XREF

Investor Presentation

Key Business Metrics - February 2018

Using our experience and business intelligence to confidently analyse and predict trends.
A focus on key business metrics that drive our global growth and profitability.

CLIENT ACQUISITION



CLIENT ADOPTION

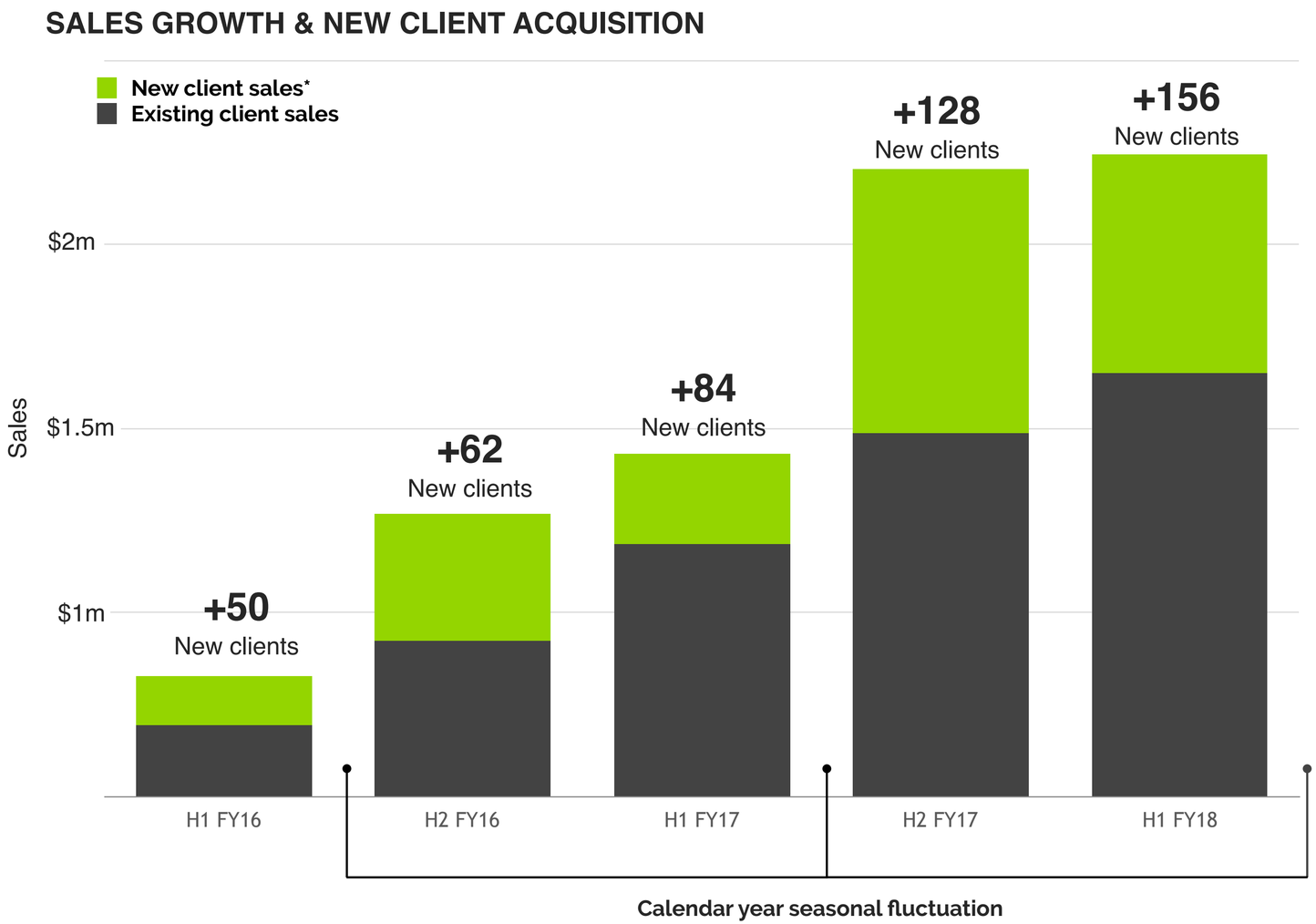


ARPA

(Annual Revenue Per Account)



Client acquisition



Xref continues to double its client base each year.

In each of the last four consecutive years, Xref has doubled client numbers. Between January and December 2017 it added 284 new clients up 100% from the previous calendar year. 91 were added between October and December 2017.

Due to seasonal fluctuations in the HR & Recruitment industry in Australia Xref's second half of the financial year is traditionally stronger. Australia currently represents 85% of global sales revenue.

*Excludes non direct clients included within RPO and Channel Partners
$ Sales equal sold credits

Client adoption

CLIENT ADOPTION OVER TIME

XREF CLIENT WITHIN 12 MONTHS **25%**



XREF CLIENT WITHIN 24 MONTHS **35%**



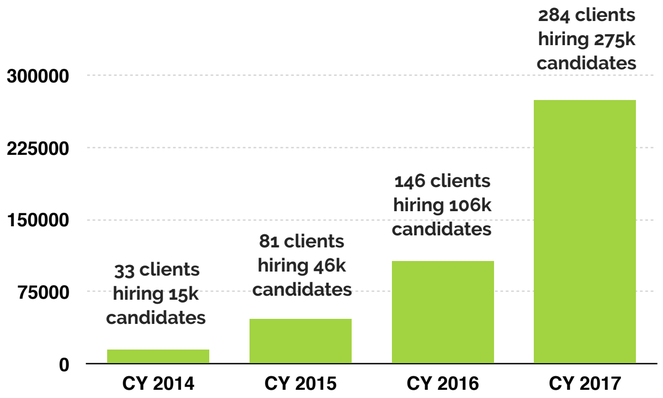
XREF CLIENT WITHIN 36 MONTHS **55%**



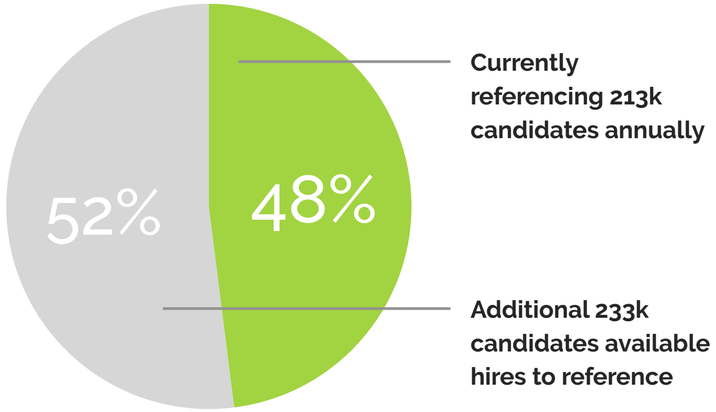
XREF CLIENT OVER 36 MONTHS **95%**



AVAILABLE HIRES TO REFERENCE



OVERALL CLIENT ADOPTION



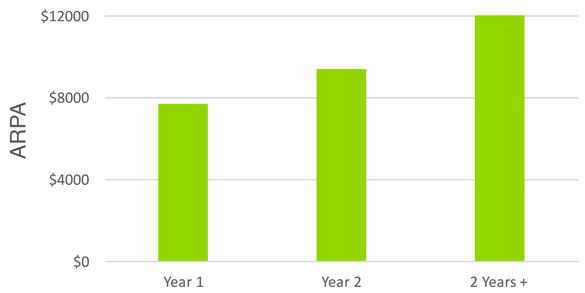
Xref currently only references 48% of its clients' total annual hires.

Clients that joined more than 36 months ago reference 95% new hires via Xref. Clients within their first year reference 25% of their total hires.

Clients that joined Xref in CY17 forecast that they will collectively hire more than 275k people in the coming year.

Xref retains 98% of its clients and proactively works with them to drive adoption over time.

Annual revenue per account (**ARPA**)



$9.3k

Current Average ARPA

WHAT IS DRIVING ARPA?

CLIENT SIZE

Our average client size has increased by 120% over the last 3 years.

ADOPTION

Current adoption is 48% and growing.

PRODUCT ENHANCEMENT

Our average selling price has increased 69% over the last 2 years.

Clients are bigger, the product is better and adoption is faster.

Xref now has enough experience and business intelligence to confidently analyse and predict trends.

As a result, Xref now specifically targets its clients and the product offering to grow ARPA.

ARPA represents our key focus in building scale and profitability.

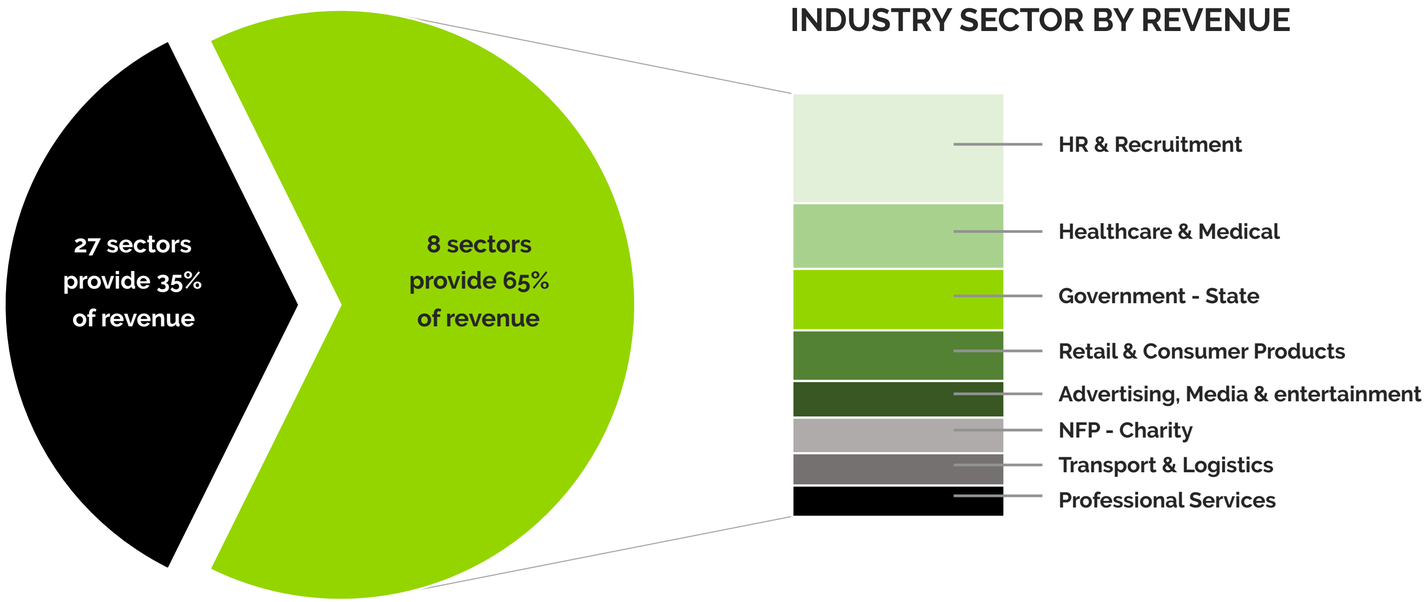
XREF

“Our ability to scale provides the opportunity to continually grow clients and revenues time and time again”

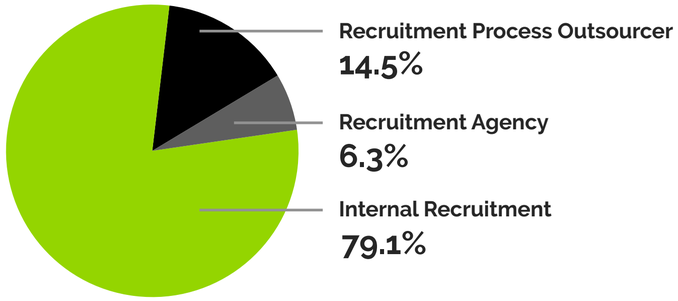
LEE-MARTIN SEYMOUR CEO

xref.com

Market priorities



CLIENT TYPES BY REVENUE



CLIENT SIZE BY REVENUE

Hires per year	Revenue
2500+	8%
100-2500	60%
0-100	4%

Large enterprise recruitment teams across eight key sectors.

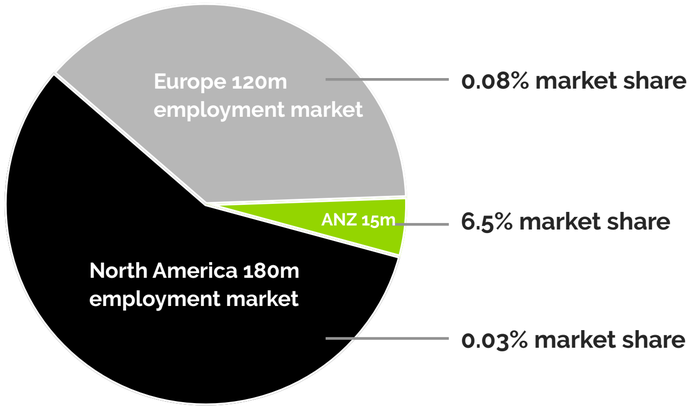
Xref is used successfully across 35 market sectors. 8 of these contribute 65% of our revenue.

80% of our revenue comes direct from enterprise companies with internal recruitment teams, hiring more than 100 people a year.

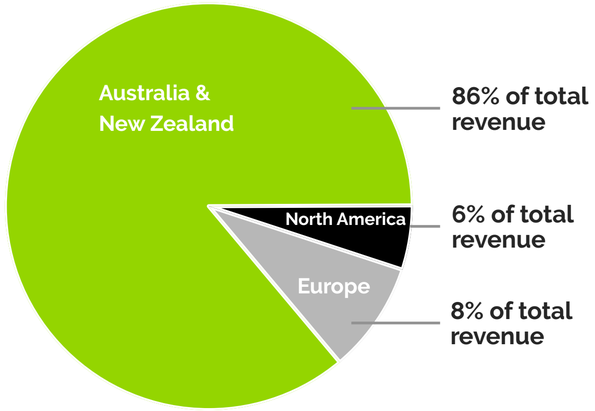
With a global employee attrition average of 15%, a company hiring 240 people a year will have 1600 employees.

Global scale

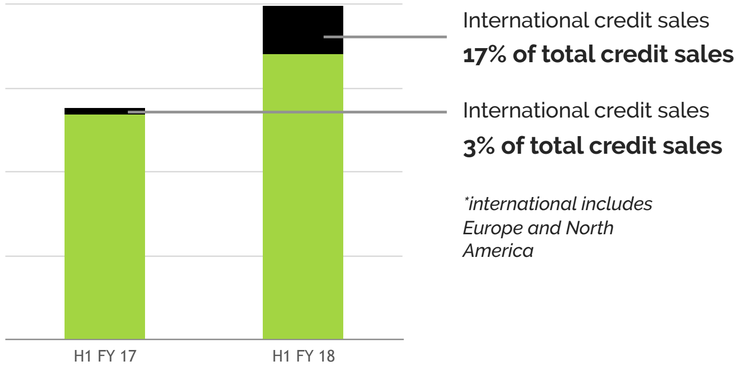
TARGET MARKET SIZE AND SHARE



H1 FY18 REVENUE CONTRIBUTION



INTERNATIONAL CREDIT SALES GROWTH

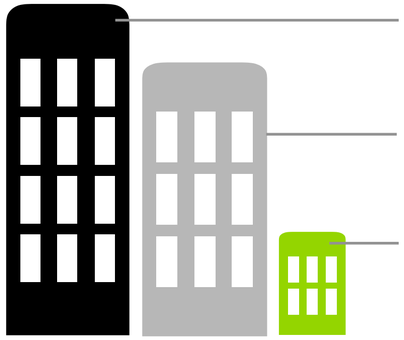


International credit sales
17% of total credit sales

International credit sales
3% of total credit sales

**international includes Europe and North America*

TYPICAL CLIENT SIZE



North America
16000 employees

Europe
10000 employees

Australia & NZ
1600 employees

Global means bigger clients in bigger markets.

The average size of an Xref client in Australia is 1600 employees. With average employee attrition rates of 15%, these businesses will hire 240 people a year.

Enterprise clients in North America and Northern Europe are much larger and Xref now has the opportunity to grow its ARPA and market share faster.

Market share stats calculation: Credits sold H1FY18 as a percentage of available hires.

Available hires: Employment market x average attrition (15%) This relates to the minimum addressable market and takes only permanent job moves into account.

Sales cycle efficiency

Q2 FY17

NEW ACCOUNTS

49

SALES CYCLE DAYS

80

Q2 FY18

NEW ACCOUNTS

91

SALES CYCLE DAYS

39

In July 2017 Xref launched its new sales content platform. The sales presenter brings together the traditional Demo, Proposal, Agreement and Invoice into one client experience. It has had a significant impact on the speed of client acquisition. Reducing the sales cycle by 55% is key to supporting high demand for the platform globally.

Acquiring twice the clients in half the time.



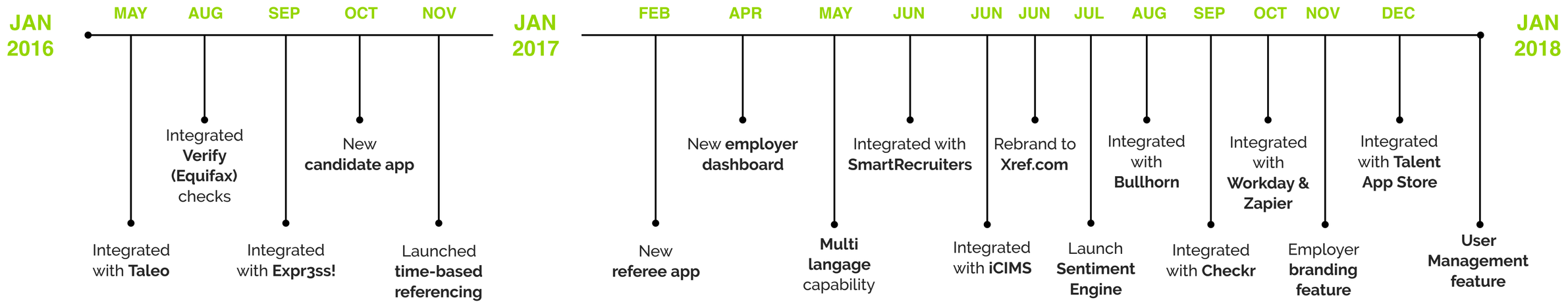
Product & Price



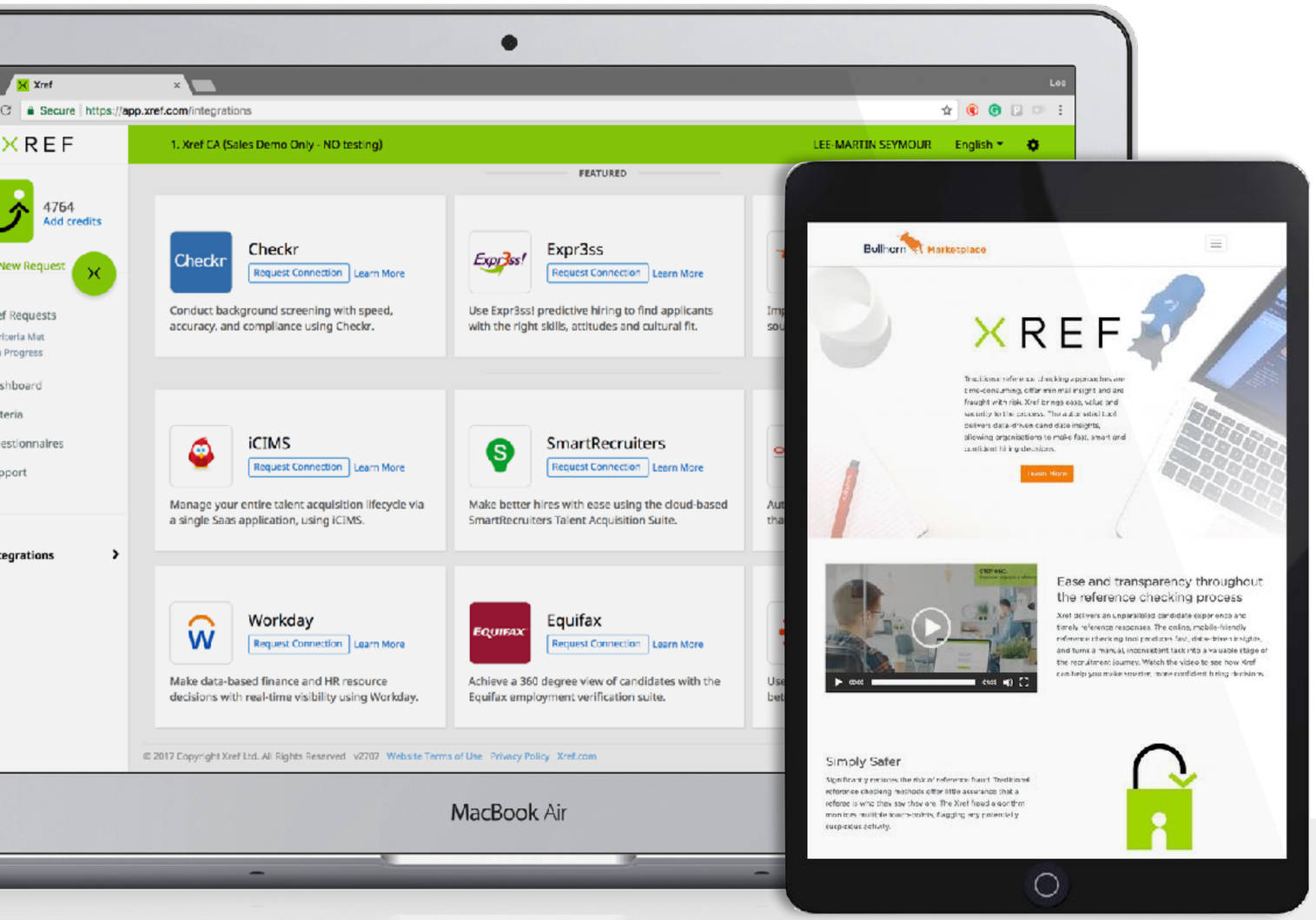
Average credit price has increased by 69% in 2 years.

Product advancements allow Xref to offer more value, enable the team to deliver a tailored solution and allow the company to sell credits at a higher price for those that utilise more features of the Xref platform.

Product development timeline



Channel partnerships



Marketplaces drive client acquisition. Integrations increase adoption.

Xref currently has 11 live integrations in place and sells via partner marketplaces all over the world.

Offering users the ability to request an Xref from their platform of choice significantly increases credit usage over time.

Currently, 34 key clients use an integration, including Qantas, Westpac and the NSW Government.

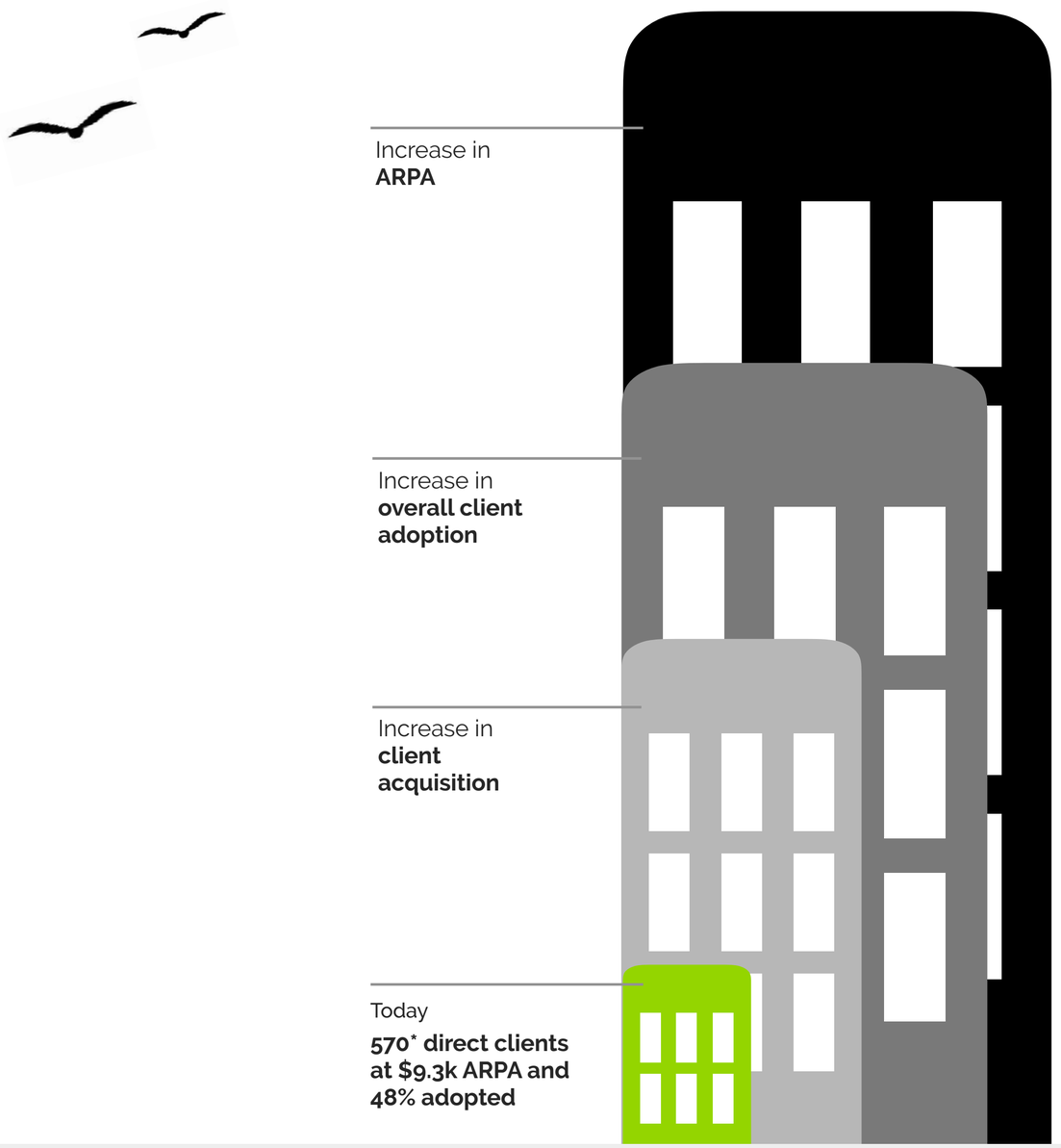
Xref Integrations

We’re still at the beginning…

The beginning just keeps getting bigger.

With the people, product, and resources in place in the geographical locations entered, Xref is positioned well to leverage the global growth opportunity.

With increased **client acquisition, adoption and ARPA** Xref has a clear view of the horizon, and it looks bright.



*Excludes non direct clients included within RPO and Channel Partners

XREF

With Xref, clients make smarter, more confident hiring decisions.

xref.com
Investor and media enquiries:
Ashley Rambukwella, FCR
Tel: +61 (0)2 8264 1004 / +61 (0)407 231 282
a.rambukwella@fcr.com.au

The Xref story

Xref brings ease, security and value to the candidate reference checking process. Via an online, automated platform, it delivers the data-driven candidate insights organisations need to make smart, fast and confident hiring decisions.

The customer-centric solution and team enable the flexibility and scalability Xref's global clients require to hire the best talent, quickly. Xref was the vision of Lee-Martin Seymour, a frustrated recruitment professional, and Tim Griffiths, an MBA-qualified technologist who teamed up to improve an archaic process that had been conducted in the same way for decades but was no longer consistently delivering on its purpose. To validate the suitability of a candidate.

With passion, ambition and drive, the Xref concept was born.

After launching in Sydney in 2011, Lee and Tim spend five years perfecting the solution for a domestic market. The strength of the platform today was formed of that initial growth period.

Xref listed on the ASX in early 2016 and has since expanded into three additional offices. These allow the company to support more than 700* organisations across APAC, EMEA and North America, with the flexibility of the product architecture enabling solutions tailored to the needs and demands of each market.

*700 Organisations include non direct clients included within RPO and Partner clients



700 Organisations



4 Global Offices



Used in 153 Countries



11 Channel Intergrations

Xref customer stories



Disrupting the status quo

Research commissioned by Xref - the Recruitment Risk Index - has provided evidence to support a primary concern:

Everyone hates the traditional phone based reference checking process.

Of the Australian HR managers surveyed:

- 39% consider reference checking just a formality
- 56% have avoided giving a reference due to perceived risks
- 41% admitted delays in the process have caused them to lose candidates

And it's not just those conducting and providing references that dislike it. It is also not valued by candidates, 71% of whom admitted to having exploited flaws in the traditional process.

The purpose of the critical recruitment stage has been all but lost due to manual, inconsistent approaches.

Xref is eliminating these very real risks, by disrupting the status quo.

The solution

Xref puts candidates in the driving seat, offering them transparency and the opportunity to manage the progress of their references.

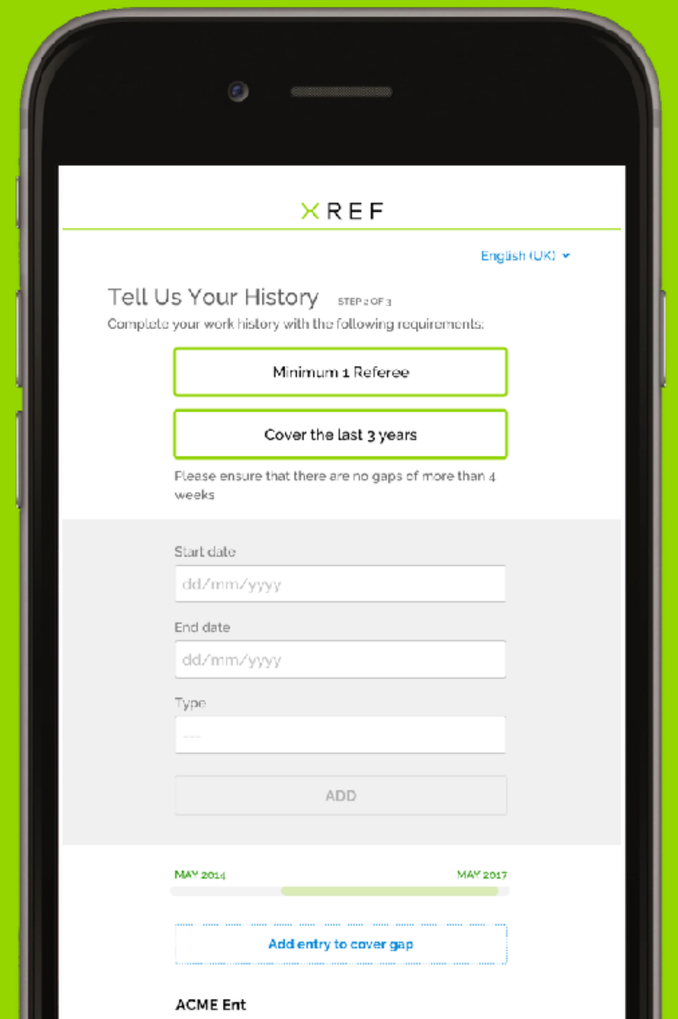
This candidate-driven approach, coupled with the online nature of the solution, delivers improved efficiency, while collecting more data, protecting clients from the threat of fraud and reducing the risk of any data and discrimination breaches.

The Xref process is completed in three simple steps:

- One: a recruiter or hiring manager spends 30 seconds requesting a reference and the candidate confirms referee details via the Xref platform.
- Two: the referee provides feedback online via any device at time that suits them, usually within 24-32 hrs.
- Three: the employer has access to a secure, detailed analysis of the reference feedback, which consists of 60% more data than traditional approaches are able to gather.

The result: employers are able to make smarter, faster and more confident hiring decisions, based on a greater volume of more insightful data.

Watch the Xref video





Our business model

1. When Xref's clients purchase credits **(Credit Sales)** to use the Xref platform, the value of their purchases is recognised as unearned income **(Unearned Income)**.
2. When they pay for the credits, the cash is recognised as cash receipts **(Cash Receipts)**.
3. Once the credits are used by the client **(Usage)**, Xref recognises the value of the credits used as revenue **(Recognised Revenue)**.

Capital structure (at 12th Feb 2018)

148m
Quoted Shares

$92m
Market Capitalisation at 62c

TOP 5 SHAREHOLDERS

40.7m
SQUIRREL HOLDINGS AUSTRALIA PTY LTD
Timothy Griffiths

40.7m
WEST RIDING INVESTMENTS PTY LTD
Lee-Martin Seymour

10.6m
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED

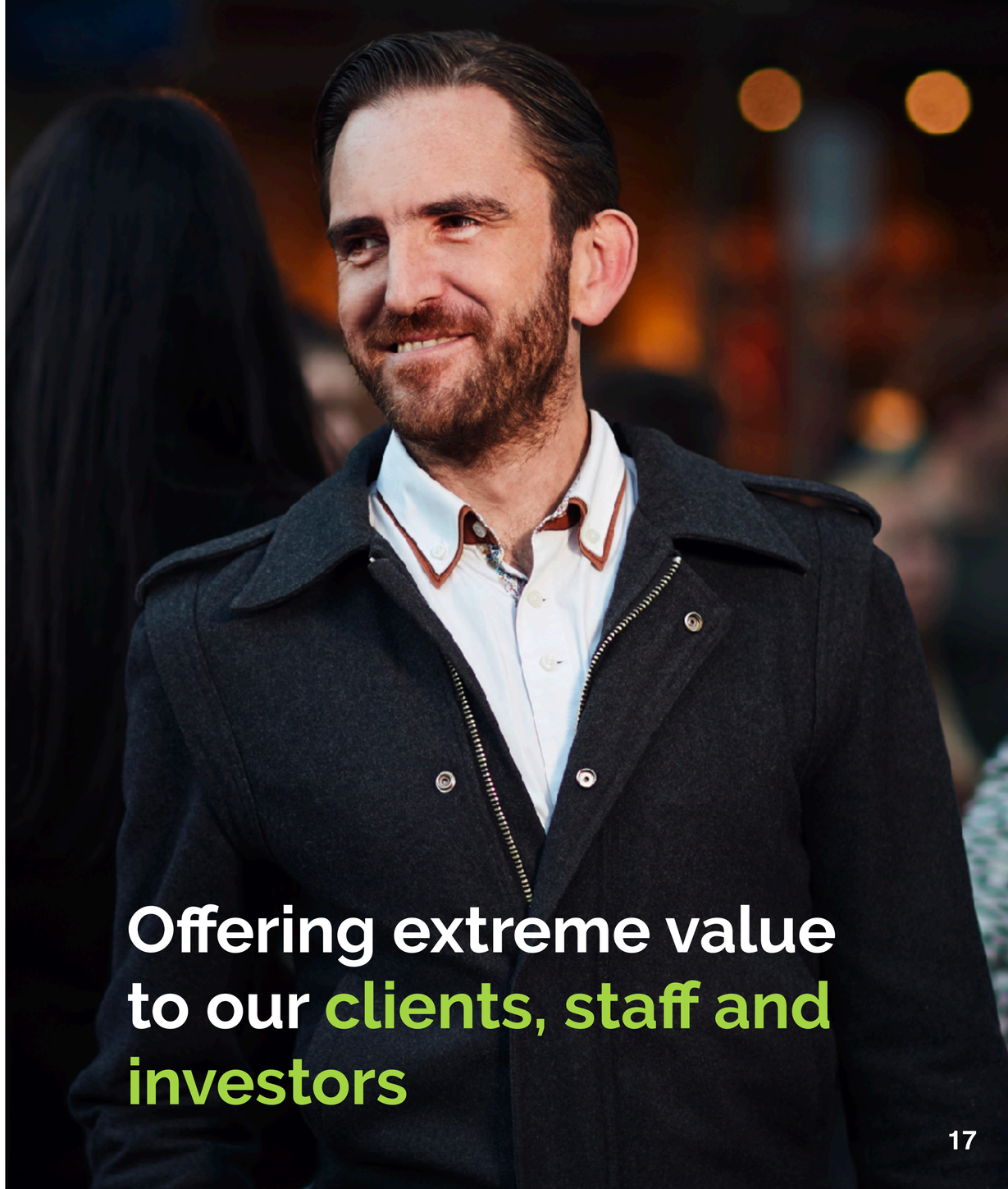
3m
CS THIRD NOMINEES PTY LTD

2.9m
UBS NOMINEES PTY LTD

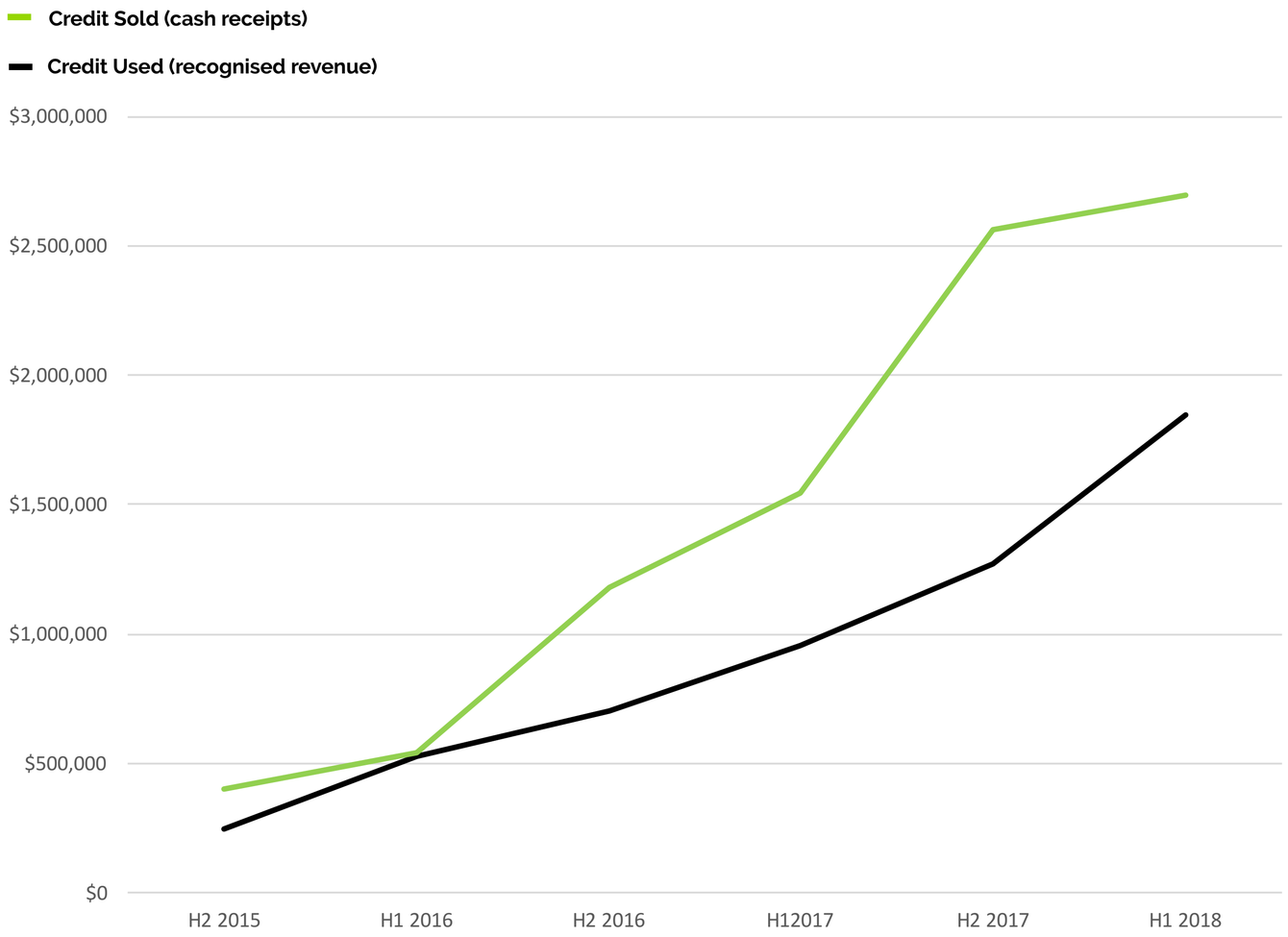
Performance Rights of 16.7 million will convert in line with the following milestone:

Milestone : 16.7m Performance Rights will vest once Xref achieves annualised EBITDA of A$5m within 5 years from Listing

13.5 million options with 4.5m at $0.23 exercise price, 1.1m at $0.585 exercise price and 7.9m at $0.70 exercise price, which expire between Feb 2019 and Nov 2022



Credit sales & usage history

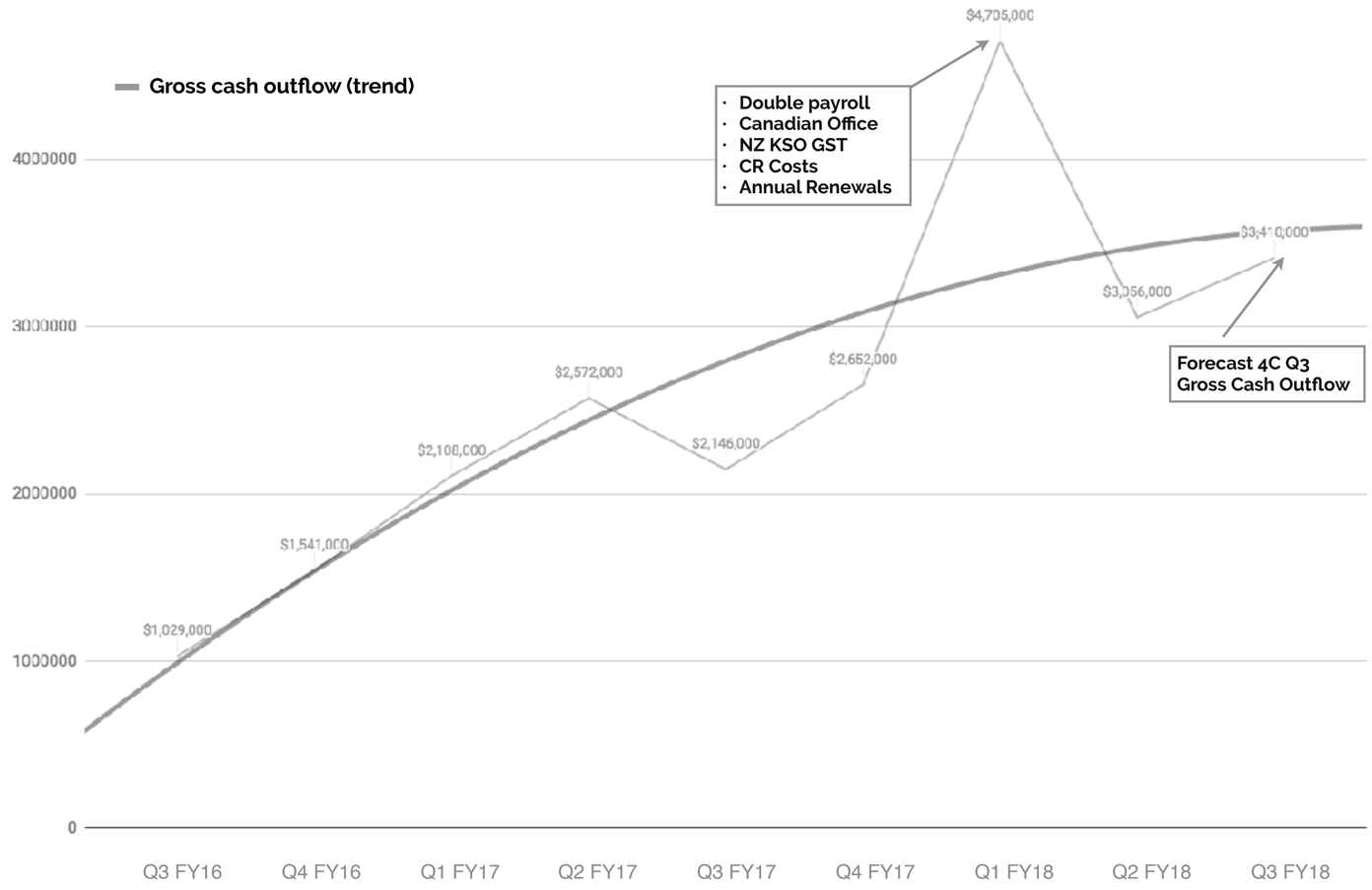


Consecutive sales and usage records for three years

Credit sales for H1 FY18 were $2.6 million, up 69% from $1.5 million in the previous corresponding period. Xref's growth is traditionally higher in the second half of the financial year reflecting the seasonality of the Australian recruitment sector.

The value of credits used during H1 FY18 was $1.8 million, up 93% from H1 FY17.

Expense history and composition



Controlled expenditure for growth

The expense composition for H1 FY18 was.

- Staff salaries & expenses **62%**
- Administration & corporate **15%**
- Advertising and media **11%**
- Product manufacturing / operations costs **7%**
- Leased assets **5%**

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