

Appendix 4E Preliminary Final Report

Under ASX Listing Rule 4.3A

Name of entity:	Xref Limited
ACN:	122 404 666
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

1. Results for announcement to the market

				Reporting Period \$	Previous Period \$
Revenues from ordinary activities	up	10%	to	20,398,912	18,591,434
Profit from ordinary activities after tax attributable to the owners of Xref Limited	down	(560)%	to	(3,359,340)	729,575
Comprehensive income for the year attributable to the owners of Xref Limited	down	(671)%	to	(3,650,258)	639,124

Comments

Refer to the Operating and Financial review section 11 below for the results commentary.

2. Dividends

No dividends were declared, recommended, or paid during the current financial year.

Previous period

No dividends were declared, recommended, or paid in the previous financial year.

3. Earnings per share

	Reporting Period	Previous Period
Weighted average number of ordinary shares used in calculating basic earnings per share	186,101,549	184,003,268
Weighted average number of ordinary shares used in calculating diluted earnings per share	186,101,549	202,802,306
	Cents	Cents
Basic earnings / (loss) per share	(1.81)	0.40
Diluted earnings / (loss) per share	(1.81)	0.36

4. Net tangible assets

	Reporting Period	Previous Period
	Cents	Cents
Net tangible assets (liabilities) per ordinary security	(0.05)	(0.01)

5. Control gained over entities

Xref established the following entities as wholly owned subsidiaries during the financial year.

- TMP Digital Verifications Pty Limited
- Xref Engage Pty Limited
- Xref Limited Employee Share Trust

On 3 January 2023, Xref acquired 100% of the shares of Voice Project Pty Limited. All details of the acquisition can be found at Note 32 Business Combination.

6. Loss of control over Entities

Not applicable

7. Dividend reinvestment plans

Not applicable

8. Details of associates and joint ventures

Not applicable

9. Foreign Entities

Detail for origin of accounting standards used in compiling the report.

Not applicable

10. Events occurring after the reporting date

On the 18 July 2023, Mrs. Lija Wilson resigned as Non-Executive Director of the company effective on 31 July 2023.

No other matters or events requiring adjustments have arisen since 30 June 2023, that relate to circumstances that existed as on the balance sheet date.

11. Operating and Financial Review

The loss for the Group after providing for income tax amounted to \$3,359,340 (30 June 2022: profit \$729,575).

Operations Review

FY23 was a year of retention and transformation. During the year Xref launched numerous revenue-focused platforms, products and features, transitioned successfully to a SaaS business model, launched a new website, acquired Voice Project, and won over 160 new enterprise clients.

Xref increased investment into product innovation, employees, internal system efficiencies and strategies for long-term market awareness in preparation for the next stage of its growth when the market recovers. Xref also continued to display strong levels of staff engagement and client satisfaction and has demonstrated the ability to innovate whilst balancing costs and short-term cash flow in a demanding economic climate.

Financial Review

As a result of the above operating and investment decisions, financial results for the year were a net loss of \$3.35m, returning an underlying negative EBITDA of \$1.4m (positive EBITDA of \$1.77m in FY22) and cash generated from operations of \$0.5m (\$4.6m in FY22).

Group sales growth was 2.6%, and group revenue growth was 10% year on year. A part of this growth was due to the acquisition of Voice Project, which added \$1.8m to headline revenue since its acquisition on 3 January 2023.

Total expenses grew 29% due to increases in strategic expenditure into acquiring a business, increased headcount for development projects, marketing and infrastructure support.

The increase in expenditure was in line with the budget and was part of Xref's planned investment to enable future profitable growth.

The Road Ahead

During FY24 Xref will continue to focus on executing its product innovation strategy, delighting its customers and rewarding and retaining its employees. By leveraging its current clients it will increase share of wallet by offering its extended services and continue to attract new clients to increase revenue growth.

As Xref progresses development during FY24, it will focus on the features offered in its platforms as well as deeper integrations between systems and with channel partners

More detailed commentary on significant features of the operating performance, results of segments, trends in performance and other factors affecting the results for the period are contained in the directors' report section of the Annual Report for the year ended 30 June 2023.

12. Audit qualification or review

The Financial Report for the year ended 30 June 2023 has been audited with the independent auditor's report included within the attached Annual Report. An unqualified opinion has been issued.

13. Attachments

The Annual Report of Xref Limited for the year ended 30 June 2023 is attached.

Signed

A handwritten signature in black ink, appearing to read 'Lee-Martin Seymour', is written over a large, light grey watermark that says 'For personal use' vertically.

Lee-Martin Seymour
Managing Director

28 August 2023

Authorised for release by the Board of Directors of Xref Limited