



31st July 2019

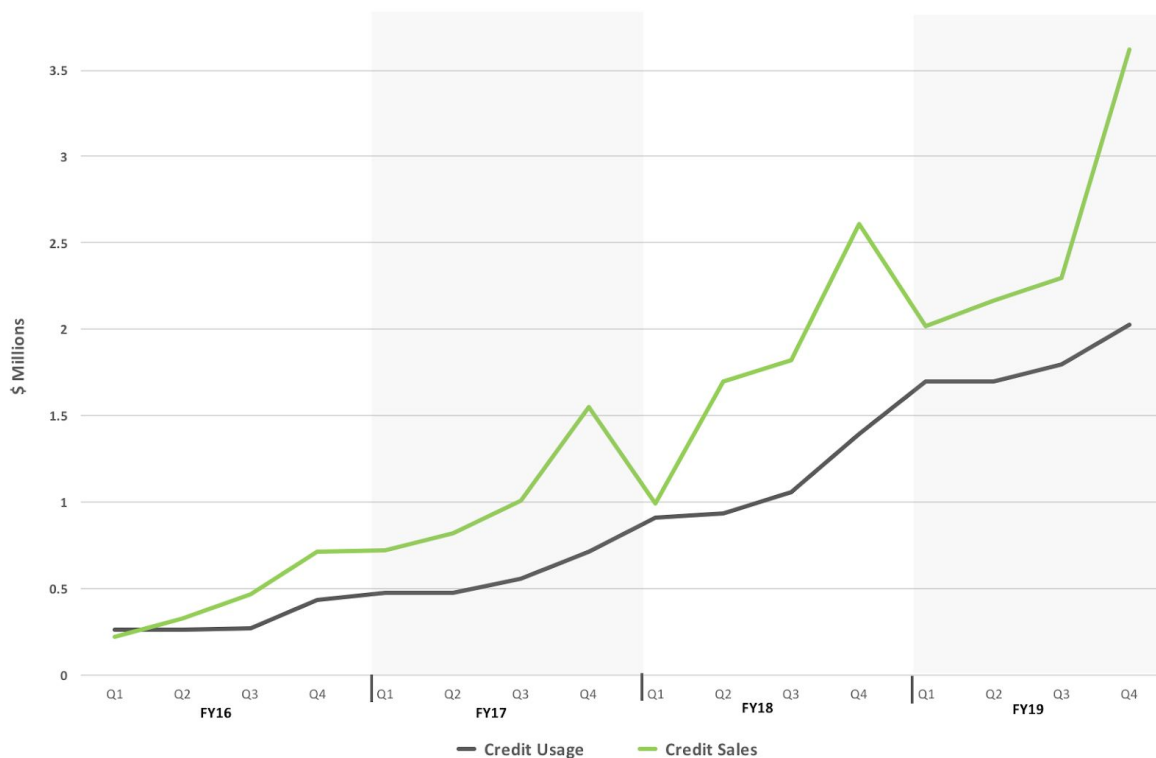
Xref reports another record quarter for Sales, Usage and Collections

- New quarterly sales record of \$3.6 million
- New quarterly credit usage record of \$2 million
- New quarterly cash receipts record of \$2.7 million - up 47% on Q4 FY18

Sales & Credit Usage

Xref Limited (**ASX: XF1**) ("Xref") achieved record sales usage, credit usage and collections in Q4 FY19. From Q4 FY18, sales increased by 38% to \$3.6 million, credit usage increased by 40% to \$2 million and cash receipts increased by 47% to \$2.7 million.

Credits used by clients using Xref through an integration partner also increased by 28% and international sales continued to grow strongly with overseas offices contributing 20% of sales compared to 10% in Q4 FY18.



New Clients

New clients added during the quarter included: **Ministry of Foreign Affairs and Trade**, New Zealand, **Melbourne Cricket Club**, Australia, **Southampton Football Club**, UK, **Uncommon Schools New York**, US, **Mantena AS**, Norway, **The Ritz London**, UK, **Tipico Services**, Malta.

Further information about these new clients follows as an appendix to this announcement.

Cash Collections

During the quarter, Xref collected \$2.704 million from customers, a significant increase on the previous record set in Q1 FY18, of \$2.660 million. The record sales achieved during Q4 FY19 will translate to strong collections during Q1 FY20.

Operating Cash Flow

Net cash outflow for the quarter was \$1.519 million compared to \$1.938 million in Q3 FY19. Gross cash outflows for the quarter were \$4.136 million, a slight increase on the \$4.090 million estimate provided in the April quarter Appendix 4C.

The average net monthly operating cash outflow (across 12 months) dropped from \$0.536 million per month in 2018 to \$0.404 million per month during 2019.

This result reflects the trend highlighted in the last quarter, of continued improvements in cash flow due to the high operating leverage in the Company.

Estimated gross cash outflows for Q1 FY20 are \$4.98 million. As Xref runs a four week payroll period, the first quarter of each financial year typically sees increased outflows compared to Q4 FY19. In Q2 FY20, there will only be three pay runs (and gross cash outflows are expected to return to typical quarterly levels).

Cash on hand at the end of June was \$8.04 million and the Company remains debt-free.

Management Comments

Executive director / CEO Lee-Martin Seymour said:

Historically, the final quarter of the year has always been our biggest in terms of sales and credit usage. We were pleased to see that trajectory continue in Q4 Fy19 and are encouraged by an already strong start to FY20, with record activity levels in July. We look forward to reporting our FY19 full-year results and providing an update on our strategy for the year ahead, including further detail on our recent acquisition of disruptive ID verification and fraud prevention platform, RapidID.

Executive director / CSO Tim Griffiths said:

As we continue to grow - in terms of both our geographical reach and product offering - our investment levels are naturally also increasing. However, we continue to tightly manage our expenses and, as a result, our cash outflows are expected to remain consistent with previous quarter-on-quarter expenditures.

Investor and media enquiries:

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Key points about Xref	
First mover advantage	Xref provided the first automated solution for the candidate referencing process and it is capitalising on its first-mover advantage by focusing on and investing for international growth.
Business model	Under Xref's business model, when clients purchase credits (credit sales) to use the candidate referencing platform, the value of their purchases is recognised as unearned income. When they pay for the credits, the cash is recognised as cash receipts. Once the credits are used by the client (usage), Xref recognises the value of the credits used as revenue (recognised revenue).
Global addressable market	Xref's addressable market includes more than 180 million employees in North America, 120 million employees in Europe and 15 million employees in Australia and New Zealand.

Appendix – New clients

APAC

The New Zealand Ministry of Foreign Affairs and Trade - is the public service department of New Zealand charged with advising the government on foreign and trade policy, and promoting New Zealand's interests in trade and international relations. The ministry has more than 650 staff based in Wellington, New Zealand, and 650 overseas.

Melbourne Cricket Club - is one of the oldest sports clubs in Australia and is responsible for the management and development of the Melbourne Cricket Ground. It employs approximately 140 permanent club staff and event employees are drawn from a pool of more than 1,000 for match-day duties at the ground.

EMEA

Mantena AS - is a specialist in the maintenance of rail vehicles with a long history of servicing the Nordic countries. It employs more than 350 staff providing expertise in the maintenance and logistics management of all types of rolling stock.

The Ritz Hotel - is located in London, England, and is one of the world's most prestigious and best-known hotels. It employs more than 300 staff to service 136 guestrooms, o

Southampton Football Club - is based in Southampton, England and plays in the Premier League, the top tier of English football. The club employees approximately 430 staff.

Tipico Services - is an international provider of sports betting and casino games, headquartered in St Julian's, Malta. The company has branches in Germany, Austria, Croatia, Gibraltar, Colombia and Malta. More than 600 people work for Tipico Group and more than 6,000 in the whole Franchise network.

North America

Uncommon Schools - is a non-profit organisation that manages and operates 53 schools in the United States for low-income students.

Appendix 4C



Quarterly report for entities subject to Listing Rule 4.7B

Name of entity

Xref Limited

ACN

122 404 666

Quarter ended ("current quarter")

30 June 19

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers	2,704	9,669
1.2 Payments for		
(a) research and development	(19)	(37)
(b) product manufacturing and operating costs	(156)	(534)
(c) advertising and marketing	(453)	(1,502)
(d) leased assets	(198)	(756)
(e) staff costs	(2,799)	(10,976)
(f) administration and corporate costs	(511)	(1,959)
1.3 Dividends received	-	-
1.4 Interest received	33	134
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,453
1.8 Other (provide details if material)		
- Net GST/VAT for the period	(73)	(238)
- Net foreign exchange gain	(47)	(102)
1.9 Net cash from / (used in) operating activities	(1,519)	(4,848)
2 Cash flows from investing activities		
2.1 Payments to acquire		
(a) property, plant and equipment	(39)	(117)
(b) businesses (item 10)		
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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) -	-	-
2.6 Net cash from / (used in) investing activities	(39)	(117)

	Current quarter \$A'000	Year to date (12 months) \$A'000
3 Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	9,037
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(488)
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	-	8,549

	Current quarter \$A'000	Year to date (12 months) \$A'000
4 Net increase (decrease) in cash and cash equivalents for the period held		
4.1 Cash and cash equivalents at beginning of quarter /year to date	9,594	4,452
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,519)	(4,848)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(39)	(117)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	8,549
4.5 Effect of movement in exchange rates on cash held		
4.6 Cash and cash equivalents at end of quarter	8,036	8,036

	Current quarter \$A'000	Previous quarter \$A'000
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		
5.1 Bank balances	7,961	9,519
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)	8,036	9,594

	Current quarter \$A'000
6 Payments to directors of the entity and associates of the directors	
6.1 Aggregate amount of payments to these parties included in item 1.2	285
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7 Payments to related entities of the entity and associates of the related entities

**Current
quarter
\$A'000**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in 7.1 and 7.2

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8 Financing facilities available

Add notes as necessary for an understanding of the position.

**Total facility
amount at
quarter end
\$A'000**

**Amount drawn
at quarter end
\$A'000**

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)
- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

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9 Estimated cash outflows for next quarter

\$A'000

- 9.1 Research and Development
- 9.2 Product manufacturing and operating costs
- 9.3 Advertising and marketing
- 9.4 Leased assets
- 9.5 Staff costs
- 9.6 Administration and corporate costs
- 9.7 Other (provide details if material)
- 9.8 Total estimated cash outflows

10

150

350

220

3,500

750

4,980

10 Acquisitions and disposals of business

- 10.1 Name of entity
- 10.2 Place of incorporation or registration
- 10.3 Consideration for acquisition or disposal
- 10.4 Total net assets
- 10.5 Nature of business

Acquisitions

Disposals

n/a

n/a

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 does give a true and fair view of the matters disclosed.

Sign here:



Name: **James Solomons, CFO**

Date: **29 July 2019**