

XREF

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Xref Limited

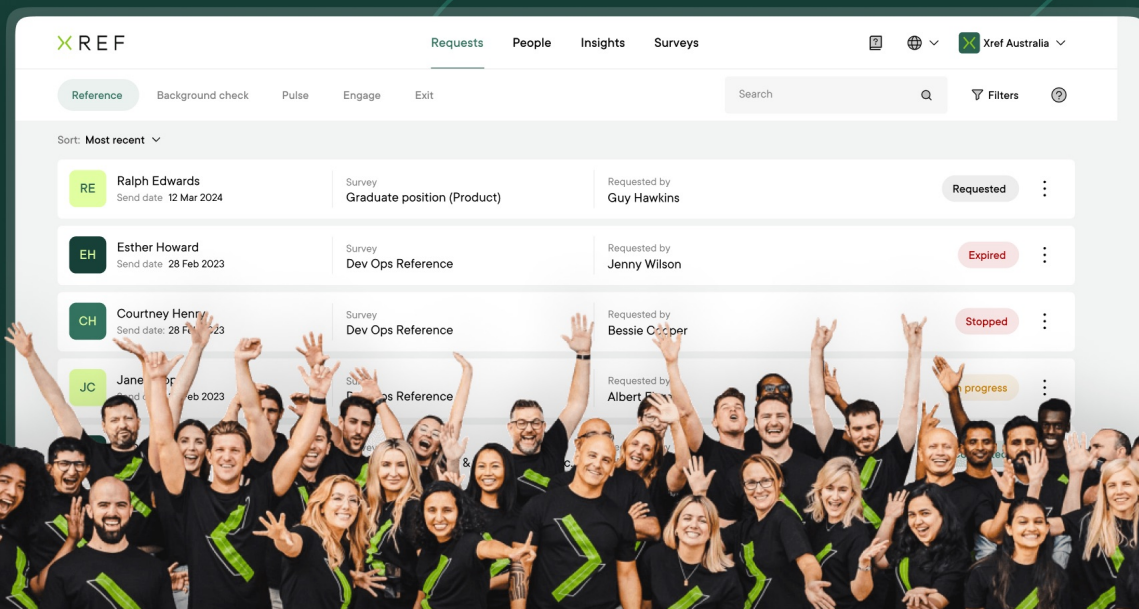
2024 Interim Report



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For the Half Year Ended 31 Dec 2024

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General information

Xref Limited ABN 34 122 404 666

The financial statements cover Xref Limited as a consolidated entity consisting of Xref Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Xref Limited's functional and presentation currency.

Xref Limited is a public listed company, limited by shares (ASX.XF1), incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 20, 135 King Street,

Sydney, New South Wales, Australia, 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2025. The directors have the power to amend and reissue the financial statements.

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Directors' Report

31 December 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Xref Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024 (H1 FY25).

Directors

The following persons were directors of Xref Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

- Thomas Stianos
- Lee-Martin Seymour
- Nigel Heap

Principal Activities

During the financial half-year, the consolidated entity continued to conduct its core activity which was to develop human resources technology that automates the candidate reference process for employers. It also continued on the planned significant product evolution, including the continued improvement of the enterprise platform, launch of employee engagement services and launch of additional checks marketplace, all additional offerings for the HR industry.

Review of Operations

Key operating results for H1 FY25:

- **Group revenue** was up 9% to \$10.9m
- **Net loss** of \$436k
- **Cash collections** reached \$11.8m
- **Cash balance** at 31 December 2024 of \$3.3m
- **EBITDA** profit of \$1.6m compared to EBITDA loss of \$2.1m in prior corresponding period
- **ARR** growth driven by client migration to SaaS with ARR at \$18.5m at 31 December 2024 compared to \$14.9m at 30 June 2024, and \$10.5m at 31 December 2023.

Business Performance

During H1 FY25, the business continued to make progress in its strategic transition to a SaaS business model. 80 new clients joined Xref in the first half, with 95% of these joining on subscription-based contracts. The company maintained its focus on migrating existing clients to the new Enterprise Platform and subscription agreements, helping to decouple revenue from traditional recruitment trends.

Revenue

Group revenue increased by 9% to \$10.9m compared to \$9.9m in H1 FY24. This growth was achieved despite challenging market conditions, with significant improvements across all business segments:

- Xref Platform revenue grew 11% to \$7.7m
- Trust Marketplace revenue increased 16% to \$1.1m
- Xref Engage revenue grew 2% to \$2.1m

The growth in revenue reflects the successful execution of the company's strategy to transition clients to SaaS subscription agreements, which has helped reduce the impact of seasonal fluctuations in recruitment activity.

EBITDA

The company achieved a significant turnaround in EBITDA performance, recording a profit of \$1.6m compared to a loss of \$2.1m in the prior corresponding period. This improvement of 179% was driven by:

- Increased revenue across all business segments
- Reduction in operating expenses by 10%
- Improved operational efficiency
- Successful cost management initiatives

Operating Results

| Financial Summary | 31 December 2024 | 31 December 2023 | Change |
|--|------------------|------------------|--------|
| | \$ | \$ | % |
| Total revenue | 10,862,777 | 9,924,559 | 9% |
| EBITDA | 1,624,820 | (2,057,889) | 179% |
| Net profit/(loss) after tax | (435,739) | (4,083,719) | 89% |
| Net cash generated from operating activities | 475,190 | (990,766) | 148% |

| Business results | 31 December 2024 | 31 December 2023 | Change |
|-----------------------------|---------------------|---------------------|-------------|
| | \$ | \$ | % |
| Xref Platform | 7,652,305 | 6,916,665 | 11% |
| Trust Marketplace | 1,129,869 | 972,416 | 16% |
| Xref Engage | 2,080,603 | 2,035,478 | 2% |
| Total revenue | 10,862,777 | 9,924,559 | 9% |
| Cost of sales | (1,204,789) | (1,540,462) | 22% |
| OPEX | (9,422,870) | (10,519,231) | 10% |
| Contingent consideration | (116,279) | 71,178 | (263)% |
| Total Expenses | (10,743,938) | (11,988,516) | 10% |
| Other income | 1,505,980 | 6,067 | 24,722% |
| Depreciation & amortisation | (1,366,757) | (1,358,370) | (1)% |
| Operating profit | 258,062 | (3,416,259) | 108% |
| Finance income | 47,242 | 26,255 | 80% |
| Finance expense | (767,262) | (693,716) | (11)% |
| Income tax expense | 26,218 | - | |
| Net profit after tax | (435,739) | (4,083,719) | 89% |

| EBITDA | 31 December 2024 | 31 December 2023 | Change |
|---|------------------|--------------------|-------------|
| | \$ | \$ | % |
| Net profit after tax | (435,739) | (4,083,719) | 89% |
| Add back: net interest income and expense | 720,020 | 667,461 | (8)% |
| Add back: net depreciation and amortisation | 1,366,757 | 1,358,370 | (1)% |
| Add back: income tax expense | (26,218) | - | |
| EBITDA | 1,624,820 | (2,057,889) | 179% |

Expenses

Total operating expenses decreased by 10% to \$10.7m (H1 FY24: \$12.0m), reflecting:

- Reduction in cost of sales by 22% to \$1.2m
- Decrease in operating expenses by 10% to \$9.4m
- Efficient resource allocation focusing on product development
- Strategic cost management initiatives
- During the half, Xref invested a further \$1.0m into product development

Cash Position

The company maintained a stable cash position with:

- Total cash collections of \$11.8m
- Cash balance of \$3.3m as at 31 December 2024
- Disciplined working capital management
- Focus on operational efficiency

Outlook

The company remains focused on advancing its hire-to-retain platform, offering industry-leading reference checks, a comprehensive marketplace for background checks, and innovative tools to enhance employee engagement and talent pooling. Key priorities include:

- Driving SaaS growth
- Expanding self-sign-on capabilities
- Enhancing talent pooling
- Further automating engagement surveys
- Continuing focus on cost efficiencies and maximizing recurring revenue
- Building a pathway to sustainable and growing profit

Key Risks

This section sets out some of the potential risks associated with Xref's business and the industry in which it operates. Xref is subject to risk factors that are both specific and those that are more general in nature. Any of these risk factors may, if they eventuate, have an adverse effect on Xref's business, financial position, operating and financial performance, growth and/or the value of its shares. Many of the circumstances giving rise to these risks and the occurrence of consequences associated with each risk are partially or completely outside of Xref's control.

Economic Factors

The operating and financial performance of Xref is influenced by a variety of general economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, foreign exchange rates, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on Xref's business and financial performance including its ability to fund its activities.

Regulatory risk, government policy

Xref conducts business in Australia and other countries and is therefore exposed to the laws governing businesses in those countries. Changes in government regulations including taxation, the repatriation of profits, restrictions on production, export controls, environmental compliance, shifts in the political stability of the country, labour unrest and other adverse political events could adversely affect Xref and its business initiatives in Australia, Asia Pacific, Europe, North America and other countries.

Competitive market

Industries in which Xref operates are subject to technological change and competition. Barriers to entry into the industry that Xref operates in are not high, and there is a risk that increased competition from new or existing competitors (some of which have access to more resources and scale than Xref) emerges in the Australian, European & North American market in the future.

Management believes that Xref's product and service offerings have a strong competitive advantage and features which are advanced compared to its competitors. Expansion to new products will also ensure the minimisation of competitive trends and its impact on penetration and revenues.

Key personnel

Xref's success will depend in part on the continued services of its key employees. The loss of services of one or more of Xref's key employees could have a material adverse effect on Xref's operating results, and financial condition. This risk is addressed in part by the existence of employment contracts with executives and senior management. Xref does not have, nor does it intend to take out, key man insurance in respect of any of its key employees.

Regulatory compliance

Xref is subject to several Australian, European & North American laws and regulations such as privacy laws, and those related to workplace health and safety. Xref conducts periodic internal audits and compliance reviews to identify and manage potential risks to ensure continued compliance.

Cyber Security, privacy and data breach

Xref handles personal and sensitive information. Cyber-attacks are increasing worldwide in frequency and severity. No information technology environment is impenetrable. As a result, Xref maintains appropriate actions, systems and safeguards to protect against data breaches and aims to keep a low risk of the adverse consequences arising from a breach on Xref's business and operations. This includes continuous training of privacy and data breach policies during the induction process of the workforce. Xref also conducts regular training sessions for all staff concerning privacy, cybersecurity and data breaches.

Reliance on third parties and the Internet

The operation of Xref's business, is reliant on the performance and availability of Xref's technology and that of its suppliers and other third parties such as data centres. In addition, the Xref platforms depend on the availability of the internet and to a lesser extent on the quality of users' access to the internet.

Intellectual Property may be Compromised or Lost

Xref has developed proprietary software. The commercial value of Xref's intellectual property is reliant, in part, on operational procedures to maintain the confidentiality and legal protections provided by a combination of confidentiality obligations on employees and third parties and other intellectual property rights. There is a risk that Xref's intellectual property may be compromised in a few different ways, which could erode Xref's competitive position and could have a materially adverse impact on Xref's operations, financial performance and/or growth.

Going concern, cashflow risks and funding risks

Xref has implemented and followed a strategic plan to build new products to expand its service offering to the market to help diversify revenue streams. This has required an investment of funds from surpluses built up in prior years. All of this has been performed while the world economy has experienced a downturn. The investment of funds into product builds has reduced reserves carried by Xref. If not managed well it could have the result of cash reserves falling below the covenant value attached to the loan or cashflow is unable to support operational expenditure. Management has implemented extensive measures to monitor cashflows and ensure Xref remains a going concern. A robust planning model exists which contains key scenarios to follow dependent on sales results. As proven by past actions, where cost reductions are required, they are implemented as needed in an appropriate time frame to achieve the necessary result.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Xref Group during the financial half-year.

Matters subsequent to the end of the financial half-year

The following significant events occurred after the balance sheet date:

On January 20, 2025, Xref received a \$2.3million refundable tax offset in cash from the Australian Taxation Office for qualifying research and development work done in FY2024.

On January 24, 2025, the Board approved the issue of 2,906,977 fully paid ordinary shares (using a VWAP of \$0.344) after successful achievement of the Second Earn Out Payment hurdles relating to the acquisition of Voice Project Pty Limited. Full details of the background to this transaction can be found at Note 32 on page 58 of the 2023 Annual Financial Report of Xref Limited.

On February 3, 2025, shareholders voted on a scheme of arrangement regarding an offer from SEEK to acquire Xref at \$0.218 per share. While a majority of shareholders by number (79%) voted to accept the offer, only 68% of votes were in favour, failing to reach the required 75% threshold. Consequently, the Scheme Implementation Deed between SEEK and Xref has been terminated. Further details may be found in our ASX release dated 4 February 2025.

No other matters or events requiring adjustments have arisen since 31 December 2024, that relate to circumstances that existed as on the balance sheet date.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Lee-Martin Seymour
Managing Director
24 February 2025
Sydney

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24 February 2025

The Board of Directors
Xref Limited
Level 20, 135 King Street
Sydney, NSW 2000

Dear Board Members

Xref Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Xref Limited.

As lead audit partner for the review of the financial report of Xref Limited for the financial half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely,



Crowe Sydney



Barbara Richmond
Partner

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The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Financial Statements

Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2024

| | Note | Consolidated | |
|---|------|---------------------|---------------------|
| | | 31 December 2024 | 31 December 2023 |
| | | \$ | \$ |
| Revenue | 3 | 10,862,777 | 9,924,559 |
| Cost of sales | | <u>(1,204,789)</u> | <u>(1,540,462)</u> |
| Gross profit | | <u>9,657,988</u> | <u>8,384,097</u> |
| Finance costs | | (767,262) | (693,716) |
| Employee expenses | | (6,441,214) | (7,791,367) |
| Overhead and administrative expenses | 4 | (2,981,655) | (2,727,863) |
| Contingent Consideration | | (116,279) | 71,178 |
| Depreciation | | (75,974) | (460,135) |
| Amortisation | | <u>(1,290,783)</u> | <u>(898,235)</u> |
| Total expenses | | <u>(11,673,167)</u> | <u>(12,500,138)</u> |
| Operating profit/(loss) | | (2,015,179) | (4,116,041) |
| Other income | 3 | <u>1,553,223</u> | <u>32,322</u> |
| Profit/(loss) before income tax expense | | (461,957) | (4,083,719) |
| Income tax expense | | <u>26,218</u> | <u>-</u> |
| Profit/(loss) after income tax expense for the year attributable to the owners of Xref Limited | | <u>(435,739)</u> | <u>(4,083,719)</u> |
| Other comprehensive income, net of income tax | | - | - |
| Exchange differences on translating foreign controlled entities | | <u>(112,774)</u> | <u>171,763</u> |
| Other comprehensive income/(loss) for the year, net of tax | | <u>(112,774)</u> | <u>171,763</u> |
| Total comprehensive income/(loss) for the year attributable to the owners of Xref Limited | | <u>(548,513)</u> | <u>(3,911,956)</u> |
| Earnings/(loss) per share for profit from continuing operations attributable to the owners of Xref | | (cents) | (cents) |
| Basic earnings/(loss) per share | | (0.230) | (2.193) |
| Diluted earnings/(loss) per share | | (0.226) | (2.120) |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 December 2024

| | | Consolidated | |
|---------------------------------|------|--------------------|--------------------|
| | Note | 31 December 2024 | 30 June 2024 |
| | | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 3,330,931 | 4,593,835 |
| Trade and other receivables | | 4,583,964 | 2,757,148 |
| Contract assets | 5 | 910,486 | 978,688 |
| Prepayments | | 506,859 | 523,720 |
| Total current assets | | 9,332,240 | 8,853,391 |
| Non-current assets | | | |
| Other assets | | 117,730 | 127,925 |
| Property, plant and equipment | | 201,239 | 221,688 |
| Right of use asset | | 61,690 | 105,998 |
| Intangibles | 6 | 10,751,939 | 11,047,785 |
| Total non-current assets | | 11,132,598 | 11,503,396 |
| Total assets | | 20,464,838 | 20,356,787 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 2,009,023 | 2,535,426 |
| Financial liabilities | 7 | 1,914,566 | 1,220,970 |
| Employee benefits | | 1,477,078 | 1,266,956 |
| Contract liabilities | 8 | 11,638,899 | 12,580,855 |
| Other liabilities | | 921,639 | 523,256 |
| Total current liabilities | | 17,961,205 | 18,127,463 |
| Non-current liabilities | | | |
| Financial liabilities | 7 | 7,180,942 | 7,133,219 |
| Employee benefits | | 398,430 | 445,930 |
| Contract liabilities | 8 | 443,397 | 155,087 |
| Deferred tax liability | | 317,479 | 343,697 |
| Other liabilities | | 560,507 | - |
| Total non-current liabilities | | 8,900,755 | 8,077,933 |
| Total liabilities | | 26,861,960 | 26,205,396 |
| Net assets/(liabilities) | | (6,397,122) | (5,848,609) |
| Equity | | | |
| Issued capital | | 55,405,847 | 55,405,847 |
| Reserves | | (20,755,400) | (20,642,626) |
| Retained earnings | | (41,047,569) | (40,611,830) |
| Total equity | | (6,397,122) | (5,848,609) |

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the half year ended 31 December 2024

| Consolidated | Issued capital \$ | Warrants \$ | Share option reserves \$ | Foreign currency translation reserve \$ | Consolidation reserve \$ | Retained Earnings \$ | Total \$ |
|---|----------------------|----------------|-----------------------------|--|-----------------------------|-------------------------|--------------------|
| Balance at 1 July 2024 | 55,405,847 | 308,571 | 2,545,543 | (650,919) | (22,845,821) | (40,611,830) | (5,848,609) |
| Loss after income tax expense for the year | - | - | - | - | - | (435,739) | (435,739) |
| Other comprehensive income/(loss) for the year | - | - | - | (112,774) | - | - | (112,774) |
| Total comprehensive income/(loss) for the year | - | - | - | (112,774) | - | (435,739) | (548,513) |
| Transactions with owners in their capacity as owners | | | | | | | |
| Shares issued during the year | - | - | - | - | - | - | - |
| Options exercised | - | - | - | - | - | - | - |
| Options issued | - | - | - | - | - | - | - |
| Warrants issued | - | - | - | - | - | - | - |
| Balance at 31 December 2024 | <u>55,405,847</u> | <u>308,571</u> | <u>2,545,543</u> | <u>(763,693)</u> | <u>(22,845,821)</u> | <u>(41,047,569)</u> | <u>(6,397,122)</u> |

For the half year ended 31 December 2023

| Consolidated | Issued capital \$ | Warrants \$ | Share option reserves \$ | Foreign currency translation reserve \$ | Consolidation reserve \$ | Retained Earnings \$ | Total \$ |
|---|----------------------|----------------|-----------------------------|--|-----------------------------|-------------------------|--------------------|
| Balance at 1 July 2023 (*restated) | 55,100,613 | 308,571 | 2,638,363 | (843,114) | (22,845,821) | (34,930,734) | (572,122) |
| Loss after income tax expense for the year | - | - | - | - | - | (4,083,719) | (4,083,719) |
| Other comprehensive income/(loss) for the year | - | - | - | 171,763 | - | - | 171,763 |
| Total comprehensive income/(loss) for the year | - | - | - | 171,763 | - | (4,083,719) | (3,911,956) |
| Transactions with owners in their capacity as owners | | | | | | | |
| Shares issued during the year | 66,150 | - | - | - | - | - | 66,150 |
| Options exercised | - | - | - | - | - | - | - |
| Options issued | - | - | 181,497 | - | - | - | 181,497 |
| Options forfeited | - | - | (252,675) | - | - | - | (252,675) |
| Warrants exercised | - | - | - | - | - | - | - |
| Balance at 31 December 2023 | <u>55,166,763</u> | <u>308,571</u> | <u>2,567,185</u> | <u>(671,351)</u> | <u>(22,845,821)</u> | <u>(39,014,453)</u> | <u>(4,489,106)</u> |

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of Cash Flows

For the half year ended 31 December 2024

| | Consolidated | |
|---|--------------------|--------------------|
| | 31 December 2024 | 31 December 2023 |
| | \$ | \$ |
| Cash flows from operating activities | | |
| Receipts from customers (inclusive of GST) | 11,774,640 | 11,717,498 |
| Payments to suppliers and employees (inclusive of GST) | (11,346,661) | (12,734,519) |
| Interest received | 47,211 | 26,255 |
| Net cash provided by operating activities | <u>475,190</u> | <u>(990,766)</u> |
| Cash flows from investing activities | | |
| Payment for intangibles | (994,936) | (1,680,382) |
| Purchase of property, plant and equipment | (20,448) | (36,574) |
| Net cash used in investing activities | <u>(1,015,384)</u> | <u>(1,716,956)</u> |
| Cash flows from financing activities | | |
| Repayments of lease liabilities | (44,309) | (290,999) |
| Interest on loans | (678,401) | (214,427) |
| Net cash used in financing activities | <u>(722,710)</u> | <u>(505,426)</u> |
| Net decrease in cash and cash equivalents held | (1,262,904) | (3,213,148) |
| Cash and cash equivalents at beginning of year | 4,593,835 | 6,835,478 |
| Cash and cash equivalents at end of financial year | <u>3,330,931</u> | <u>3,622,330</u> |

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Note 1. Material Accounting Policies

The group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have a significant impact on the financial performance or position of the Group. These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the full financial year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal account policies adopted in the preparation of the financial statements are set out below. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

a. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is ultimately responsible for strategic decisions, approving the allocation of resources and assessing the performance of the operating segments, has been identified as the Board of Directors.

b. Revenue

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Group Sales

The Group has three main sources of Sales. The provision of candidate referencing services via the sale of credits & subscriptions through Xref, the sale of ID verification checks through Trust Marketplace and the provision of engagement surveys through Engage.

Revenue Recognition

For Xref sales, there are two revenue recognition events. When a customer uses a credit the service has been performed and the revenue is recognised at the point in time when the customer uses the service. Or if the customer has purchased a subscription to the Xref platform, revenue is recognised over the life of the contract.

For Trust Marketplace sales, when customers request a Check and it is performed the service has been delivered. Revenue is recognised at the point in time when the customer uses the service.

For Engage sales, there are two revenue recognition events. Implementation and consultancy revenue is recognised as the services are delivered. This usually involves an in-depth cultural analysis of an organisation and the design and creation of a distinct deliverable, in the form of a bespoke survey or other tailored organisation cultural analysis. Following the creation of the bespoke survey, a customer will subscribe to the platform for 12 months to deliver and view results of engagement surveys over the contracted subscription period. Revenue for the subscription component is recognised over the life of the contract, being the subscription period.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government Grants

Government grants are recognised at fair value where there is a reasonable certainty that the grant will be received. Grants that are meant to fund expenditure on research and development are recognised proportionally over the periods when these costs are written off to profit or

loss. Hence, grants related to capitalized development costs are accordingly apportioned and carried forward as deferred income at fair value, to be recognised as other income over the expected useful life of the intangible asset on a straight-line basis.

Other income

Interest and other revenue is recognised when it is received or when the right to receive payment is established.

c. Contract assets

Contract assets are recognised when the consolidated entity has transferred services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes. Contract assets include commissions paid and are amortised as performance obligations are met and an unconditional right to consideration is established.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

d. Intangibles

In accordance with the Consolidated Entity's accounting policies, assets with an indefinite useful life are tested on an annual basis for impairment, and additionally, along with assets with a finite useful life, whenever an indication of impairment exists. An impairment loss is recognised for the amount by which the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal or its value-in-use. Where required, the recoverable amount is determined either with reference to external valuations or estimated using discounted cash flow techniques.

Internally developed intangible assets (Capitalised development costs):

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in the reported profit or loss when incurred.

Development activities include a plan or design for the production of new or substantially improved products. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the reported surplus and deficit when incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and any impairment losses.

Software

Significant costs associated with software development are capitalised and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4, software acquired in business combinations are amortised over the assessed period of their expected benefit, being their finite life of 5 years.

Website

Significant costs associated with website development are capitalised and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Domain

Significant costs associated with domains are capitalised and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Patents and trademarks

Significant costs associated with patents and trademarks are capitalised and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years. Significant costs associated with acquisition of intellectual property rights in business combinations are amortised over an assessed finite useful life of 10 years.

Brand Names

Significant costs associated with acquisition of brand assets in business combinations are amortised over an assessed finite useful life of 5 years.

Customer Relationships

Significant costs associated with acquisition of customer relationship assets acquired in business combinations are amortised over an assessed finite useful life of 7 years.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised; it is instead tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

e. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not incremental costs relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

f. Contract liabilities

For the Xref Platform, customers can purchase a 12-month subscription to our Enterprise Platform capped by an allowance for number of profiles (a consumption unit) to undertake pre-employment reference surveys, pulse surveys or exit surveys to be used within the 12-month subscription period. Unused profiles expire, i.e. they do not roll forward to the following year. Customers can also purchase a 12-month subscription with credit cap (a consumption limit) to use our Recruiter Platform to perform pre-employment reference surveys which must be used within the 12-month subscription period. Unused profiles expire, i.e. they do not roll forward to the following year. Customers can also purchase credits in advance to use our Recruiter Platform to perform pre-employment reference surveys.

For the Xref Engage, a subscription is purchased for a 12-month access period to the survey platform.

Unsatisfied performance obligations associated with the unearned revenue balances for the Xref Platform and for Xref Engage have a proportion where the platform subscription does not begin until after end of financial year. These will be recognised as soon as the subscription starts and within 12 months of the platform subscription start date. This value is represented in the non-current component in the balance sheet. Unearned revenue for Trust Marketplace is expected to be satisfied within 12 months from the date of the balance sheet and is accordingly classified.

Where a customer purchases credits in advance, the contract value is added to unearned revenue on payment. Unpaid invoices as at the balance sheet date are considered 'conditional credits' as disclosed in Note 8 and represents bon fide trade debtors (less goods & services tax) due to the existence of a contract obligation.

In respect of Software As a Service (SaaS) contracts, the contract value is added to unearned revenue on contract commencement, and this may or may not coincide with payment which may be before or after the contract commencement date. There are no 'conditional credits' attached to SaaS contracts. A small component of SaaS contracts may be recognised as a "point in time" revenue where the contracts involve a small set up effort, but a substantial proportion is recognised uniformly over the contract term.

g. Going concern

The financial report shows that a loss of \$435,739 (H1 FY24: a loss of \$4,083,719) has been incurred in the half year period to 31 December 2024.

There is also a deficiency of net current assets of \$8,628,965 (June 2024: a deficiency of net current assets of \$9,274,072) and a deficiency of net assets of \$6,397,122 (June 2024: a deficiency of net assets of \$5,848,609).

However, this includes the value of contract liabilities of \$12,082,296. Under the standard terms and conditions of the contracts of Xref, clients are not entitled to refunds of amounts paid for prepaid credits after a 4 week cooling off period has passed and for SaaS contracts for both the Xref Platform and for Xref Engage there is no provision allowing clients to cancel their subscription and receive a refund of amounts paid. As at the date of these financial statements, no such refunds relating to prepaid credits have eventuated and historically the incidence of refunds within the 4 week cooling off period is insignificant.

The Board has therefore made an assessment that the assumption of going concern is appropriate and has accordingly prepared this financial report which assumes that the company will be able to meet its commitments, realise its assets and discharge its liabilities in its ordinary course of business. Considerations that support this assertion are;

- In February 2024 Xref entered into a new four-year secured US \$5.5m (approximately A\$8.4m) debt facility agreement with Element SaaS Finance to support Xref's growth strategies. This replaced the A\$5m facility provided by PURE Asset Management Pty Ltd in 2020.
- A conservative cash flow forecast prepared under several scenarios representing revenue expected under different economic conditions and business cycle nuances for the period to March 2026 is persuasive enough to form a view that the Xref Group will be able to meet its obligations and repay the new debt facility in accordance with the loan terms.
- Met all covenants pertaining to the debt facility since drawdown. The directors are confident that the covenants will continue to be met.
- Post year end and up to 24 February 2025, the unaudited management accounts show that the business results are consistent with

the forecast. The directors therefore remain confident that the achievement of their forecast will continue to March 2026.

- The business ended the financial half year with a cash balance of \$3.3m and in January 2025 received a Research & Development cash refund of \$2.3m. As detailed in the Business Update released on Feb 4, 2025 cash at bank at 31 January 2025 (unaudited) was \$4.9m.
- As before, the business has an ability to make changes to the cost structure of the business as required either through (or a combination of) a reduction in wage related costs or supply contracts that could easily be deferred should the desired revenue performance not be in line with expectations so as to operate within its available cash resources, budgets and forecasts.

Overall, the results of H1FY24 have remained strong and improvement is expected to continue during FY26.

Given the Board's expectations against the background of the above, financial statements have been prepared on a going concern basis which envisages that the business will continue to operate as normal and therefore realize its assets and extinguish its liabilities in the normal course of business.

Note 2. Operating segments

Identification of reportable operating segments

The Board of Directors and the Chief Executive Officer are the Chief Operating Decision Makers (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

The consolidated entity is organised into three operating segments based on products and services sold: Xref Platform, Trust Marketplace and Xref Engage. The disclosures on the face of the statement of comprehensive income to operating loss and the statement of financial position (excluding the items designated for sale) represent the Group's three business segments.

Products and services

The principal products and services of each of these operating segments are as follows:

| | |
|-------------------|---|
| Xref Platform | Enterprise Platform – Pre-employment reference surveys, pulse & exit surveys; Recruiter Platform – Pre-employment reference surveys only |
| Trust Marketplace | ID verification, Qualification checks, Background checks |
| Xref Engage | Engagement surveys |

Intersegment transactions

Intersegment transactions where needed are made at market rates. Preemployment screening and ID/Qualification/Background checks are complementary in nature and intersegment transactions arise due to customer needs and are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Operating segment information

| Consolidated | | | | |
|--|---------------------|-------------------------|-------------------|--------------------|
| 31 December 2024 | Xref Platform \$ | Trust Marketplace \$ | Xref Engage \$ | Total \$ |
| Revenue | | | | |
| Revenue from external customers | 7,652,305 | 1,129,869 | 2,080,603 | 10,862,777 |
| Intersegment sales | 212 | - | - | 212 |
| Total earned revenue | 7,652,517 | 1,129,869 | 2,080,603 | 10,862,989 |
| Other revenue | 1,505,980 | - | - | 1,505,980 |
| Total segment revenue | 9,158,497 | 1,129,869 | 2,080,603 | 12,368,969 |
| Intersegment eliminations | - | (212) | - | (212) |
| <i>Non trading revenue:</i> | | | | |
| Interest revenue | 47,242 | - | - | 47,242 |
| Total revenue | 9,205,740 | 1,129,657 | 2,080,603 | 12,416,000 |
| EBITDA | | | | |
| | 341,961 | 326,840 | 956,020 | 1,624,820 |
| Depreciation and amortisation | (1,100,866) | (62,349) | (203,543) | (1,366,758) |
| Interest revenue | 47,242 | - | - | 47,242 |
| Finance costs | (767,262) | - | - | (767,262) |
| Profit / (loss) before income tax expense | (1,478,925) | 264,490 | 752,477 | (461,958) |
| Income tax expense | - | - | 26,218 | 26,218 |
| Profit / (loss) after income tax expense | (1,478,925) | 264,490 | 778,695 | (435,739) |
| Assets | | | | |
| Segment assets | 23,251,065 | 637,943 | 1,918,368 | 25,807,376 |
| Intersegment eliminations | | | | (8,292,972) |
| <i>Unallocated assets:</i> | | | | |
| Goodwill | | | | 2,950,434 |
| Total Assets | | | | 20,464,838 |
| <i>Total assets includes:</i> | | | | |
| Investments in subsidiaries | 8,292,972 | - | - | 8,292,972 |
| Liabilities | | | | |
| Segment liabilities | 24,661,165 | 295,396 | 1,905,399 | 26,861,960 |
| Intersegment eliminations | | | | - |
| Total liabilities | | | | 26,861,960 |

| Consolidated | | | | |
|---|--------------------|-------------------|------------------|--------------------|
| 31 December 2023 | Xref Platform | Trust Marketplace | Xref Engage | Total |
| | \$ | \$ | \$ | \$ |
| Revenue | | | | |
| Revenue from external customers | 6,916,665 | 972,416 | 2,035,478 | 9,924,559 |
| Intersegment sales | | | | |
| Total earned revenue | 6,916,665 | 972,416 | 2,035,478 | 9,924,559 |
| Other revenue | 2,897 | 3,170 | - | 6,067 |
| Total segment revenue | 6,919,562 | 975,586 | 2,035,478 | 9,930,626 |
| Intersegment eliminations | - | | - | - |
| <i>Non trading revenue:</i> | | | | |
| Interest revenue | 22,877 | - | 3,378 | 26,255 |
| Total revenue | 6,942,439 | 975,586 | 2,038,856 | 9,956,881 |
| EBITDA | | | | |
| Depreciation and amortisation | (700,291) | (116,961) | (541,118) | (1,358,370) |
| Interest revenue | 22,877 | - | 3,378 | 26,255 |
| Finance costs | (685,370) | - | (8,346) | (693,716) |
| Profit before income tax expense | (3,619,236) | (517,623) | 53,141 | (4,083,719) |
| Income tax expense | | - | - | - |
| Profit after income tax expense | (3,619,236) | (517,623) | 53,141 | (4,083,719) |
| Assets | | | | |
| Segment assets | 19,336,076 | 909,378 | 3,581,035 | 23,826,489 |
| Intersegment eliminations | | | | (8,292,972) |
| Unallocated assets: | | | | |
| Goodwill | | | | 2,377,726 |
| Total Assets | | | | 17,911,243 |
| <i>Total assets includes:</i> | | | | |
| Investments in subsidiaries | 8,292,972 | - | - | 8,292,972 |
| Liabilities | | | | |
| Segment liabilities | 20,420,247 | 365,812 | 1,614,291 | 22,400,350 |
| Intersegment eliminations | | | | - |
| Total liabilities | | | | 22,400,350 |

Note 3. Revenue

| | Consolidated | |
|---------------------------------------|--------------------------|-------------------------|
| | 31 December 2024 | 31 December 2023 |
| | \$ | \$ |
| Revenue from contracts with customers | | |
| - Xref Platform | 7,652,305 | 6,916,665 |
| - Trust Marketplace | 1,129,869 | 972,416 |
| - Xref Engage | 2,080,603 | 2,035,478 |
| Total revenue | <u>10,862,777</u> | <u>9,924,559</u> |
| <i>Other revenue</i> | | |
| Interest | 47,242 | 26,255 |
| Government subsidies | - | - |
| Other revenue* | 1,505,980 | 6,067 |
| | <u>1,553,223</u> | <u>32,322</u> |
| Total revenue and other income | <u>12,416,000</u> | <u>9,956,881</u> |

* Other revenue relates to the proportional uptake of grant income i.e. the R&D tax offset receivable as at the balance sheet date (cash received subsequent to balance sheet date \$2,350,417) in accordance with our accounting policy to this effect.

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

| Consolidated | Xref Platform | Trust Marketplace | Xref Engage | Total |
|--------------------------------------|------------------|-------------------|------------------|-------------------|
| 31 December 2024 | \$ | \$ | \$ | \$ |
| Revenue from customers | | | | |
| Revenue | <u>7,652,305</u> | <u>1,129,869</u> | <u>2,080,603</u> | <u>10,862,777</u> |
| Geographical regions | | | | |
| Australia | 5,470,354 | 1,129,869 | 2,080,603 | 8,680,826 |
| Canada | 398,590 | - | - | 398,590 |
| United Kingdom | 421,670 | - | - | 421,670 |
| New Zealand | 757,481 | - | - | 757,481 |
| United States | 604,210 | - | - | 604,210 |
| | <u>7,652,305</u> | <u>1,129,869</u> | <u>2,080,603</u> | <u>10,862,777</u> |
| <i>Timing of revenue recognition</i> | | | | |
| Goods transferred at a point in time | 1,308,935 | 1,129,869 | 577,305 | 3,016,108 |
| Services transferred over time | 6,343,371 | - | 1,503,298 | 7,846,669 |
| | <u>7,652,305</u> | <u>1,129,869</u> | <u>2,080,603</u> | <u>10,862,777</u> |

| Consolidated | Xref Platform | Trust Marketplace | Xref Engage | Total |
|--------------------------------------|------------------|-------------------|------------------|------------------|
| 31 December 2023 | \$ | \$ | \$ | \$ |
| Revenue from customers | | | | |
| Revenue | <u>6,916,665</u> | <u>972,416</u> | <u>2,035,478</u> | <u>9,924,559</u> |
| Geographical regions | | | | |
| Australia | 4,797,626 | 970,473 | 2,035,478 | 7,803,577 |
| Canada | 281,771 | - | - | 281,771 |
| United Kingdom | 280,057 | 1,943 | - | 282,000 |
| New Zealand | 933,774 | - | - | 933,774 |
| United States | <u>623,437</u> | <u>-</u> | <u>-</u> | <u>623,437</u> |
| | <u>6,916,665</u> | <u>972,416</u> | <u>2,035,478</u> | <u>9,924,559</u> |
| <i>Timing of revenue recognition</i> | | | | |
| Goods transferred at a point in time | 3,709,494 | 972,416 | 1,010,606 | 5,692,516 |
| Services transferred over time | <u>3,207,171</u> | <u>-</u> | <u>1,024,872</u> | <u>4,232,043</u> |
| | <u>6,916,665</u> | <u>972,416</u> | <u>2,035,478</u> | <u>9,924,559</u> |

Note 4. Overheads and administrative expenses

| | Consolidated | |
|--|------------------|------------------|
| | 31 December 2024 | 31 December 2023 |
| | \$ | \$ |
| Accounting and consulting fees | 75,048 | 103,930 |
| Auditing or reviewing the financial report | 40,000 | 32,256 |
| Legal expenses | 184,825 | 44,624 |
| Marketing fees | 215,087 | 243,950 |
| Consulting and professional fees | 252,997 | 87,895 |
| Administration expenses | 1,664,502 | 1,740,801 |
| Operating lease payments | 274,185 | 80,390 |
| Platform Expenses | <u>275,011</u> | <u>394,017</u> |
| | <u>2,981,655</u> | <u>2,727,863</u> |

Note 5. Current assets—Contract assets

| | Consolidated | |
|--------------------------------------|------------------|----------------|
| | 31 December 2024 | 30 June 2024 |
| | \$ | \$ |
| Capitalised Commission Credit Sales | 361,673 | 443,100 |
| Capitalised Commission Subscriptions | <u>548,813</u> | <u>535,588</u> |
| | <u>910,486</u> | <u>978,688</u> |

Note 6. Non-current assets – Intangible assets

| | Consolidated | |
|--------------------------------------|--------------------------|--------------------------|
| | 31 December 2024 | 30 June 2024 |
| | \$ | \$ |
| Goodwill | 2,950,434 | 2,950,434 |
| Less: Accumulated impairment | - | - |
| | <u>2,950,434</u> | <u>2,950,434</u> |
| Patents, trademarks and other rights | 853,737 | 853,737 |
| Less: Accumulated amortisation | (184,817) | (139,878) |
| | <u>668,920</u> | <u>713,859</u> |
| Customer relationships | 847,000 | 847,000 |
| Less: Accumulated amortisation | (242,000) | (181,500) |
| | <u>605,000</u> | <u>665,500</u> |
| Licenses | 50,000 | 50,000 |
| Less: Accumulated impairment | - | - |
| | <u>50,000</u> | <u>50,000</u> |
| Domain Names | 114,228 | 113,958 |
| Less: Accumulated amortisation | (44,946) | (38,920) |
| | <u>69,282</u> | <u>75,038</u> |
| Software development | 10,058,604 | 9,063,667 |
| Less: Accumulated amortisation | (3,650,301) | (2,470,714) |
| | <u>6,408,303</u> | <u>6,592,954</u> |
| Total intangibles | <u><u>10,751,939</u></u> | <u><u>11,047,785</u></u> |

Note 7. Financial liabilities

| | Consolidated | |
|------------------------------|-------------------------|-------------------------|
| | 31 December 2024 | 30 June 2024 |
| | \$ | \$ |
| Current | | |
| Lease Liability | 44,425 | 90,856 |
| Borrowing | <u>1,870,141</u> | <u>1,130,114</u> |
| Total current borrowings | <u>1,914,566</u> | <u>1,220,970</u> |
| Non-current | | |
| Lease Liability | 15,101 | 13,386 |
| Borrowing | <u>7,165,841</u> | <u>7,224,074</u> |
| Total non-current borrowings | <u>7,180,942</u> | <u>7,237,460</u> |
| Total borrowings | <u><u>9,095,508</u></u> | <u><u>8,458,430</u></u> |

Note 8. Contract Liabilities

| | Consolidated | |
|--|-------------------|-------------------|
| | 31 December 2024 | 30 June 2024 |
| | \$ | \$ |
| Xref unearned revenue movement | | |
| Opening balance - Xref | 10,955,491 | 11,217,734 |
| Xref Sales | 7,107,772 | 13,808,766 |
| Add: Opening conditional credits | (22,962) | 992,194 |
| Less: Credit Usage & Subscriptions recognised | (7,636,225) | (15,143,998) |
| Less: Closing conditional credits | 8,108 | 22,962 |
| | <u>(543,307)</u> | <u>(320,076)</u> |
| Foreign exchange revaluation impacts | 85,742 | 57,833 |
| Closing balance – Unearned revenue Xref | <u>10,497,926</u> | <u>10,955,491</u> |
| RapidID unearned revenue movement | | |
| Opening balance - Trust Marketplace | 55,101 | 59,980 |
| Add: Prepaid Checks Sold | - | - |
| Less: Prepaid Checks Used | (70) | (4,879) |
| Closing balance - Unearned revenue Trust Marketplace | <u>55,031</u> | <u>55,101</u> |
| Engage (formerly Voice Project) unearned revenue movement | | |
| Opening balance - Engage | 1,725,350 | 1,173,658 |
| Add: Platform subscriptions sold | 1,307,285 | 2,910,784 |
| Less: Subscriptions recognised | (1,503,306) | (2,359,092) |
| Closing balance - Unearned revenue Engage | <u>1,529,329</u> | <u>1,725,350</u> |
| Total group unearned revenue | <u>12,082,286</u> | <u>12,735,942</u> |
| Current (within 12 months) | 11,638,889 | 12,580,855 |
| Non-Current (12-18 months) | 443,397 | 155,087 |
| Total contract liabilities | <u>12,082,286</u> | <u>12,735,942</u> |

Note 9. Events Occurring After the Reporting Date

The following significant events occurred after the balance sheet date:

On January 20, 2025, Xref received a \$2,350,869 research and development refundable tax offset from the Australian Taxation Office.

On January 24, 2025, the Board approved the issue of 2,906,977 fully paid ordinary shares (using a VWAP of \$0.344) after successful achievement of the Second Earn Out Payment hurdles relating to the acquisition of Voice Project Pty Limited. Full details of the background to this transaction can be found at Note 32 on page 58 of the 2023 Annual Financial Report of Xref Limited.

On February 3, 2025, shareholders voted on a scheme of arrangement regarding an offer from SEEK to acquire Xref at \$0.218 per share. While a majority of shareholders by number (79%) voted to accept the offer, only 68% of votes were in favour, failing to reach the required 75% threshold. Consequently, the Scheme Implementation Deed between SEEK and Xref has been terminated. Further details may be found in our ASX release dated 4 February 2025.

No other matters or events requiring adjustments have arisen since 31 December 2024 that relate to circumstances that existed as on the balance sheet date.

Director's Declaration

In the opinion of the directors of Xref Limited ("the Company"):

1. The consolidated financial statements and notes for the half-year ended 31 December 2024 are in accordance with the Corporations Act 2001 and,
 - a. comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; which, as stated in basis of preparation Note 2 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the consolidated group;
2. The Chief Executive Officer and Chief Financial Officer have given the declarations required by Section 295A that:
 - a. the financial records of the Company for the financial half-year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b. the financial statements and notes for the financial half-year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial half- year give a true and fair view.

In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due.

This declaration is made in accordance with a resolution of the Board of Directors.



Lee-Martin Seymour
Managing Director
24 February 2025
Sydney



Thomas Stianos
Chairman
24 February 2025
Sydney

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Independent Auditor's Review Report to the Members of Xref Limited

Conclusion

We have reviewed the half-year financial report of Xref Limited (the Company) and its controlled entities (the Group), which comprises the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Xref Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Xref Limited's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis of Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Some of the Crowe personnel involved in preparing this document may be members of a professional scheme approved under Professional Standards Legislation such that their occupational liability is limited under that Legislation. To the extent that applies, the following disclaimer applies to them. If you have any questions about the applicability of Professional Standards Legislation Crowe's personnel involved in preparing this document, please speak to your Crowe adviser.

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The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Responsibility of the Directors for the Financial Report

The directors of the Xref Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Crowe Sydney



Barbara Richmond
Partner
Sydney

24 February 2025

Corporate Directory

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PLACE OF BUSINESS

Australia (Head Office and Registered Office)

Level 20, 135 King Street
Sydney NSW 2000
Tel: +61 2 8244 3099

United Kingdom

124 City Road
London EC1V 2NX

Canada

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1 Adelaide Street East
Toronto ON M5C 2V9

United States

Suite 500
13809 Research Blvd
Austin TX 78750

New Zealand

Level 10
11 Britomart Place
Auckland 1010

Website

xref.com

Investor Hub

xf1.com

DIRECTORS

Thomas Stianos
Chairman

Lee-Martin Seymour
Managing Director

Nigel Heap
Non-Executive Director

OFFICERS

Lee-Martin Seymour
Chief Executive Officer,
Founder

James Solomons
Chief Financial Officer,
Chief Operating Officer

Sharon Blesson
Chief Technology Officer

Robert Waring
Company Secretary

LEADERSHIP TEAM

Tracy Murdoch
General Counsel

Karina Guerra
GM – Customer
Intelligence

Louise Parkes
GM – Xref Engage

AUDITORS

Crowe Sydney
Level 24
1 O'Connell Street
Sydney NSW 2000
Tel: +61 2 9262 2155

STOCK EXCHANGE

The Company's fully paid ordinary shares are listed on the Australian Securities Exchange (ASX) under code XF1

SHARE REGISTRY

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