



15th February 2018

Strong First Half for Xref Bolstered by Client Acquisition and Adoption

Xref Limited (ASX:XF1), the human resources technology company, today reported credit sales for the first half of the 2018 financial year of \$2.6 million, up 69% compared to \$1.5 million in the previous corresponding period. During the period the Company also saw cash receipts, representing client payments, rise to \$2.8 million, up 118% from \$1.3 million during the first half of FY17.

Under Xref's business model, when clients purchase credits (credit sales) to use the candidate referencing platform, the value of their purchase is recognised as unearned income (unearned income). When they pay for the credits, the cash is recognised as cash receipts (cash receipts). Once the credits are used by the client (usage), Xref recognises the value of them as revenue (recognised revenue).

Highlights of the first half included:

- Acquiring 156 new clients globally, including Snap Inc. (US), Exertis and Sanctuary Group (UK) Tim Hortons (Canada), Bank of Queensland, Manpower, Queensland Treasury and WSP Australia (Australia)
- Maintaining strong repeat business, with client renewals now representing more than 60% of credit sales
- Introducing a dedicated office and team in Oslo, to serve the Nordic region
- Deploying integrations with a number of large-scale partners, including Workday, SnapHire and Equifax
- Securing a partnership with Checkr, a market leading, automated background checking platform - a major vehicle for growth in the United States and Canada
- Adopting a new sales approach that has significantly expedited client adoption, having reduced the sales cycle by 55%
- Launching the Xref Sentiment Engine, a value added service built on AI technology
- Completing a \$7.5 million share placement to support growth initiatives

Xref provides the first dedicated, automated solution for the candidate referencing process. It is capitalising on its first-mover opportunity by investing in the development of marketing and sales teams in new, key markets to accelerate international growth. The global addressable market for Xref's services includes more than 180 million people in North America, 120 million people in Europe, and 15 million people in Australia and New Zealand.

Executive director / CEO Lee-Martin Seymour said: *"The strength of our first half is a result of our heightened focus on three key performance metrics, client acquisition, client adoption and average revenue per account (ARPA). These are the areas that we are confident will shape our success across the remainder of FY18 and beyond. With the people, product and resources we now have in place across the markets we operate in, we are extremely optimistic about our ability to leverage the future growth opportunity ahead of us."*

Executive director / CTO Tim Griffiths said: *"Integrations with Equifax, Workday and SnapHire were deployed during the first half, increasing total live integrations with leading applicant tracking systems and HR technology partners to 11. Our channel strategy continues to drive growth, and the availability of Xref's public API will further expedite future integrations, allowing complementary HR technology providers to offer clients the best of breed services they wish to include in their HR tech stack. Currently, we have 34 key clients using Xref through integrations. Enabling users to connect via their platform of choice has been a strong contributor to increased client adoption and usage."*

Chairman Brad Rosser said: *“This was an outstanding first half with strong client growth in Australia, Europe and North America. Xref has a sound business model and is carefully controlling expenses as it expands. The new Nordic office is performing well with several important trials underway. Xref is highly scalable, with a very large global addressable market, and continues to build its technology services platform to increase penetration in key markets. We anticipate a strong second half as the company continues to scale globally.”*

Strong client portfolio and usage growth

Xref continues to double its client base each year. Between January and December 2017, the Company added 284 new clients, up 100% from the previous calendar year - of these clients acquired, 91 were added between October and December 2017.

During H1 FY18, Xref added 156 new clients across Australia, New Zealand, the United Kingdom, Europe, the Middle East, Canada and the United States. Xref now supports more than 700 organisations worldwide¹, including 36% of the ASX 50.

The average size of an Xref client in Australia is 1,600 employees. The Company's global expansion presents opportunities to work with larger organisations, such as those in North America and Northern Europe, and has resulted in an increase in average client size of 120% over the last three years.

Oslo office driving Nordic growth

Following high levels of unsolicited demand, Xref opened a dedicated office in Oslo, Norway, to support the Nordic countries (Norway, Denmark, Sweden, Iceland and Finland). The Company recruited a highly experienced team led by general manager, Hans Jørgen Wang, previously a director of one of the world's leading recruitment specialist agencies, Adecco.

Trial are underway with large government, banking and recruitment organisations, and the office has already reported its first client sales.

Channel expansion drive sales

Xref's integration partners support more than 20,000 organisations worldwide, and the Company is working closely with partners' sales and marketing staff to drive sales through joint marketing campaigns in multiple countries. This provides a cost-effective way for the Company to build sales and on-board new clients.

The partnership with San Francisco headquartered Checkr, announced in September 2017, has also opened up an additional revenue stream, with Xref receiving a percentage of earnings from each Checkr background check taken via the Xref platform. This 'reverse' integration provides a vehicle for growth in Canada and the United States, enabling the Company to offer a one-stop shop for candidate background checking from the Xref platform.

After balance date, Xref also announced an integration with Lever and launched a public API (application programming interface).

Technology and operational innovation

During the half, Xref introduced a new sales process combining demonstration, proposal, agreement and invoicing, which has significantly reduced the average time taken to secure a new client. The sales cycle time has been reduced by 55%, expediting client adoption and reducing average cost per sale.

Xref continued to improve its platform, increasing scalability, features and multi-language capabilities. The new Sentiment Engine has also been well received by the market. The algorithm - built on Xref's AI-powered platform -

¹includes direct paying clients, indirect non paying clients via outsourced recruitment providers and direct non-paying clients (signed clients on trial)

analyses references to provide employers with an easy to understand sentiment score, thus reducing the chance that a reference is misinterpreted and providing a new indicator to detect the possibility of fraud.

Financial overview

Credit sales for H1 FY18 were \$2.6 million, up 69% from \$1.5 million in the previous corresponding period. Xref's growth is traditionally higher in the second half of the financial year reflecting the seasonality of the Australian recruitment sector.

Unearned income, which represents unused credits, was \$3.2 million at 31 December 2017 compared to \$1.3 million at 31 December 2016, demonstrating the increased scale of client renewals. Cash receipts were \$2.8 million for H1 FY18, continuing to grow at a rate exceeding 100% year-on-year. The value of credits used during H1 FY18 was \$1.8 million, up 93% from H1 FY17.

Expenses were within management expectations as the Company continues to invest to build global growth and scale. The net loss for the half year was \$5.1 million.

In August 2017, the Company raised \$7.5 million before costs through a placement, which closed substantially oversubscribed, to Australian institutions and sophisticated investors.

The Company received a \$1.39 million refundable research and development tax offset from the Australian Taxation Office during H1 FY18.

At 31 December 2017 the Company held \$7.7 million cash and had no debt. These funds are supporting Xref's global growth and expansion through channel partnerships.

Outlook

Xref maintains a strong growth trajectory. Its fully automated platform offers human resources professionals a vastly more efficient and cost-effective alternative to traditional telephone-based referencing. With high satisfaction and employee engagement, Xref has a significant opportunity to capture a segment of the growing US\$14 billion global human resources market.

As Xref's channel grows and more human resources professionals become familiar with the governance, cost and time benefits offered by its platform, market penetration is expected to accelerate, driving further strong growth.

Investor and media enquiries:

Ashley Rambukwella, FCR

Tel: +61 (0)2 8264 1004 / +61 (0)407 231 282

a.rambukwella@fcr.com.au

Company details

Name of entity:	Xref Limited
ACN:	122 404 666
Reporting period:	For the half-year ended 31 December 2017
Previous period:	For the half-year ended 31 December 2016

Results for announcement to the market

			\$
Revenues from ordinary activities	up	22% to	1,431,787
Loss from ordinary activities after tax attributable to the owners of Xref Limited	up	49% to	(5,073,229)
Loss for the half-year attributable to the owners of Xref Limited	up	45% to	(5,185,484)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Operations

The loss for the consolidated entity after providing for income tax amounted to \$5,073,229 (31 December 2016: \$3,407,089).

The group has demonstrated a growing demand for its product, and continues to double its client base year-on-year. A focus on client acquisition is reflected in the additional 156 new clients added during the period across Australia, New Zealand, the United Kingdom, Europe, the Middle East, Canada and the United States.

Xref now supports more than 700 organisations worldwide, including 36% of the ASX 50, and is used across 35 market sectors. Eight of these market sectors contribute 65% of company revenue, and 80% of revenue comes from enterprise companies with internal recruitment teams. During the period, it also introduced a new sales process, reducing the sales cycle time by 55%, expediting client adoption and reducing average cost per sale.

The company retains 98% of its clients and client renewals now represent more than 60% of credit sales, with clients acquired more than 36 months ago typically now referencing 95% of new hires via the company's platform.

As part of the company's global growth strategy, in September 2017, it opened an office in Oslo, Norway, to support the Nordics countries (Norway, Denmark, Sweden, Iceland and Finland).

The company has continued to improve the fully API-enabled platform, which allows it to offer more value and encourage clients to utilise multiple features of the platform.

Xref has focused on growing its channel and now has 11 'live' integrations in place, with partners that represent more than 40% of the North American applicant tracking market. Currently, 34 clients connect to Xref through integrations.

Financial Highlights

Credit sale growth continued, reaching \$2.6m up 69% when compared to the previous corresponding period.

The increased sale of client renewals was represented by an increase in unearned revenue (unused credits) which reached \$3.2 million at 31 December 2017, compared to \$1.3 million at 31 December 2016.

Cash receipts continued to grow at a rate exceeding 100% year-on-year, and the value of credits used (revenue) during H1 FY18 was \$1.8m, up 93% from the previous corresponding period.

Expenses were within management's expectations, the net loss for the half was \$5.1 million.

Review of operations - continued

In July 2017 Xref issued invitations to eligible employees to participate in the Xref Employee Option plan. This plan was approved at the EGM held in May 2016. With 100% of employees accepting the invitation, the total number of new employee share options issued in Xref Limited was 1,055,449.

In August 2017 Xref completed a \$7.5m placement (before costs) to Australian institutions and sophisticated investors which closed over-subscribed.

The company received a R&D refundable tax offset of \$1.39m in November 2017 and at 31 December 2017 held \$7.7m in cash and has no debt, with these funds dedicated to supporting further global growth and expansion through channel partnerships.

Significant changes in the state of affairs

Xref became a company domiciled in Australia on 21 September 2017 following approval being granted for the re-domicile by the New Zealand Companies Office. The address of the registered office is Unit 14, 13 Hickson Road, Dawes Point, New South Wales, Australia 2000

Net tangible assets

	Reporting period	Previous period
Net tangible assets per ordinary security	<u>\$0.0226</u>	<u>\$0.0569</u>

Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

Attachments

The Interim Report of Xref Limited for the half-year ended 31 December 2017 is attached.

Signed



Lee-Martin Seymour,
Director

14 February 2018
Sydney

XREF



INTERIM
REPORT 2017

Chief Executive Officer's & Chief Technology Officer's Report	3
Directors Report	6
Auditors Independence Declaration	8
Statement of profit or loss and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	13
Notes to the financial statements	14
Directors' declaration	26
Independent auditor's review report to the members of Xref Limited	27

General information

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 listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Unit 14, 13 Hickson Road,
Dawes Point, New South Wales, Australia 2000

Chief Executive Officer's & Chief Technology Officer's Report



A key theme for the first half of this financial year for Xref has been the utilisation of our collective experience and business intelligence, to better understand our current position and forecast our future growth.

In light of this, we have adopted a focus on three key business metrics that we are confident will shape our success across the remainder of this year and beyond:

- **Client Acquisition**
- **Client Adoption**
- **ARPA (Annual Revenue Per Account)**

Client Acquisition

H1 FY18 has been another record period for Xref and we continue to double our client base each year. Between January and December 2017, we added 284 new clients, up 100% from the previous calendar year - of these clients acquired, 91 were added between October and December 2017.

Australia currently represents 85% of global sales revenue and, due to seasonal fluctuations in the HR and recruitment industry in Australia, Xref's second half of the financial year is traditionally stronger.

During the period, we added a number of significant new global clients to the Xref portfolio, including Snap Inc (US), Exertis and Sanctuary Group (US) Tim Hortons (Canada), Bank of Queensland, Manpower, Queensland Treasury and WSP Australia (Australia).

Client Adoption

A focus on client adoption comes in recognition of the fact that while, in their first year on the platform, clients will reference just 25% of their new hires via Xref, those that joined more than 36 months ago, now reference 95% of their new hires via the platform.

Xref retains 98% of its clients and proactively works with them to drive adoption over time. By maintaining this strong, repeat business, we have been able to achieve client renewals that now represent more than 60% of Xref credit sales.

ARPA (Annual Revenue Per Account)

ARPA represents our key focus for building scale and profitability.

Xref is the first dedicated, automated solution for the candidate referencing process and we are capitalising on our first-mover opportunity by investing in the development of marketing and sales teams in new key markets to accelerate international growth. The total addressable market for the Xref services is global and includes more than 180 million people in North America, 120 million people in Europe, and 15 million people in Australia and New Zealand.

During H1 FY18, we continued to build scale and added 156 new clients across Australia, New Zealand, the United Kingdom, Europe, the Middle East, Canada and the United States. Xref now supports more than 700 organisations worldwide, including 36% of the ASX 50.

We now have enough experience and business intelligence to confidently analyse and predict trends and, as a result, we can target clients with a specific product offering and, ultimately, grow ARPA.

Market Priorities and global scale

Xref is now used successfully across 35 market sectors, eight of these contribute 65% of our revenue and 80% of our revenue comes direct from enterprise companies with internal recruitment teams, hiring more than 100 people a year.

Enterprise clients in North America and Northern Europe are much larger and we now have the opportunity to quickly grow our ARPA and market share.

Following high levels of unsolicited demand, in September we also opened a new office in Oslo, Norway, to support the Nordics countries (Norway, Denmark, Sweden, Iceland and Finland).

We have recruited a highly experienced team led by general manager, Hans Jørgen Wang, previously a director of one of the world's leading recruitment specialist agencies, Adecco. Trials are underway with large government, banking and recruitment organisations, and the office has already reported its first client sales.

Sales Cycle Efficiency

During H1 FY18, we also introduced a new sales process combining demonstration, proposal, agreement and invoicing, which has significantly reduced the average time taken to secure a new client. The sales cycle time has been reduced by 55%, expediting client adoption and reducing average cost per sale.

Product Enhancements

We are continuing to improve and evolve the Xref platform, increasing scalability, features and multi-language capability. Our software is fully API-enabled, delivering efficient interaction with modern, data-driven human resources software platforms. APIs help companies to automate software services, substantially reducing costs across organisations and enabling them to improve customer experiences through internet and mobile services.

The Sentiment Engine application, a value-added service with the potential to increase ARPA, has been well received by the market. The algorithm - built on Xref's AI-powered platform - analyses references to provide employers with an easy to understand sentiment score, thus reducing the chance that a reference is misinterpreted and providing a new indicator to detect the possibility of fraud.

Product advancements allow us to offer more value, enable the team to deliver a tailored solution and enable clients to utilise more features of the Xref platform.

Channel partnerships

More than half of the Xref client portfolio is made up of large enterprises and many of these organisations' human resources departments use applicant tracking systems to manage recruitment.

An important component of our growth strategy is our collaboration with applicant tracking system and HR technology vendors. We now have 11 'live' integrations in place, with some of the largest and fastest-growing applicant tracking systems globally. These include Bullhorn, Equifax, Expr3ss!, iCIMS, Lever, Oracle Taleo, SmartRecruiters, SnapHire, Talent App Store, Workday and Zapier.

Our integration partners represent more than 40% of the North American applicant tracking market alone by employer market share. They also support more than 20,000 organisations worldwide, and we are working closely with their sales and marketing staff to drive further client growth through joint marketing campaigns in multiple countries.

Currently 34 key clients connect to Xref's platform through integrations and we are already seeing a significant rise in the renewals made by clients connected through applicant tracking systems.

Another partnership, with San Francisco-headquartered Checkr, has also opened up an additional revenue stream, with Xref receiving a percentage of earnings from each Checkr background check taken via the Xref platform. This 'reverse' integration provides a vehicle for growth in Canada and the United States, enabling us to offer a one-stop shop for candidate background checking from the Xref platform.

Financial overview

Our key financial performance metrics saw improvements year-on-year during H1 FY18:

- Credit sales: \$2.6 million for H1 FY18, up 69% from \$1.5 million in the previous corresponding period
- Unearned revenue (unused credits): \$3.2 million at 31 December 2017 compared to \$1.3 million at 31 December 2016, demonstrating the increased scale of client renewals
- Cash receipts: \$2.8 million for H1 FY18, continuing to grow at a rate exceeding 100% year-on-year
- The value of credits used during H1 FY was \$1.8m up 93% from the same period last year

Expenses were within management's expectations as we continue to invest to build global growth and scale. The net loss for the half was \$5.1 million.

At 31 December 2017 Xref held \$7.7 million in cash. These funds are supporting our global growth and expansion through channel partnerships.

Outlook

We are still at the beginning of our journey, but the beginning just keeps getting bigger and the opportunity ahead brighter. With the people, product and resources we now have in place across the geographical markets we've entered, we are positioned extremely well to leverage the global growth opportunity.

The company has a significant opportunity to rapidly scale in the growing US\$14 billion global human resources sector. Management expects the Company's growth trajectory will continue during H2 FY18.

With increased client acquisition, further adoption and a focus on ARPA, we have a clear view of the horizon and anticipate market penetration to accelerate, driving continued, strong growth.



Lee-Martin Seymour
Chief Executive Officer
Co-Founder



Tim Griffiths
Chief Technical Officer
Co-Founder

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 2017.

Directors

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

Brad Rosser, Chairman
Timothy Mahony
Nigel Heap
Lee-Martin Seymour
Timothy Griffiths

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of software development for the HR industry.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$5,073,229 (31 December 2016: \$3,407,089).

The group has demonstrated a growing demand for its product, and continues to double its client base year-on-year. A focus on client acquisition is reflected in the additional 156 new clients added during the period across Australia, New Zealand, the United Kingdom, Europe, the Middle East, Canada and the United States.

Xref now supports more than 700 organisations worldwide, including 36% of the ASX 50, and is used across 35 market sectors. Eight of these market sectors contribute 65% of company revenue, and 80% of revenue comes from enterprise companies with internal recruitment teams. During the period, it also introduced a new sales process, reducing the sales cycle time by 55%, expediting client adoption and reducing average cost per sale.

The company retains 98% of its clients and client renewals now represent more than 60% of credit sales, with clients acquired more than 36 months ago typically now referencing 95% of new hires via the company's platform.

As part of the company's global growth strategy, in September 2017, it opened an office in Oslo, Norway, to support the Nordics countries (Norway, Denmark, Sweden, Iceland and Finland).

The company has continued to improve the fully API-enabled platform, which allows it to offer more value and encourage clients to utilise multiple features of the platform.

Xref has focused on growing its channel and now has 11 'live' integrations in place, with partners that represent more than 40% of the North American applicant tracking market. Currently, 34 clients connect to Xref through integrations.

Financial Highlights

Credit sale growth continued, reaching \$2.6m up 69% when compared to the previous corresponding period.

The increased sale of client renewals was represented by an increase in unearned revenue (unused credits) which reached \$3.2 million at 31 December 2017, compared to \$1.3 million at 31 December 2016.

Cash receipts continued to grow at a rate exceeding 100% year-on-year, and the value of credits used (revenue) during H1 FY18 was \$1.8m, up 93% from the previous corresponding period.

Expenses were within management's expectations, the net loss for the half was \$5.1 million.

Review of operations – continued

In July 2017 Xref issued invitations to eligible employees to participate in the Xref Employee Option plan. This plan was approved at the EGM held in May 2016. With 100% of employees accepting the invitation, the total number of new employee share options issued in Xref Limited was 1,055,449.

In August 2017 Xref completed a \$7.5m placement (before costs) to Australian institutions and sophisticated investors which closed oversubscribed.

The company received a R&D refundable tax offset of \$1.39m in November 2017 and at 31 December 2017 held \$7.7m in cash and has no debt, with these funds dedicated to supporting further global growth and expansion through channel partnerships.

Significant changes in the state of affairs

Xref became a company domiciled in Australia on 21 September 2017 following approval being granted for the re-domicile by the New Zealand Companies Office. The address of the registered office is Unit 14, 13 Hickson Road, Dawes Point, New South Wales, Australia 2000

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 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Lee-Martin Seymour
Managing Director

14 February 2018
Sydney

14 February 2018

The Board of Directors
Xref Limited
14/13 Hickson Street
Dawes Point
SYDNEY NSW 2000

Level 15 1 O'Connell Street
Sydney NSW 2000
Australia

Tel +61 2 9262 2155
Fax +61 2 9262 2190
www.crowehorwath.com.au

Dear Board Members

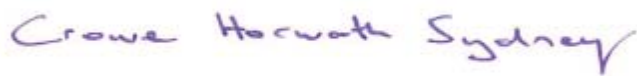
Xref Limited

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 2017, 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 HORWATH SYDNEY**

ASH PATHER
Partner

Xref Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2017

		Consolidated	
	Note	31 Dec 17	31 Dec 16
		Unaudited	Unaudited
		\$	\$
Revenue			
Sales - Credits Sold in Current Year		2,617,523	1,546,740
Less adjustments for Unearned Revenue	10	<u>(1,185,736)</u>	<u>(369,483)</u>
		1,431,787	1,177,257
Total revenue		<u>1,431,787</u>	<u>1,177,257</u>
Expenses			
Employee expenses		(4,135,040)	(2,392,473)
Overheads and administrative expenses	3	(3,119,483)	(2,195,483)
Depreciation and amortisation expense		<u>(36,058)</u>	<u>(19,310)</u>
Total expenses		<u>(7,290,581)</u>	<u>(4,607,266)</u>
Operating loss		(5,858,794)	(3,430,009)
Other Income	4	<u>785,565</u>	<u>22,920</u>
Loss before income tax expense		(5,073,229)	(3,407,089)
Income tax expense		<u>-</u>	<u>-</u>
Loss after income tax expense for the half-year attributable to the owners of Xref Limited		(5,073,229)	(3,407,089)
Discontinued Operations			
Exploration Asset Maintenance Expenses		-	(967)
Other Expenses		-	(200,000)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(112,255)</u>	<u>23,641</u>
Other comprehensive income for the half-year, net of tax		<u>(112,255)</u>	<u>23,641</u>
Total comprehensive income for the half-year attributable to the owners of Xref Limited		<u><u>(5,185,484)</u></u>	<u><u>(3,584,415)</u></u>
Earnings per share			
Loss per share from continuing operations			
Basic loss per share	17	3.86 cents	3.45 cents
Diluted loss per share	17	<u>3.86 cents</u>	<u>3.45 cents</u>

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

Xref Limited
Statement of financial position
As at 31 December 2017

		Consolidated	
	Note	31 Dec 17 Unaudited \$	30 June 17 Audited \$
Assets			
Current assets			
Cash and cash equivalents	5	7,726,399	4,069,573
Trade and other receivables	6	1,481,385	2,616,084
Prepayments		265,614	192,620
Total current assets		9,473,398	6,878,277
Non-current assets			
Property, plant and equipment	7	336,529	212,357
Intangibles		101,681	101,681
Rental Bonds		118,422	74,998
Total non-current assets		556,632	389,036
Total assets		10,030,030	7,267,313
Liabilities			
Current liabilities			
Trade and other payables	8	926,620	1,641,502
Employee entitlements	9	222,810	162,725
Superannuation payable		136,916	115,258
Lease incentive		18,728	31,512
Unearned revenue	10	3,221,000	2,030,253
Total current liabilities		4,526,074	3,981,250
Non-current liabilities			
Employee entitlements		36,528	22,436
Lease incentive		12,165	13,103
Total non-current liabilities		48,693	35,539
Total liabilities		4,574,767	4,016,789
Net assets		5,455,263	3,250,524
Equity			
Issued capital	11	40,054,241	32,687,991
Other equity reserves	12	(22,049,922)	(21,961,640)
Accumulated losses		(12,549,056)	(7,475,827)
Total equity		5,455,263	3,250,524

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

Xref Limited
Statement of financial position
As at 31 December 2017

Consolidated	Share capital \$	Performance rights reserve \$	Share option reserve \$	Foreign Currency Translation Reserve \$	Consolidation Reserve \$	Retained profits \$	Total equity \$
Balance at 1 July 2017	32,687,991	350,000	569,096	(34,915)	(22,845,821)	(7,475,827)	3,250,524
Loss after income tax expense for the half-year	-	-	-	-	-	(5,073,229)	(5,073,229)
Other comprehensive income for the half-year, net of tax	-	-	-	(112,255)	-	-	(112,255)
Total comprehensive income for the half-year	-	-	-	(112,255)	-	(5,073,229)	(5,185,484)
Other transactions with Owners:							
Shares Issued	7,016,250	-	-	-	-	-	7,016,250
Shares Issued	(540,000)	-	-	-	-	-	(540,000)
Exercise of Performance Rights	350,000	(350,000)	-	-	-	-	-
Total transactions with Owners:	7,366,250	(350,000)	373,973	-	-	-	7,390,223
Balance at 31 December 2017	40,054,241	-	943,069	(147,170)	(22,845,821)	(12,549,056)	5,455,263

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

Xref Limited
Statement of changes in equity (unaudited)
For the half-year ended 31 December 2016

Consolidated	Share capital \$	Performance Rights Reserve \$	Share Options Reserve \$	Foreign Currency Translation Reserve \$	Consolidation Reserve \$	Retained profits \$	Total equity \$
Balance at 1 July 2016	25,042,977	433,333	297,802	16,947	(22,845,821)	(1,110,982)	1,834,256
Loss after income tax expense for the half-year	-	-	-	-	-	(3,608,056)	(3,608,056)
Other comprehensive income for the half-year, net of tax	-	-	-	23,641	-	-	23,641
Total comprehensive income for the half-year	-	-	-	23,641	-	(3,608,056)	(3,584,415)
Other transactions with Owners:							
Shares Issued	8,000,000	-	-	-	-	-	8,000,000
Options Issued	(540,000)	-	-	-	-	-	(540,000)
Options Issued	-	-	80,142	-	-	-	80,142
Options Expired	-	-	(92,160)	-	-	92,160	-
Total transactions with owners:	7,460,000	-	(12,018)	-	-	92,160	7,540,142
Balance at 31 December 2016	32,502,977	433,333	285,784	40,588	(22,845,821)	(4,626,878)	5,789,983

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

Xref Limited
Statement of cash flows
For the half-year ended 31 December 2017

	Note	Consolidated 31 Dec 17 Unaudited \$	31 Dec 16 Unaudited \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,095,870	1,443,704
Payments to suppliers (inclusive of GST)		<u>(7,741,991)</u>	<u>(4,791,253)</u>
		(4,646,121)	(3,347,549)
Research & Development - Refundable Tax Offset		1,384,632	655,717
Interest received		62,295	24,255
Income taxes (paid)/refunded		<u>-</u>	<u>1,587</u>
Net cash used in operating activities	16	<u>(3,199,194)</u>	<u>(2,665,990)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(160,230)	(69,783)
Proceeds from disposal of property, plant and equipment		<u>-</u>	<u>273</u>
Net cash used in investing activities		<u>(160,230)</u>	<u>(69,510)</u>
Cash flows from financing activities			
Proceeds from issue of ordinary shares	11	7,500,000	8,000,000
Payments for Share Raising expenses		<u>(483,750)</u>	<u>(540,000)</u>
Net cash from financing activities		<u>7,016,250</u>	<u>7,460,000</u>
Net increase in cash and cash equivalents		3,656,826	4,724,500
Cash and cash equivalents at the beginning of the financial half-year		4,069,573	2,270,832
Effects of exchange rate changes on cash and cash equivalents		<u>-</u>	<u>(707)</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>7,726,399</u></u>	<u><u>6,994,625</u></u>

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 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 accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Operating segments

There is only one operating segment (candidate referencing) for the six months ended 31 December 2017. The disclosures on the face of the statement of comprehensive income to operating loss and the statement of financial position represent the Group's one business segment.

Geographical Information

	Consolidated	
	31 Dec 17	31 Dec 16
	\$	\$
Revenue from external customers		
Australia	1,255,452	1,164,475
Canada	64,732	2,189
Norway	9,026	-
United Kingdom	102,577	10,593
Total operating revenue	<u>1,431,787</u>	<u>1,177,257</u>
Non-current operating assets		
Global	106,546	-
Australia	272,356	188,997
Canada	111,602	62,128
Norway	8,055	-
United Kingdom	58,073	36,542
Total Non-current operating assets	<u>556,632</u>	<u>287,667</u>

Note 2. Operating segments (continued)

Note 3. Overheads and administrative expenses

	Consolidated	
	31 Dec 17	31 Dec 16
	\$	\$
Audit fees	24,802	61,072
Accounting fees	79,356	42,263
Directors' fees	124,350	55,868
Legal fees	121,904	124,178
Marketing expenses	847,787	464,209
Other consultants	405,049	534,388
Share option expense	373,973	80,142
Administration expense	819,931	558,879
Foreign exchange loss/(gain)	(20,769)	9,233
Operating lease payments	343,100	265,251
	<u>3,119,483</u>	<u>2,195,483</u>

Note 4. Other Income

	Consolidated	
	31 Dec 17	31 Dec 16
	\$	\$
Research & Development - Refundable Tax Offset	719,029	-
Interest Received	66,295	22,920
Other Income	241	-
	<u>785,565</u>	<u>22,920</u>

Note 5. Current assets - cash and cash equivalents

	Consolidated	
	31 Dec 17	30 June 17
	\$	\$
Rental Bonds	70,507	70,507
Cash on deposit	<u>7,655,892</u>	<u>3,999,066</u>
	<u>7,726,399</u>	<u>4,069,573</u>

The carrying amount of cash and cash equivalents approximates their fair value.

The Parent has arranged a legal right of set off between its bank trading account, call deposit accounts, and its bank overdraft. Bank overdrafts are repayable on demand and form an integral part of an entity's cash management. Accordingly, these balances have been netted in the Statements of Financial Position.

Cash at bank earns interest at floating rates on daily deposit balances.

Note 6. Current assets - trade and other receivables

	Consolidated	
	31 Dec 17	30 June 17
	\$	\$
Trade receivables	758,149	1,199,661
Related party receivables	4,207	1,499
Research and development incentive grant	719,029	1,384,632
Other receivables	<u>-</u>	<u>30,292</u>
	<u>1,481,385</u>	<u>2,616,084</u>

Note 7. Non-current assets - property, plant and equipment

	Consolidated	
	31 Dec 17	30 June 17
	\$	\$
Leasehold improvements - at cost	96,234	12,284
Less: Accumulated depreciation	(8,351)	(1,359)
	<u>87,883</u>	<u>10,925</u>
Computer equipment - at cost	157,085	123,399
Less: Accumulated depreciation	(50,556)	(29,188)
	<u>106,529</u>	<u>94,411</u>
Office equipment - at cost	120,402	103,271
Less: Accumulated depreciation	(42,598)	(33,489)
	<u>77,804</u>	<u>69,782</u>
Office furniture - at cost	70,206	39,973
Less: Accumulated depreciation	(5,893)	(2,734)
	<u>64,313</u>	<u>37,239</u>
	<u><u>336,529</u></u>	<u><u>212,357</u></u>

Note 8. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 17	30 June 17
	\$	\$
Trade payables	566,567	571,166
Other payables and accrued expenses	52,725	552,807
Accrued salaries, wages and related costs	237,049	481,441
GST payable	57,854	4,097
Other payables	12,425	31,991
	<u><u>926,620</u></u>	<u><u>1,641,502</u></u>

Note 9. Current liabilities - Employee entitlements

	Consolidated	
	31 Dec 17	30 June 17
	\$	\$
Provision for Annual Leave	<u><u>222,810</u></u>	<u><u>162,725</u></u>

Note 10. Current liabilities - Unearned revenue

	Consolidated	
	31 Dec 17	30 June 17
	\$	\$
Balance Brought Forward	2,030,253	903,566
Add: Credits Sold	2,617,523	4,107,518
Add: Opening Conditional Credits	1,085,263	205,132
Less: Credits Used (Cash Basis*)	(1,781,168)	(2,100,318)
Less: Closing Conditional Credits	(730,871)	(1,085,263)
Unearned Revenue Movement	1,185,736	1,127,069
Opening Balance Revaluation due to change in foreign exchange rates	-	(382)
Balance Carried Forward	<u>3,221,000</u>	<u>2,030,253</u>

**This is the value of the credits that have been used in the period*

Note 11. Equity - issued capital

	Consolidated			
	31 Dec 17	30 June 17	31 Dec 17	30 June 17
	Shares	Shares	\$	\$
Opening Balance	118,569,460	90,273,668	32,687,991	25,042,977
Shares issued for cash	-	11,428,571	-	8,000,000
Performance rights conversion	-	16,666,667	-	83,333
Capital raising costs	-	-	-	(540,000)
Issued for acquisition of domain name	-	200,554	-	101,681
Issued for cash	12,500,000	-	7,500,000	-
Capital raising costs	-	-	(483,750)	-
Performance rights conversion	16,666,667	-	350,000	-
Ordinary shares - fully paid	<u>147,736,127</u>	<u>118,569,460</u>	<u>40,054,241</u>	<u>32,687,991</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 12. Equity - Other equity reserves

	Consolidated	
	31 Dec 17	30 June 17
	\$	\$
Foreign currency reserve (a)	(147,170)	(34,915)
Performance rights (b)	-	350,000
Options reserve (c)	943,069	569,096
Consolidation reserve (d)	(22,845,821)	(22,845,821)
	<u>(22,049,922)</u>	<u>(21,961,640)</u>

a) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries for consolidation purposes.

b) Performance rights reserve

The performance right reserve is used to record un-utilised performance rights issued on 18 January 2016 as part of the consideration for Xref Pty Ltd. Performance Rights operate as an equity-settled, share based compensation plan. When rights are realised, the balance less any attributable transaction costs will be transferred to issued capital. If rights are not used, they would be offset against the consolidation reserve.

The 50,000,000 performance rights are split into 3 Classes as shown below:

Class	Number Granted	Performance Right Reserve \$A	Weighted Average Fair Value \$ / Right
Class A	16,666,667	350,000	0.021
Class B	16,666,667	83,333	0.005
Class C	16,666,666	-	0.000
	50,000,000	433,333	0.009
Less Conversion Events	(33,333,334)	(433,333)	
Performance right reserve balance	16,666,666	-	0.000

Class A Conversion Event

Upon the Group, during any six-month reporting period of the company that ends on or prior to 2 years after the date of issue of the rights, achieving Sales Revenue of \$A2,500,000 or more.

The Class A Conversion Event was achieved and the Class A shares were issued 4 December 2017.

Class B Conversion Event

Upon the Company achieving a 20-day Volume Weighted Average Market Price of the shares equal to or greater than \$0.50 within two years after the date of issue of the rights and a minimum sale in the UK of either 1000 credits or £25,000 (whichever comes first).

The Class B Conversion Event was achieved and the Class B shares were issued 10 March 2017.

Class C Conversion Event

Upon the Group, during any six-month reporting period of the Company that ends on or prior to five years after the date of issue of the rights, achieving EBITDA of \$A2,500,000 or more.

The conversion ratio of the Performance Rights into ordinary shares upon achievement of a relevant Performance Milestone is one ordinary share for each Performance Right. They are in escrow until 8 February 2018.

Note 12. Equity - Other equity reserves (continued)

The key inputs used in the binomial valuation of the Xref PR's are summarised in the table below.

Grant date	20/01/2016
Expiry date - Class A	20/07/2018
Expiry date - Class B	20/01/2018
Expiry date - Class C	20/01/2021
Xref share value at issue	\$0.03
Share price hurdle (150% above the issue price)	\$0.50
Period over which the VWAP must exceed the share price hurdle	20 days
Expected volatility	60% to 70%
Risk free rate	2.09%
Dividend yield	0.00%

Class C options were considered based on likelihood of reaching the target EBITDA and a Nil valuation adopted. All rights may be converted immediately in the event of a change of control event.

The weighted average contractual life of the outstanding performance rights is 3.06 Years.

c) Share option reserve

Issued option and movements of options are shown below:

	Issue Date	Expiry date	Average exercise price in \$A per share	Options	Option Reserve \$A
Consolidation (1 for 50)		29 July 2016	6.000	32,000	92,160
Granted	1 February 2016	1 February 2019	0.230	3,908,909	199,354
Granted - Class A	1 February 2016	1 February 2019	0.230	300,000	3,144
Granted - Class B	1 February 2016	1 February 2019	0.230	300,000	3,144
Closing Balance at 30 June 2016			0.271	4,540,909	297,802
At 1 July 2016		29 July 2016	0.120	32,000	92,160
At 1 July 2016		1 February 2019	0.230	4,508,909	220,942
Expired		29 July 2016	0.120	(32,000)	(92,160)
Granted	7 December 2016	25 November 2022 (ii)	0.700	2,500,000	67,576
Granted	7 December 2016	25 November 2021 (i)	0.700	5,400,000	280,578
Closing Balance at 30 June 2017			0.529	12,408,909	569,096
At 1 July 2016		1 February 2019	0.23	4,508,909	220,942
At 30 June 2017	7 December 2016	25 November 2022	0.700	2,500,000	128,230
At 30 June 2017	7 December 2016	25 November 2021	0.700	5,400,000	475,719
At 26 September 2017		3 July 2021 (iii)	0.585	960,109	107,413
At 26 September 2017		3 July 2021 (iv)	0.580	95,390	10,765
Closing Balance 31/12/2017				13,464,408.00	943,069

Note 12. Equity - Other equity reserves (continued)

The options have been valued using a binomial options method, using the following assumptions:

(i)	Listing date (re-listing as Xref Limited)	9/02/2016
	Price history for volatility determination	2.47yr
	Grant date	26/11/2016
	Measurement date	26/11/2016
	Exercise price	\$0.70
	Expiry date	25/11/2021
	Life of option	5.00 yr
	Price of underlying shares at measurement date	\$0.47
	Risk free rate = 5 year Government Bond (26/11/2016)	2.19%
	Expected volatility	40%
	Dividends expected on the shares	Nil
(ii)	Listing date (re-listing as Xref Limited)	09/02/2016
	Price history for volatility determination	5.00yr
	Grant date	25/11/2016
	Measurement date	25/11/2016
	Exercise price	\$0.70
	Expiry date	25/11/2016
	Life of option	6.00 yr
	Price of underlying shares at measurement date	\$0.47
	Risk free rate = 5 year Government Bond (26/11/2016)	2.7%
	Expected volatility	40%
	Dividends expected on the shares	Nil
(iii)	Listing date (re-listing as Xref Limited)	9/02/2016
	Price history for volatility determination	1.63 yr
	Grant date	26/09/2017
	Measurement date	26/09/2017
	Exercise price	\$0.585
	Expiry date	03/07/2021
	Life of option	3.77 yr
	Price of underlying shares at measurement date	\$0.745
	Risk free rate = 5 year Government Bond (26/11/2016)	2.295%
	Expected volatility	40%
	Dividends expected on the shares	Nil
(iv)	Listing date (re-listing as Xref Limited)	9/02/2016
	Price history for volatility determination	1.63 yr
	Grant date	26/09/2017
	Measurement date	26/09/2017
	Exercise price	\$0.58
	Expiry date	03/07/2021
	Life of option	3.77 yr
	Price of underlying shares at measurement date	\$0.745
	Risk free rate = 5 year Government Bond (26/11/2016)	2.295%
	Expected volatility	40%
	Dividends expected on the shares	Nil

Note 12. Equity - Other equity reserves (continued)

(v) Class A Vesting Event is the same as a Performance Right Class A Conversion Event

Upon the Group, during any six month reporting period of the company that ends on or prior to 2 years after the date of issue of the rights, achieving Sales Revenue of \$A2,500,000 or more.

The Class A Conversion Event was achieved and the Class A shares were issued 4 December 2017. The Class A Conversion Event also triggered the vesting of 300,000 options for Tim Mahony and Nigel Heap.

(vi) Class B Vesting Event is the same as a Performance Right Class B Conversion Event

Upon the Company achieving a 20 day Volume Weighted Average Market Price of the shares equal to or greater than \$0.50 within two years after the date of issue of the rights and a minimum sale in the UK of either 1000 credits or £25,000 (whichever comes first). The Class B Conversion Event was achieved and the Class B shares were issued 10 March 2017.

Class A and B option expense is being recognised over the two years during which the options may be exercised. If the options were to be exercised, the full remaining option expense if any would be immediately recognised and the Option Reserve figure transferred to Issued Capital.

Option movements during the half year

As approved at the EGM in May 2016, 1,055,499 options were issued to employees and directors of the company as a key component of their remuneration by the company. 2,000,000 of the options issued to Chairman Brad Rosser vested on the 25th November 2017.

Options Vested and therefore exercisable

Source	Expiry Date	31 Dec 17	30 June 17
BF from King Solomon Mines Limited & Consolidated (1 for 50)	29 July 2016		
Acquisition of Xref Pty Ltd	1 February 2019	3,908,909	3,908,909
Options Vested – Tim Mahony	1 February 2019	300,000	300,000
Options Vested – Nigel Heap	1 February 2019	300,000	300,000
Options Vested – Brad Rosser	25 November 2017	2,000,000	
		<u>6,508,909</u>	<u>4,508,909</u>

d) Consolidation Reserve

The reserve was formed on the reverse acquisition of assets and liabilities of King Solomon Mines Limited by Xref Pty Limited which brought the share capital of Xref Pty Limited to the share capital of King Solomon Mines Limited immediately after the reverse acquisition.

Note 13. Commitments

Operating leases are held for premises used for office space. Lease commitments net of incentive payments are:

	Consolidated	
	31 Dec 17	30 June 17
	\$	\$
<i>Non-cancellable operating leases are payable as follows:</i>		
Within one year	215,777	257,357
One to five years	2,146	104,480
	<u>217,923</u>	<u>361,837</u>

The Group had no other commitments at 31 December 2017 (30 June 2017; \$361,837)

Note 14. Related party transactions

Related party transactions arise when an entity or person(s) has the ability to significantly influence the financial and operating policies of the Group.

The Group has a related party relationship with its Shareholders, Directors and other key management personnel.

Unless otherwise stated transactions with related parties in the years reported have been on a arms-length basis, none of the transactions included special terms, conditions or guarantees.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	31 Dec 17	31 Dec 16
	\$	\$
a. Purchase of services		
Directors	412,914	418,528
Key management personnel	171,482	155,199
Other related parties	-	22,131
Total	<u>584,396</u>	<u>595,858</u>

Note 14. Related party transactions (continued)

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	31 Dec 17	30 June 17
	\$	\$
Receivable from related parties		
Directors	-	1,499
Payable to related parties:		
Directors	-	4,097

There were no loans to directors for the 6 months ended 31 December 2017.

Note 15. Events after the reporting period

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 16. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	31 Dec 17	31 Dec 16
	\$	\$
Loss after income tax expense for the half-year	(5,073,229)	(3,608,056)
Adjustments for:		
Depreciation and amortisation	36,058	19,310
Net loss on disposal of property, plant and equipment	-	232
Foreign exchange differences	-	25,038
Option expense	373,973	80,142
Unearned revenue	1,185,736	369,483
Change in operating assets and liabilities:		
Decrease in trade and other receivables	1,134,699	371,280
Increase in prepayments	(72,994)	(98,074)
Increase in other operating assets	(43,424)	(50,655)
Increase/(decrease) in trade and other payables	(827,134)	150,255
Increase in employee benefits	74,177	83,740
Increase/(decrease) in other operating liabilities	12,944	(8,685)
Net cash used in operating activities	<u>(3,199,194)</u>	<u>(2,665,990)</u>

Note 17. Earnings per share

Basic EPS amounts are calculated by dividing the loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the loss attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The Group recorded losses for the years ended 30 June 2017 and 31 December 2017. Diluted earnings per share has not been calculated because the effect of including the share options in the calculation would be anti-dilutive. Hence the diluted earnings per share is the same as the basic earnings per share.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Consolidated	
	31 Dec 17	31 Dec 16
	\$	\$
Loss after income tax attributable to the owners of Xref Limited	(5,073,229)	(3,407,089)
Weighted number of ordinary shares for basic EPS	<u>131,431,780</u>	<u>98,720,873</u>

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Lee-Martin Seymour
Director

14 February 2018
Sydney

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Xref Limited (the Company), which comprises the condensed statement of financial position as at 31 December 2017, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration for the Company and its controlled entities (the consolidated entity).

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company 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

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 2017 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*. As the auditor of Xref Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

A Pather

ASH PATHER

Partner

Dated at Sydney this 14th day of February 2018

Corporate Directory

PLACE OF BUSINESS

Australia (Head Office and Registered Office)
Suite 14, 13 Hickson Road
Dawes Point, NSW 2000
Tel: +61 2 8244 3099

United Kingdom
46 New Broad Street
London, EX2M 1JH

Canada
Suite 202
1 Adelaide Street East
Toronto, Ontario M5C 1X6

Norway
Rådmann Halmrastsvei 16
1337 Sandvika
Norway

Website
xref.com

DIRECTORS

Brad Rosser
Chairman

Lee-Martin Seymour
Tim Griffiths
Tim Mahony
Nigel Heap

LEADERSHIP TEAM

Lee-Martin Seymour
Chief Executive Officer,
Co-Founder

Tim Griffiths
Chief Technology Officer,
Co-Founder

James Solomons
Chief Financial Officer

Sharon Blesson
Chief Operating Officer

COMPANY SECRETARY

Robert Waring

AUDITORS

Crowe Horwath
Level 15
1 O'Connell Street
Sydney NSW 2000
Tel: +61 2 9262 2155

STOCK EXCHANGE

The company's
ordinary shares are listed
on the ASX under code XF1

SHARE REGISTRY

**Computershare
Investor Services Pty Ltd**
Yarra Falls,
452 Johnston Street
Abbotsford, Victoria
Australia 3067
Tel: 1300 850 505
(within Australia)
Tel: + 61 3 9415 4000
(outside Australia)

XREF



Love. **Simplicity**