



31st July 2020

Quarter 4 Appendix 4C and Quarterly Activities Review

Xref Limited (ASX:XF1), the human resources technology company, today released its Quarterly Appendix 4C for the quarter ended 30 June 2020. The Quarterly Activities Review for the same period was released on July 6, 2020 (see [Xref Q4 Quarterly Activities Review](#)).

Additional Appendix 4C Information

Government grants and tax incentives (Item 1.7)

Amounts shown at Item 1.7 for the June quarter are government payments (including wages subsidies) received as part of economic recovery packages in Australia, New Zealand and Canada.

Payment to Related Parties (Item 6)

Amounts shown at item 6.1 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.

The figure includes the 20% reduction in salaries and directors fees paid for Q4, announced previously as part of Xref's Covid-19 cost-saving initiatives. The foregone salaries and directors fees will be replaced with fully paid ordinary issued shares if approved by shareholders at the 2020 AGM.

Financing Facilities (Item 7)

On July 31, Xref Limited entered into a Loan/Warrant structure with Pure Asset Management. The full details of the facility can be found in the release made to the market on 31 July 2020. (see [Xref Secures New Debt Facility](#))

Investor and media enquiries:

Presentation: xf1.com

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

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

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

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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 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")

30 June 2020

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	2,384	10,762
1.2 Payments for		
(a) research and development	(65)	(331)
(b) product manufacturing and operating costs	(396)	(1,398)
(c) advertising and marketing	(90)	(1,103)
(d) leased assets	(215)	(1,021)
(e) staff costs	(2,020)	(11,701)
(f) administration and corporate costs	(413)	(2,583)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	44
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	376	581
1.8 Other (provide details if material)		
- Upfront subscriptions paid	(45)	(357)
- GST for the period	(68)	(222)
- Net foreign exchange	(49)	(134)
1.9 Net cash from / (used in) operating activities	(597)	(7,463)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	(809)
(b) businesses	-	-
(c) property, plant and equipment	(6)	(77)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets - Website	-	(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	(9)
2.6 Net cash from / (used in) investing activities	(5)	(1,001)

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)
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	-	(3,366)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	3,539	8,035
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(597)	(7,463)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(1,001)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	3,366
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,937	2,937

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	2,862	3,464
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)	2,937	3,539

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	169
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.

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

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)	(597)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,937
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	2,937
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	4.92

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

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

- 8.6.1 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: *Not Applicable*

- 8.6.2 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: *Not Applicable*

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

Answer: *Not Applicable*

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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: 31st July 2020

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