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 2024
Previous period:	For the year ended 30 June 2023

1. Results for announcement to the market

				Reporting Period $	Previous Period $
Revenues from ordinary activities	down	(3)%	to	19,859,555	20,398,912
Loss from ordinary activities after tax attributable to the owners of Xref Limited	down	(69)%	to	(5,681,097)	(3,359,340)
Comprehensive loss for the year attributable to the owners of Xref Limited	down	(50)%	to	(5,488,901)	(3,650,258)

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	186,968,467	186,101,549
Weighted average number of ordinary shares used in calculating diluted earnings per share	194,532,302	186,101,549
	Cents	Cents
Basic earnings / (loss) per share	(3.04)	(1.81)
Diluted earnings / (loss) per share	(2.92)	(1.81)

4. Net tangible assets

	Reporting Period	Previous Period
	Cents	Cents
Net tangible assets (liabilities) per ordinary security	(0.09)	(0.05)

5. Control gained over entities

Not applicable

6. Loss of control over Entities

Not applicable

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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

As announced on 21 May 2024 the board of directors of Xref initiated a strategic review following enquiries from private equity regarding a potential acquisition of the company. This review process is ongoing.

No other matters or events requiring adjustments have arisen since 30 June 2024 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 $5,681,097 (30 June 2023: loss $3,359,340).

Operations Review

FY24 was a year of transformation and resilience. Xref successfully extended its narrative from purely reference checking to solutions offered throughout the entire talent journey, from 'Hire to Retire'. The company launched the new Enterprise Platform, Xref Engage, and Trust Marketplace, supporting cross-selling and upselling opportunities.

Xref implemented significant operational changes, including the closure of UK operations, a 25% headcount reduction, and office consolidation in Sydney. The company also successfully migrated clients to the new Enterprise Platform and subscription agreements, decoupling revenue from traditional recruitment trends.

Despite challenging market conditions, Xref maintained strong levels of customer satisfaction and employee engagement, demonstrating its ability to innovate while balancing costs and short-term cash flow.

Financial Review

As a result of the above operating decisions and market conditions, financial results for the year were a net loss of $5.68m, returning an underlying negative EBITDA of $1.79m (negative EBITDA of $1.42m in FY23) and net cash used in operations of $0.7m ($0.5m generated in FY23).

Group revenue remained relatively stable despite recruitment levels being materially down, primarily due to the migration of clients to subscription agreements. The acquisition of Voice Project in January 2023 contributed $4.5m to sales in FY24.

Total expenses were managed through cost reduction measures, including headcount reduction and office consolidation. The company also refinanced its debt from $5m to $8.4m, netting additional funds of $3.0m after costs, which was used to continue expanding product offerings.

The company saw improved performance in the second half of FY24, with reduced losses and a return to positive EBITDA.

Outlook

During FY25, Xref will focus on:

1. Increasing upsell and cross-sell of Xref Engage to existing clients
2. Exploring more creative ways to integrate the Xref API
3. Onboarding further vendors to the Trust Marketplace
4. Launching self-sign-on for enterprise customers
5. Continuing to migrate existing customers to SaaS and the new enterprise platform
6. Maintaining focus on cash management and driving efficiency and scale

With its lean operating structure, improved and scalable technology, and larger addressable market, Xref is well-prepared for the next stage of growth as the market shows early signs of recovery.

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 2024.

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12. Audit qualification or review

The Financial Report for the year ended 30 June 2024 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 2024 is attached.

Signed



Lee-Martin Seymour
Managing Director

28 August 2024

Authorised for release by the Board of Directors of Xref Limited

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