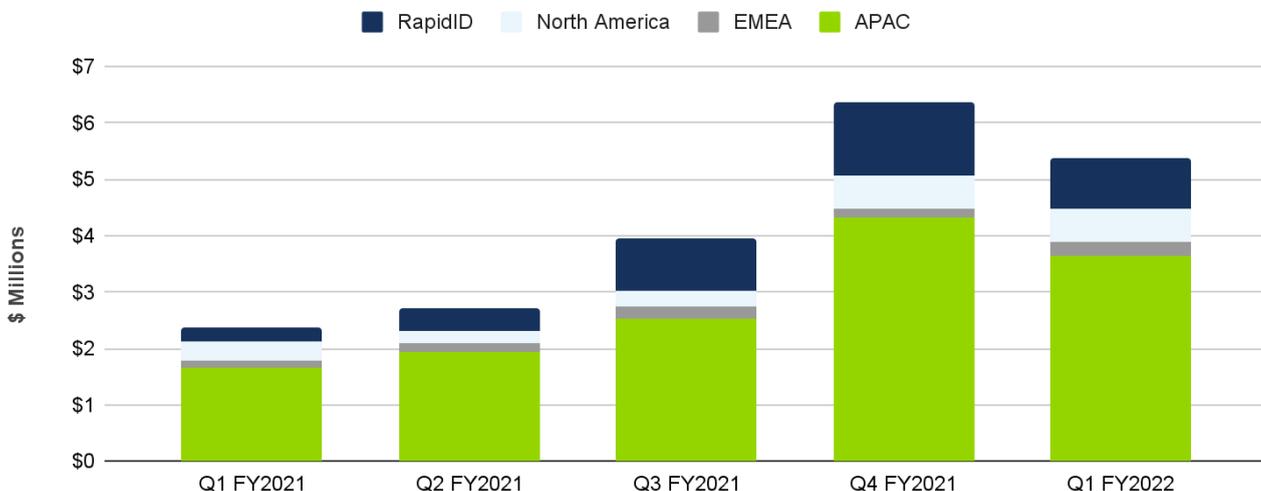
Human resources technology company Xref Limited (**ASX: XF1**), ('Xref' or 'the Company') is pleased to report another strong trading performance in the September 2021 quarter, the first three months of the Company's 2022 financial year (Q1 FY22). Unaudited results for the quarter show sales of \$5.4 million and strong cash receipts at \$5.8 million. Revenue also reached \$3.9 million.

Record Sales Growth

Taking into account the seasonality inherent in Xref's business, the Company's growth trajectory continued throughout Q1 FY22. The fiscal first quarter is traditionally the Company's lowest sales period due to seasonal fluctuations in the Australian recruitment industry following the financial year-end and the summer holiday season in the Northern hemisphere. However, during the quarter new sales opportunities grew by 104% and average deal size grew by 45% compared to the corresponding quarter in our 2021 financial year (Q1 FY21). As a result, total new client acquisitions grew by 78% when compared to Q1 FY21.

Group sales reached \$5.4 million during the quarter, up 126% on the previous corresponding quarter (Q1 FY21) and 113% above the Q1 FY20 figure. Newly acquired clients accounted for 19% of Xref sales, while 16% came from Xref's international offices in Europe and North America and 16% from RapidID. Sales from North America grew 83% to \$0.6m when compared to the previous corresponding quarter (Q1 FY21). Sales (gross revenue) by RapidID grew by 226% to \$0.9m when compared to the previous corresponding quarter (Q1 FY21).

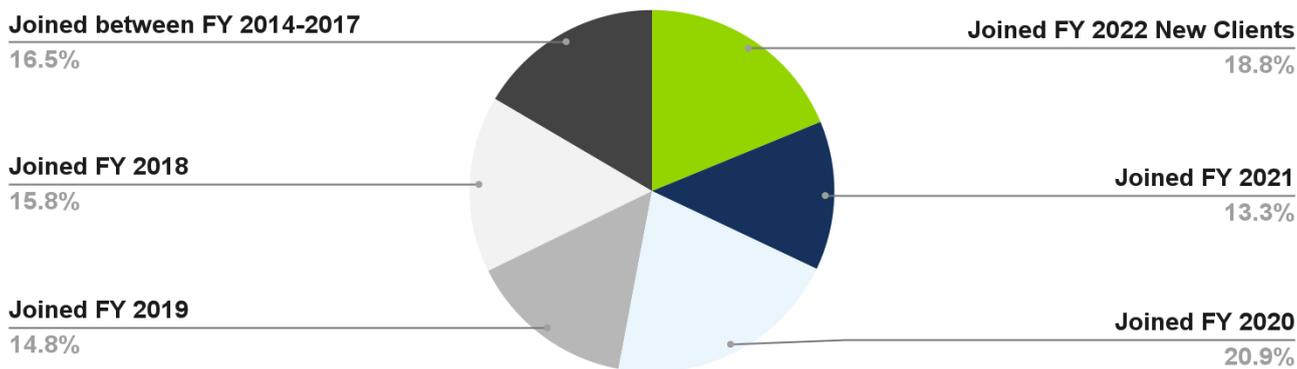
Group Sales (Quarterly)



New notable clients introduced during the quarter included The Arnotts Group, Fortescue Future Industries and Ozcare in Australia. Kiwibank in New Zealand, Maybourne Hotels and H&M Group in the UK, UEFA in Switzerland, The University of Pittsburgh in The United States and Home and Community Care services in Canada. Further information about these new clients follows as an appendix.

Clients who joined Xref prior to FY17 accounted for 16.5% of sales during Q1 FY22 despite significant sales growth since then, demonstrating Xref's ability to retain and grow its share of clients' business over time. Clients joining Xref during FY22 to date represented 19% of total sales during the quarter, demonstrating Xref's ability to also acquire new, high-value clients.

Q1 FY2022 Sales Mix (Client Cohort : Year Joined)

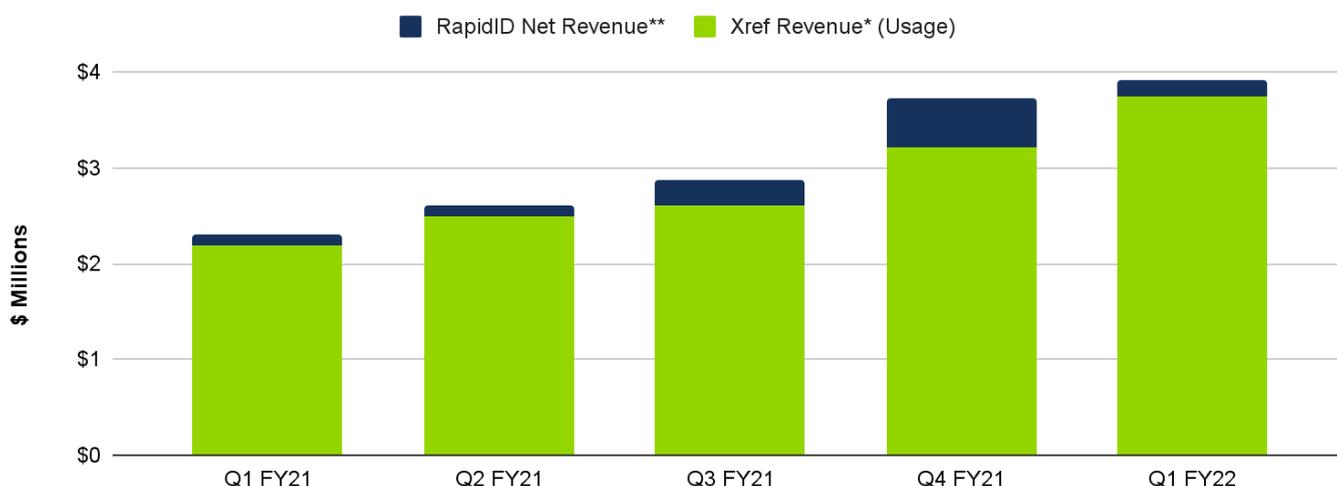


Group Revenue (Credit Usage)

Xref credits used during the quarter totalled \$3.7m and, together with RapidID's net revenue of \$0.2 million, contributed to a record quarterly revenue of \$3.9 million. Xref credit usage grew 77% and RapidID's net revenue grew 84% on the previous corresponding quarter (Q1 FY21).

Credit usage by integrated customers was \$1.1 million for the quarter, representing a 100% increase on Q1 FY21. Xref currently has 30+ live integrations with channel partners and will be adding more by the end of Q2 FY22. Clients that consume Xref via an integration now account for 30% of all revenue, excluding revenue generated by RapidID.

Group Revenue (Quarterly)



* Xref credits are recognised as revenue when used

** RapidID Net Revenue is gross revenue less the cost of 3rd party checks

Product Investment

Although Xref's markets continue to be adversely impacted by the effects of COVID-19, Xref is preparing for the growth anticipated to come from millions of returning workers globally. Xref is also working with some of its largest global clients to expand the current platform and support their future requirements. The enhanced platform will dramatically increase the global addressable market through the provision of additional services, allow for an entirely digital new client acquisition process and add a subscription-based ARR to the current credit-based model. The new Xref Exit Survey Platform will also be launched in October with key global clients already confirmed. During the quarter, Xref capitalised a proportion of internal and external development costs related to these platform features. Further detail on the platform benefits and growth opportunities will be provided to the market as part of the launch.

Cash Surplus

The cash flow surplus for the current quarter was \$1.2m and cash at bank on 30 September 2021 was \$9.4m. Cash at bank at 30 September 2020 was \$7.1 million which is a \$2.3 million cash flow surplus generated during the last 12 months.

Business Update: Investor Call - 6th October

Chief Executive Officer, Lee-Martin Seymour, will host an investor call to discuss Xref's Q1 FY22 results on Wednesday, 6th October 2021 at 11:00am AEDT. The number for Australian investors is 1800 093 431 and for international investors is +61 2 8047 9393. The conference ID is 23768029#. For a full list of toll-free international dial-in numbers for all regions please click [HERE](#).

Management Comments:

Executive Director / CEO Lee-Martin Seymour said: "Companies are starting to witness the effects of what has been coined 'The Great Resignation'. Millions of workers around the globe calling time on their employers. Sector, Geographical and Role changes are contributing to what is sure to be one of the biggest migrations of talent ever seen. We are witnessing this through record lead flow, which is, in turn, feeding growth in new client acquisition. We are soon to launch our new platform, which will be 100% self-service and subscription-based. It is expected to increase our addressable market tenfold, positioning us well for growth. The whole Xref team are super excited about the opportunities that lie ahead."

Chairman / Brad Rosser said: "Following on from a tremendous outcome in FY21, the team was able to deliver exceptional growth in all areas as well as a healthy cash flow surplus. Doing this during what is traditionally a softer quarter for human resources-related companies like Xref is a testament to the hard work of the team and our growing market. This result provides a strong start to what is set to be a fantastic year ahead."

Appendix 4C item 6 explanatory note

As required by listing rule 4.7C.3, the amount of \$189,000 shown at item 6 within this quarter's 4C is payment of directors fees and salaries to executive directors, plus statutory entitlements.

For further information:

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Authorised by the Board: Xref Limited (ASX : XF1)

About Xref

Xref is a reference checking and identity verification platform that empowers organisations worldwide to make great people decisions.

Xref's fully automated online reference checking platform allows employers to request one or multiple references in minutes and receive fast, honest feedback within 24 hours. Xref also enables employers to know who a candidate really is with RapidID, Xref's biometric identity verification solution.

Xref is the reference checking platform of choice globally. The company understands the talent and human resources markets and is currently working with some of the largest organisations in the world to develop new products that will provide unique employment insights.

In the future, Xref plans to extend its platform across the full hire to retire journey, dramatically increasing its addressable market and allowing organisations to reap the benefits of Xref across their businesses.

To learn more, please visit:

Website: xref.com

Investor Centre and Presentation: xf1.com

Twitter: [@xf1](https://twitter.com/xf1)

Email: investors@xf1.com

Xref Limited, Suite 13, 13 Hickson Road, Dawes Point, Sydney NSW 2000 Australia

Appendix – Notable new clients onboarded in Q1FY22

Australia & New Zealand

The Arnotts Group

The Arnotts Group is headquartered in Sydney and employs approximately 3,500 people in markets across Asia Pacific. This includes manufacturing sites in NSW, Queensland, Victoria and South Australia as well as New Zealand, Malaysia and Indonesia. Arnott's Biscuits Limited is Australia's largest producer of biscuits, their portfolio also includes Good Food Partners, 180degrees and products licensed from the Campbell Soup Company.

Fortescue Future Industries

Fortescue Future Industries (FFI) is a global green energy and product company committed to producing zero-emission green hydrogen from 100 per cent renewable sources.

Ozcare in Australia

Ozcare has a workforce of over 3,800 staff and 250 volunteers serving over 15,000 clients in more than 44 locations across Queensland. Ozcare supports Queenslanders with a range of aged care, retirement living, hospital, disability care, respite care, nursing, allied health and dementia advisory and support services.

Kiwibank Limited

Kiwibank Limited is a wholly-owned subsidiary of New Zealand Post (NZP). With over 1,000 employees, the Bank provides a wide range of financial services to personal and business customers through the New Zealand Post retail network of 260 PostShops (post offices).

The United Kingdom & Europe

Maybourne Hotel Group

Maybourne Hotel Group owns and manages Claridge's, The Connaught, The Berkeley and The Maybourne Beverly Hills, four of the world's most legendary luxury hotels, located in the heart of London and Beverly Hills. The group relies on the services of 1,500 workers.

H&M Group

H&M is a Swedish multinational clothing retail company known for its fast-fashion clothing for men, women, teenagers, and children. There are approximately 2,000 H&M stores in the UK and Europe.

UEFA in Switzerland

The Union of European Football Associations (UEFA) is one of six continental confederations of world football's governing body FIFA. It has about 600 employees.

North America

The University of Pittsburgh

The University of Pittsburgh is a top-ranked, public education institution in Pennsylvania and a member of the Association of American Universities of leading research universities. With their discoveries, it is recognised as one of the most innovative universities in the world. Pitt is home to 8,200 part and full-time staff.

Home and Community Care Services - Ontario, Canada

Home and Community Care Support Services provides healthcare services at home and in the community and can assist those considering supported living programs or long-term care options, or requiring home and community care services.