XREF

Xref Limited

2025 Annual Report

Annual Report 2025

Contents

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 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:

Suite 13, 13 Hickson Road,
Dawes Point, 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 23 August 2023. The directors have the power to amend and reissue the financial statements.

FY2025 Letter to Shareholders

Welcome to the Xref 2025 Annual Report

This past year has been one of exceptional progress and strategic clarity, marking a fundamental shift in our strategy and operations. The proposed acquisition by SEEK, though not proceeding, has sharpened our focus and solidified our commitment to an independent and prosperous future. We have successfully evolved beyond a simple reference provider to a comprehensive Employer Intelligence Platform, with clients enthusiastically migrating from our old credit-based model to our new subscription platform and enhanced product suite. This successful transition has fuelled exponential growth in Annualised Recurring Revenue (ARR), and has now completely replaced our original business model. This, combined with disciplined financial management, a rigorous focus on operational efficiency, and strict cost reductions, has delivered a significant EBITDA turnaround while enduring tough market conditions.

Our strategy is clear, and our commitment to our clients and shareholders is unwavering. Early signs from our new self-sign-up process, launched in May 2025, are demonstrating strong demand from clients to subscribe to our products and use them to positively change their workplaces. Growth in background checks via our Trust Marketplace and the recent launch of innovative Talent Pool tools and AI summaries are attracting attention from all sectors and markets. As the talent landscape continues to evolve, we are well placed to take full advantage of the challenges that staff turnover presents, confident in our role as the premier provider of employer intelligence.

Lee-Martin Seymour
Founder, CEO, Executive Director.

Lee is the visionary and driving force behind the Company's product strategy and brand. His passion for client satisfaction is a core focus, driving him to create solutions that meet the evolving needs of the employment sector.

He is the designer of the original automated reference checking platform and has been the driving force in its product development, including its evolution into a broader "employer intelligence platform" with tools for pulse surveys, exits, and automated talent pooling.

FY25 Results

> Xref is transitioning to a full subscription-based business, with annuity revenue now forming the majority. The company has streamlined operations and its business model to accelerate growth and reduce overheads. The focus is now on a single technical platform, complemented by self-sign-on and auto-renewal subscriptions, aiming to further boost recurring annuity revenue.

Tom Stianos
Chairmain

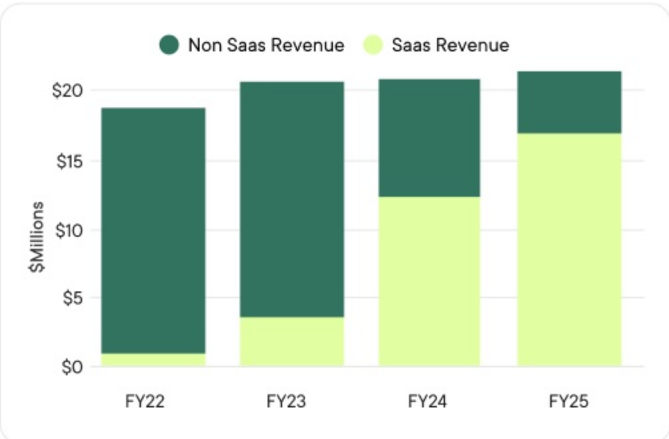
Revenue growth	ARR growth	EBITDA growth
+7% $21.3m	+29% $19.3m	+237% $2.5m

Download the 2025 Investor Presentation

View our 2025 Investor Presentation along with video commentary from Xref's Founder and CEO, Lee-Martin Seymour

Download

Employers build better workplaces with Xref.



Revenue Growth

$21.3M Revenue

+7%

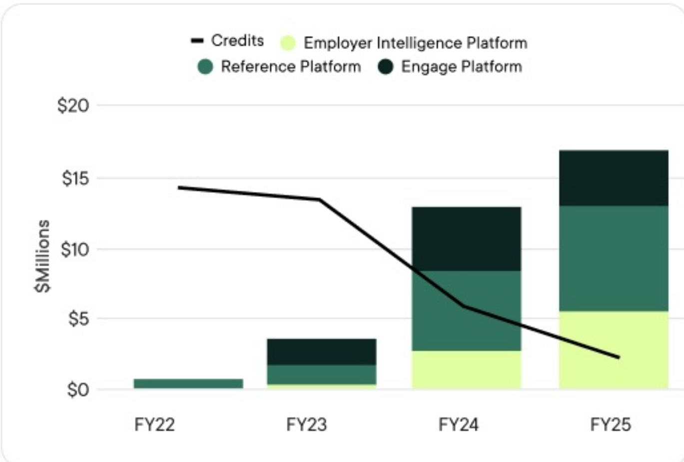
Group revenue increased 7% to $21.3M, despite challenging market conditions. This growth was driven by strong performances in the Xref Platform and Trust Marketplace segments, reflecting the successful transition to SaaS subscription agreements which mitigated seasonal fluctuations.

Revenue - Credits to SaaS Migration

$19.3M ARR

+29%

ARR growth was driven by the successful strategic transition to a SaaS model, with new and existing clients migrating to subscription-based contracts. $16.8m revenue originating from SaaS contracts was recognised in FY25 while the use of credits dropped to $2.4m. ARR reached $19.3M on June 30, 2025, up from $15M the prior year.



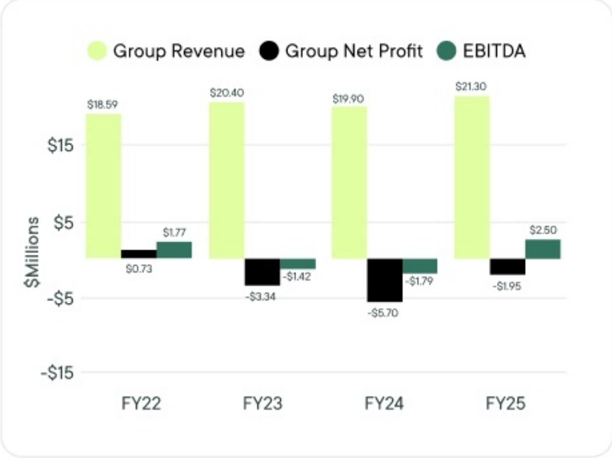
2000+ Global clients	**+700k** Requests in FY25	**139** New client's in FY25	**#1** Rated best in market by G2	**195** Countries

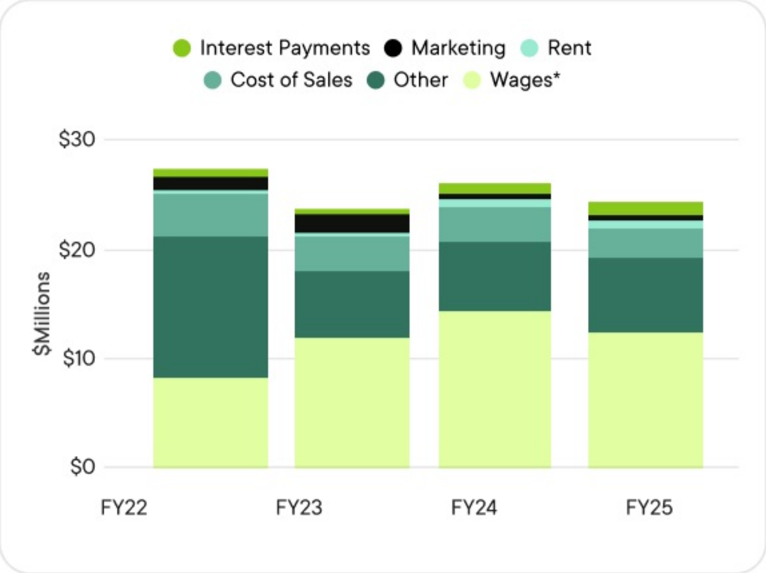
EBITDA

$2.5m EBITDA Profitability

+237%

The company achieved a significant 237% EBITDA turnaround, moving from a negative $2.46M to a positive $2.5M. This was driven by increased revenue, a 8% reduction in total expenses, and improved operational efficiency.





Expenses

$22.5m Expenses

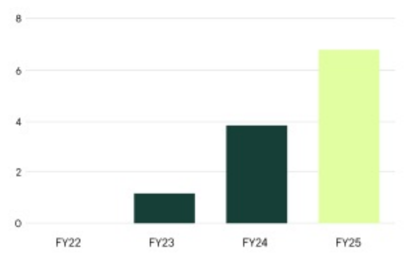
-8%

Total expenses decreased by 8% to $22.5M, driven by a 28% reduction in headcount that resulted in a decrease in cost of sales and operating expense. This was due to efficient resource allocation and strategic cost management initiatives, including a $1.9M investment in product development. A further reduction in expenses is expected in FY26.

*Wages before capitalisation

New Platform Growth

Annual Recurring Revenue (ARR) | $ Millions

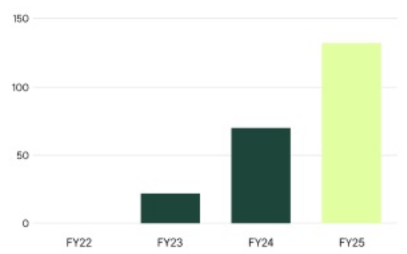


+60%

Annual recurring revenue (New platform only)

ARR growth compares all active contracts at 30 June with those active at the same date in the prior period.

Talent Profiles | Thousands

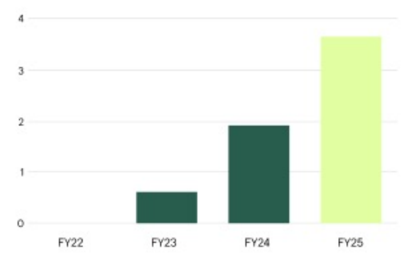


+85%

Talent profiles created

A talent profile is created when a candidate, employee, or ex-employee is created following the request of a reference, check or survey.

Employers | Thousands



+89%

New platform users

A new user is invited to the platform by the account owner using the new roles and permissions self service feature.

74 Employees	**3** Global Offices	**16 yrs** Founder Led	**9 yrs** ASX Listed	**$2.5m** EBITDA Positive

Chairman's Report

Dear Shareholders,

I am pleased to present the Xref annual report for the year ended 30 June 2025. Your company continues to make excellent progress in its transition to a full subscription-based business with most of our revenue now being annuity based.

In FY25 revenue increased by 7% to $21.3m, while cost of sales decreasing to $2.3m, resulting in gross profit of $19.0m for the year.

With a further 9% reduction in operating cost the business achieved a positive operating cash flow and is well placed to remain so in the year ahead. Some of the operating costs incurred during the year relate to the strategic review and the Seek transaction costs which are not recurring.

EBITDA was positive $2.5m, a significant turnaround from and EBITDA loss of $1.8m in the prior year.

During the year, the company received an offer from Seek limited to acquire all the shares in Xref under a scheme of arrangement. The offer was a 61% premium to the share price at the time but was rejected by shareholders as being inadequate.

Since then, management has progressed its plans to grow Xref and has secured a placement of $3.6m from a strategic partner to strengthen the company's balance sheet. At this time the company also strengthened the Board by adding two new talented directors:

- Jon Newbery, who also takes on chair of the Audit and Risk committee, and
- Jake Phillpot, who brings practical experience in commercialising and growing SaaS businesses
- Following these appointments, Nigel Heap took on the chair of the Remuneration committee

The Company has recently streamlined and simplified its operations and business model to accelerate growth while reducing overheads. This will result in focussing the company onto:

- A single technology platform
- Standard contract and terms for all product offerings, and
- A single product brand

Coupled with this restructure, Xref has introduced self-sign-on (May 2025) plus auto renewal of subscription contracts which aims to further increase Annual Recurring Revenue (ARR).

In the year ahead, Xref aims to progressively pay down debt without the need for further capital raising by focussing on further efficiencies (including the use of AI-based support agents).

I would like to thank management and staff for their dedication and achievement despite the disruptions during the year. I would also like to thank our shareholders for their support throughout the year.

Sincerely,

Tom Stianos
Chairman

28 August 2025

Directors’ Report

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 year ended 30 June 2025.

Directors

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

- Thomas Stianos
- Lee-Martin Seymour
- Nigel Heap
- Jake Phillpot (Appointed 21 March 2025)
- Jon Newbery (Appointed 21 March 2025)

Principal Activities

During the financial year, the consolidated entity continued to conduct its core activity, which was to develop human resources technology that helps organisations reduce staff turnover through better hiring and employee engagement driven by the Xref employee engagement and analytics platform.

Dividends

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

Operating and Financial Review

The loss for the Group after providing for income tax amounted to $1,953,345 (30 June 2024: loss of $5,681,097).

Review of Operations

FY2025 was a year marked by

- Continuing emphasis on transition of customers to the SaaS business model and a new platform
- A strategic review that led to an unsuccessful public offer by Seek Limited
- New product launches - new permissioning product, self sign-on for new clients, AI products, talent pool
- An increase in vendors offering checks on Xref’s Trust Marketplace.
- Transformative changes to cost structure
- Xref gaining the No. 1 ranking on the G2 (a leading global technology research firm) establishing our credential as a market leader

Review of Financial Performance

The Group's financial results for FY25 reflected both the challenging market conditions and the strategic investments made.
Key financial highlights:

The financial results for the year 2025 indicate a 7% increase in total revenue, amounting to $21.3m. The Xref Platform and Trust Marketplace segments experienced growth of 9% and 14%, respectively, while Xref Engage saw a slight decline of 1%. Finance income increased substantially, although finance expenses also grew.

The company also received a cash R&D tax incentive paid as a tax refund in the amount of $2.4m received 19 January 2025. EBITDA performance showed a significant improvement, turning into a EBITDA profit of $2.5m compared to a loss of $1.8m in 2024, reflecting a 237% positive change. Due to this, the net loss after tax narrowed by 61% to $1.9m. Operating expenses decreased by 9%, and other income rose by 821% as a result of recognising R&D Incentive grant income. Overall, the company demonstrated enhanced profitability and operational performance compared to the previous year.

- Annual Recurring Revenue (ARR) at 30 June 2025: $19.3m
- EBITDA: Positive $2.5m (compared to Negative EBITDA of $1.8m in FY24)
- Net Loss After Tax: $2.0 m (compared to a loss of $5.7m in FY24)
- Net cash generated in operations: $ 1.3m (compared to $0.7m used in FY24)
- Cash at bank as of 30 June 2025: $5.3m

The company's focus on cost management and transition to a SaaS business model showed positive results in the latter half of the year, positioning Xref for improved financial performance under tight market conditions.

2025 Operating Results

Financial Summary	2025 $	2024 $	Change %
Total revenue	21,314,154	19,859,555	7%
EBITDA	2,452,838	(1,793,590)	237%
Net profit/(loss) after tax	(1,953,344)	(5,681,096)	66%
Net cash generated from operating activities	1,360,547	(678,797)	(300)%

Business results	2025 $	2024 $	Change %
Xref Platform	15,307,881	14,046,848	9%
Trust Marketplace	2,088,082	1,835,660	14%
Xref Engage	3,918,191	3,977,047	(1)%
Total revenue	21,314,154	19,859,555	7%
Cost of sales	(2,284,354)	(2,529,664)	10%
OPEX	(18,294,153)	(20,063,471)	9%
Share based payments	(44,948)	92,820	148%
Total Expenses	(20,623,456)	(22,500,315)	(8)%
Other income	1,762,140	847,169	108%
Depreciation & amortisation	(2,842,255)	(2,909,010)	2%
Operating profit	(389,416)	(4,702,600)	92%
Finance income	104,096	37,894	175%
Finance expense	(1,711,222)	(1,002,596)	(71)%
Income tax expense	43,198	(13,795)	413%
Net profit after tax	(1,953,344)	(5,681,096)	66%

EBITDA	2025 $	2024 $	Change %
Net profit after tax	(1,953,344)	(5,681,096)	66%
Add back: net interest income and expense	1,607,126	964,701	(67)%
Add back: net depreciation and amortisation	2,842,255	2,909,010	2%
Add back: income tax expense	(43,198)	13,795	413%
EBITDA	2,452,838	(1,793,590)	237%

Likely developments, business strategies and prospects

Looking ahead to FY26, Xref is well-positioned for growth as the market continues to be in a status quo vis a vis last year. The company's focus areas will include:

1. Sales Growth: Year ahead will have a sharper focus on identified target markets

2. Expense Management: Leverage technology to improve margins

3. Product Development: As in FY25, continue the momentum in new product launches through AI driven technology upgrades to our platform assets

With its lean operating structure, improved and scalable technology, and larger addressable market, Xref is well prepared for its next stage of growth. The company will continue to leverage its expanded product suite, focusing on increasing presence in our target market niches.

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, Asia Pacific, 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 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 / 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 supporting 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

Several significant changes occurred during FY25 that materially altered the company's operations and strategic direction:

1. Strategic review: The strategic review aimed at transitioning into a 100% subsidiary of Seek Limited faced resistance from our shareholders. Despite significant efforts and costs incurred by the business (circa $700k), the initiative was ultimately voted down by a small proportion of shareholders, preventing the deal from proceeding.
2. Technology: Use of AI based support agents, an upgraded Xref Platform, and transition into a single platform catering to the needs of the hire to retire Xref value proposition.
3. Operational restructuring: Continued business optimization and employee reductions have alleviated pressure on cash flow and operating margins.
4. Capital raise: The company raised $3.6m in equity share capital via private placement on 21 March 2025 details of which are as announced to the ASX on 21 March 2025.
5. R&D tax incentive: The company received a refundable R&D tax incentive of $2.4m on 19 January 2025.

These changes collectively represent a significant evolution in Xref's business strategy, technology platform, operational structure and strategic positioning, setting the foundation for future growth and adaptability in a dynamic market environment.

Events arising since the end of the reporting period

No other matters or events requiring adjustments have arisen since 30 June 2025 that relate to circumstances that existed as on the balance sheet date.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Thomas Stianos
Title:	Independent Non-Executive Chairman
Qualifications:	B. App Sc
Experience and expertise:	Mr Stianos is widely recognised as one of the most successful and experienced leaders in the IT industry. He is currently the Chairman of Soco Limited (ASX:SOC), a non-executive director of Gale Pacific Limited. (ASX: GAP) & Chairman of Escient. He was also previously a non-executive director of Inabox Group Limited & Managing Director of SMS Management & Technology Limited. Mr Stianos has also previously held senior positions with the Department of Premier and Cabinet, Department of Justice, and Department of Treasury & Finance. He holds a Bachelor of Applied Science from the University of Melbourne and is a Fellow of the Australian Institute of Company Directors (FAICD)
Date of appointment as a director	14 October 2021
Other current directorships:	Chairman of Soco Limited (ASX:SOC), Non-Executive director of Gale Pacific Limited (ASX:GAP), Chairman of Escient
Former directorships (last 3 years)	None
Special responsibilities:	Chairman of the Remuneration & Nomination Committee (till May 2025) and Member of the Audit & Risk Committee
Interests in shares:	200,000
Interests in options:	None
Contractual rights to shares:	None

Name:	Lee-Martin Seymour
Title:	Managing Director and Chief Executive Officer
Qualifications:	None
Experience and expertise:	Lee-Martin Seymour is the founder of Xref. He has 22 years recruitment experience across many geographic and market sectors. For 14 years Lee worked for one of the world's largest specialist recruitment companies. As a result, he understands the demands of the employment market and is passionate about pioneering positive change for the long term. As a serial entrepreneur Lee has identified and successfully leveraged market opportunities to aid innovation in the employment sector.
Date of appointment as a director	18 January 2016
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Remuneration & Nomination Committee (appointed 14 August 2023) Member of the Audit & Risk Committee (appointed 14 August 2023)
Interest in shares:	31,740,108
Interests in options:	None
Contractual rights to shares:	None

Name:	Nigel Heap
Title:	Independent Non-Executive Director
Qualifications:	LLB, AMP
Experience and expertise:	Nigel has been a non-executive director at Xref since 2016 and is Chairman of the Remuneration and Nominations Committee. He has 34 years of experience in the recruitment industry and spent his career at Hays PLC, one of the world's largest recruitment companies. Nigel joined Hays UK in 1988 as a trainee consultant. By 1997, he was Managing Director of Hays Australia, and consequently expanded operations to New Zealand, Hong Kong, China, Japan, Singapore and Malaysia. This led to his appointment as Managing Director of Asia Pacific. In 2012 he was appointed UK & Ireland Managing Director and Chairman of the Asia Pacific business and in 2017 Nigel was appointed Managing Director of 12 countries in the EMEA region. Nigel was also a member of the Management Board for many years until he left Hays in 2022
Date of appointment as a director	18 August 2016
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit & Risk Committee and Chairman of the Remuneration & Nomination Committee
Interests in shares:	32,103
Interests in options:	None
Contractual rights to shares:	None

Name:	Jake Phillpot
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Business (Finance and Accounting)
Experience and expertise:	Jake has been a non-executive director at Xref since March 2025. He is the CEO and founder of Tanda. Jake has over a decade's experience scaling a HR software company. Jake's expertise includes building sales teams, bringing new products to market and international expansion.
Date of appointment as a director	21 March 2025
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit & Risk Committee and Member of the Remuneration & Nomination Committee
Interests in shares:	27,926,443
Interests in options:	900,000
Contractual rights to shares:	300,000

Name:	Jon Newbery
Title:	Independent Non-Executive Director
Qualifications:	GAICD, Chartered Accountant (ICAEW)
Experience and expertise:	Jon has been an independent non-executive director at Xref since March 2025. He is a seasoned executive with experience as a CEO, COO, and CFO of listed companies. Jon's strengths in financial management and mergers and acquisitions will provide critical strategic oversight as Xref continues to scale its business operations.
Date of appointment as a director	21 March 2025
Other current directorships:	PharmX [PHX.ASX]
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Audit & Risk Committee and Member of the Remuneration & Nomination Committee
Interests in shares:	None
Interests in options:	900,000
Contractual rights to shares:	300,000

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Key Management Personnel

Interim Chief Financial Officer (appointed 1 April 2025)

Avi Lewis, GAICD, MBA (AGSM UNSW) Technology, FCPA

A seasoned finance leader with over 25 years of extensive financial management experience, Avi has held various senior commercial and strategic finance roles with companies such as Citrix, Envestment Yodlee, ANZ Bank, First Wave Cloud Technology, and Ernst and Young.

He has successfully driven an ASX Listing, a strategic sale of a private equity owned tech enterprise, driven various ERP/CRM transformation projects, whilst delivering strategic insights driving business growth, fostering stakeholder engagement through a values-based approach centered on respect, integrity, accountability, and excellence.

Chief Financial Officer / Chief Operating Officer (resigned 18 April 2025)

James Solomons, BCom, FCA, CTA, GAICD

James is a chartered accountant with over 23 years of experience within the accounting and corporate finance industry. He has held various roles within the sector and has positioned himself as a leader in the accounting technology space bringing with him to Xref over 5 years of experiences as Xero Australia's Head of accounting. A successful entrepreneur in his own right, James has a deep understanding of the need to find a balance between investing for growth whilst maintaining strong corporate governance processes across the business.

Chief Technology Officer

Sharon Blesson

Recognised for her ability to bridge the gap between IT and business, Sharon has a rich history of program management in both delivery and operational environments. She has developed excellent leadership skills and expertise in managing diverse teams while providing motivation and strategic vision. Prior to joining Xref, Sharon spent over a year as director of the project management office at the Ivy College in Sydney. In a prior role, she was a major corporate client manager at Sqware Peg, and also an IT&T Project Manager for recruitment specialists Hays.

Company Secretary

Robert Waring, BEc, ACA, FCIS, ASIA, FAICD

Robert has more than 45 years of experience in financial and corporate roles, including more than 28 years in company secretarial and director roles for ASX-listed companies. He is a director of Oakhill Hamilton Pty Ltd, a company that provides secretarial and corporate advisory services to a range of listed and unlisted companies. He is also the Company Secretary of ASX-listed companies Aeris Environmental Ltd and Vectus Biosystems Limited.

Meetings of directors

The number of meetings of the company's Board of Directors and of each Board committee held during the 2024-25 financial year, and the number of meetings attended by each Director were as follows:

	Board meetings held	Audit and Risk Committee meetings held	Remuneration and Nomination Committee meetings held ***	Disclosure Committee meetings held
	18	3	1	-
Directors	Attended	Attended	Attended	Attended
Thomas Stianos *	18	2	1	N/A
Lee-Martin Seymour **	18	2	1	N/A
Nigel Heap ***	18	2	1	N/A
Jake Phillpot ****	2	1	-	N/A
Jon Newbery *****	2	1	-	N/A

* Thomas Stianos is the Chairman of the Board. He was the Chairman of the Remuneration and Nomination Committee until 6 May 2025 when he stood down from the Committee. He was a member of the Audit and Risk Committee until 6 May 2025 when he stood down from the Committee.
** Lee-Martin Seymour is the Managing Director. He was a member of both the Audit and Risk Committee and the Remuneration and Nomination Committee until 6 May 2025 when he stood down from these Committees.
*** Nigel Heap is a Non-Executive Director. He was the Chairman of the Audit and Risk Committee until 6 May 2025 when he stepped down from the Chair but remains on the Committee. He was elected Chairman of the Remuneration and Nomination Committee on 6 May 2025.
**** Jake Phillpot became a Non-Executive Director on 21 March 2025. He became a member of both the Audit and Risk Committee and the Remuneration and Nomination Committee on 6 May 2025.
***** Jon Newbery became a Non-Executive Director on 21 March 2025. He was elected Chairman of the Audit and Risk Committee and became a member of the Remuneration and Nomination Committee on 6 May 2025.

The Board has a Disclosure Committee, which meets as and when required to approve announcements when the full Board is not available for this purpose. It was not required to meet this past year.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those people who have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage / alignment of executive compensation
- Transparency

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives
- increasing return on assets as well as focusing the executive on key non-financial drivers of value

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. In the Prospectus dated 23rd December 2015, noted on page 18 the current maximum annual aggregate remuneration for directors was shown as $200,000. This has changed and a resolution was passed at the 2016 AGM that the maximum aggregate cash-based remuneration payable to Non-Executive Directors in any financial year be increased by $300,000 from $200,000 to $500,000.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- long-term performance incentives
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation, and non-monetary benefits, are reviewed annually by the Remuneration and Nomination Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') are primarily share based payments in the form of Options or Shares. Options or Shares are awarded to executives with vesting conditions that are determined appropriate by the Remuneration & Nomination Committee at the time of awarding and can include Options or Shares that vest over time, on achievement of performance hurdles or in some circumstances vest immediately.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group. A portion of the short term incentive and incentive payments are dependent on defined financial targets being met. For the financial year ended 30 June 2025, revenue is the financial target. Any remaining portion of cash bonus and incentive payments are at the discretion of the Remuneration and Nomination Committee.

Operating revenue between the financial years ended 30 June 2022 and 30 June 2025 are summarised below:

	2022 $	2023 $	2024 $	2025 $
Operating Revenue	14,454,868	18,591,434	19,859,555	21,314,154

The Remuneration and Nomination Committee is of the opinion that the consistent results achieved despite the challenging economic conditions can be attributed in part to the adoption of performance-based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years

Use of remuneration consultants

The committee has not engaged the service of remuneration consultants in determining the above remuneration arrangements for financial year ended 30 June 2025.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the Group consisted of:

- Thomas Stianos - Non-Executive Chairman
- Lee-Martin Seymour - Managing Director & Chief Executive Officer
- Nigel Heap - Non-Executive Director
- Jake Phillpot – Non-Executive Director
- Jon Newbery – Independent Non-Executive Director
- James Solomons – Chief Financial Officer / Chief Operating Officer (resigned 18 April 2025)
- Avi Lewis – Interim Chief Financial Officer (appointed 1 April 2025)
- Sharon Blesson – Chief Technology Officer
- Robert Waring – Company Secretary

2025	Short-term benefits Cash salary and fees $	 Cash bonus $	 Non-monetary $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled shares $	 Equity-settled options $	 Total $
Non-Executive Directors:								
Thomas Stianos	114,400	-	-	13,156	-	-	-	127,556
Nigel Heap	57,200	-	-	6,578	-	-	-	63,778
Jake Phillpot *	16,116	-	-	1,853	-	-	22,924	40,893
Jon Newbery *	17,716	-	-	-	-	-	22,924	40,640
Executive Directors:								
Lee-Martin Seymour	458,005	24,085	-	36,455	-	-	-	518,545
Other Key Management Personnel:								
James Solomons **	343,296	22,630	-	24,626	-	-	-	390,552
Avi Lewis ***	53,750	-	-	6,181	-	-	-	59,931
Sharon Blesson	401,078	22,630	-	35,743	-	-	-	459,451
Robert Waring	105,705	-	-	-	-	-	-	105,705
	1,567,266	69,345	-	124,592	-	-	45,848	1,807,051

* Represents remuneration from 21 March 2025 to 30 June 2025
** Represents remuneration from 1 July 2024 to 18 April 2025
*** Represents remuneration from 1 April to 30 June 2025

2024	Short-term benefits Cash salary and fees $	 Cash bonus $	 Non-monetary $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled shares $	 Equity-settled options $	 Total $
Non-Executive Directors:								
Thomas Stianos	114,000	-	-	12,584	-	-	-	126,584
Nigel Heap	57,200	-	-	6,292	-	-	-	63,492
Lija Wilson	4,767	-	-	524	-	-	-	5,291
Executive Directors:								
Lee-Martin Seymour	382,021	24,085	-	27,399	-	-	-	433,505
Other Key Management Personnel:								
James Solomons	375,882	22,630	-	30,271	-	-	4,000	432,783
Sharon Blesson	349,773	22,630	-	27,399	-	-	4,000	403,802
Robert Waring	68,750	-	-	-	-	-	-	68,750
	1,352,393	69,346	-	104,469	-	-	8,000	1,534,207

The proportion of remuneration linked to performance, and the fixed proportion are as follows:

Name	Fixed remuneration 2025	Fixed remuneration 2024	At risk - STI 2025	At risk - STI 2024	At risk - LTI 2025	At risk - LTI 2024
Non-Executive Directors:						
Thomas Stianos	100%	100%	-	-	-	-
Nigel Heap	100%	100%	-	-	-	-
Jake Phillpot *	100%	-	-	-	-	-
Jon Newbery *	100%	-	-	-	-	-
Executive Directors:						
Lee-Martin Seymour	95%	94%	5%	6%	-	-
Other Key Management Personnel:						
James Solomons **	94%	94%	6%	6%	-	-
Avi Lewis	100%	-	-	-	-	-
Sharon Blesson	95%	94%	5%	6%	-	-
Robert Waring	100%	100%	-	-	-	-

Voting and shareholder comments at the AGM held in 2023

The Company received 42.38% of 'yes' votes on its Remuneration Report for the financial year ended 30 June 2023. As more than 25% of the votes cast were against the adoption of the Remuneration Report this constitutes a first "strike" for the purposes of the Corporations Act 2001 (Cth).

Other transactions with key management personnel and their related parties

Payments for company secretarial services from Oakhill Hamilton Pty Ltd (related entity of Robert Waring) of $105,705 (ex GST) and payments for storage facilities from West Riding Investments Pty Limited (related entity of Lee-Martin Seymour) of $5,815 (ex GST) were made.

All transactions were made on normal commercial terms and conditions and at market rates.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Lee-Martin Seymour
Title:	Managing Director and Chief Executive Officer
Agreement commenced:	1 July 2024
Term of agreement:	No fixed term
Details:	Base salary for the year ending 30 June 2025 of $436,373 p.a. plus superannuation, plus $21,632 car allowance to be reviewed annually by the Remuneration and Nomination Committee. 3 months termination notice by either party. Discretionary bonus may be paid as per Remuneration and Nomination Committee approval and KPI achievement. Non-solicitation and non-compete clauses exist.

Name:	James Solomons
Title:	Chief Financial Officer & Chief Operating Officer (resigned 18 April 2025)
Agreement commenced:	1 July 2024
Term of agreement:	No fixed term
Details:	Base salary for the year ending 30 June 2025 of $328,973 p.a. plus superannuation, plus $20,800 car allowance to be reviewed annually by the Remuneration and Nomination Committee. 3 months termination notice by either party. Discretionary bonus may be paid as per Remuneration and Nomination Committee approval and KPI achievement. Non-solicitation and non-compete clauses exist.

Name:	Avi Lewis
Title:	Interim Chief Financial Officer (appointed 1 April 2025)
Agreement commenced:	1 April 2025
Term of agreement:	No fixed term
Details:	A proportional base salary for the year ending 30 June 2025 of for the interim period $215,000 p.a. plus superannuation, to be reviewed annually by the Remuneration and Nomination Committee. 3 months termination notice by either party. Discretionary bonus may be paid as per Remuneration and Nomination Committee approval and KPI achievement. Non-solicitation and non-compete clauses exist.

Name:	Sharon Blesson
Title:	Chief Technology Officer
Agreement commenced:	1 July 2024
Term of agreement:	No fixed term
Details:	Base salary for the year ending 30 June 2025 of $400,076 p.a. plus superannuation, plus $21,632 car allowance to be reviewed annually by the Remuneration and Nomination Committee. 3 months termination notice by either party. Discretionary bonus may be paid as per Remuneration and Nomination Committee approval and KPI achievement. Non-solicitation and non-compete clauses exist.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

No shares were issued in FY2025 as part of KMP remuneration.

Number of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

	Number of Options Granted during the year		Number of Options Vested during the year	
Name	2025	2024	2025	2024
Thomas Stianos	-	-	-	-
Nigel Heap	-	-	-	-
Jake Phillpot	900,000	-	300,000	-
Jon Newbery	900,000	-	300,000	-
Lee-Martin Seymour	-	-	-	-
James Solomons *	-	2,000,000	-	2,000,000
Sharon Blesson	-	2,000,000	-	2,000,000
Robert Waring	-	-	-	-

** Resigned 18 April 2025*

Options granted carry no dividend or voting rights

All options were granted over unissued fully paid ordinary shares in the company. The number of options granted was determined having regard to the satisfaction of performance measures and weightings as described above in the section ‘Consolidated entity performance and link to remuneration'. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

Details regarding the exercise price and valuation of the above options can be found in Note 22.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Thomas Stianos	200,000	-	-	-	200,000
Nigel Heap	32,103	-	-	-	32,103
Lee-Martin Seymour	31,740,108	-	-	-	31,740,108
Jake Phillpot	-	-	27,926,443	-	27,926,443
James Solomons *	43,957	-	-	(43,957)	-
Sharon Blesson	350,000	-	30,000	(205,000)	175,000
Robert Waring	276,350	-	30,000	-	306,350
	32,642,518	-	27,986,443	(248,957)	60,380,004

** Resigned 18 April 2025*

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of theyear	Granted	Exercised	Expired/ forfeited/other	Balance at the end of the year
Options over ordinary shares					
Thomas Stianos	1,800,000	-	-	(1,800,000)	-
Nigel Heap	900,000	-	-	(900,000)	-
Jake Phillpot	-	900,000	-	-	900,000
Jon Newbery	-	900,000	-	-	900,000
Lee-Martin Seymour	-	-	-	-	-
James Solomons *	2,075,000	-	-	(2,075,000)	-
Sharon Blesson	2,075,000	-	-	(2,000,000)	75,000
Robert Waring	355,000	-	(30,000)	-	325,000
	7,205,000	1,800,000	(30,000)	(6,775,000)	2,200,000

** Resigned 18 April 2025*

This concludes the remuneration report, which has been audited.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Share Options on issue

As at the date of this report the total number of the unissued ordinary shares of the Company under option is 7,368,241.

Full details of each parcel of options, their expiry date and exercise price can be found in Note 22.

Share issued on the exercise of Options

No shares were issued as a result of exercise of options over ordinary shares during the year. (FY24: None)

During the course of the financial year 1,053,078 options were exercised through the Xref Employee Option Plan. The exercise requests were satisfied through the use of the Xref Employee Share Trust and as a result no additional shares were issued.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

There was no non-audit services provided during the financial year by the auditor as outlined in Note 8 to the financial statements.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

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.

Corporate Governance

The Group's Corporate Governance Statement and Appendix 4G checklist are released to ASX on the same day the Annual Report is released. The Corporate Governance Statement and Corporate Governance manual can be found on the Company's website at https://xf1.com/#resources.

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	**Thomas Stianos**
Managing Director	Chairman
28 August 2025	28 August 2025
Sydney	Sydney

Crowe Sydney
ABN 97 895 683 573
Level 24, 1 O'Connell Street
Sydney NSW 2000
Main +61 (02) 9262 2155
Fax +61 (02) 9262 2190
www.crowe.com.au

Auditor's Independence Declaration Under Section 307c of the *Corporations Act 2001* to the Directors of Xref Limited

As lead engagement partner, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Yours sincerely,

Crowe Sydney.

Crowe Sydney

B Rd

Barbara Richmond
Partner

28 August 2025
Sydney

Financial Statements

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	Consolidated 2025 $	2024 $
Revenue	7	21,314,154	19,859,555
Cost of sales		(2,284,354)	(2,529,664)
Gross profit		19,029,800	17,329,891
Finance costs		(1,711,222)	(1,002,596)
Employee expenses		(12,609,754)	(14,355,162)
Overhead and administrative expenses	8	(5,684,399)	(5,708,308)
Share based payments		(44,948)	92,820
Gains on fair value adjustments to contingent consideration		116,279	668,511
Depreciation	9	(160,887)	(884,498)
Amortisation	9	(2,681,367)	(2,024,512)
Total expenses		(22,776,301)	(23,213,745)
Operating profit/(loss)		(3,746,501)	(5,883,854)
Other income	7	1,749,957	216,552
Profit/(loss) before income tax expense		(1,996,544)	(5,667,302)
Income tax credit / (expense)	10	43,198	(13,795)
Profit/(loss) after income tax expense for the year attributable to the owners of Xref Limited		(1,953,345)	(5,681,097)
Other comprehensive income, net of income tax		-	-
Exchange differences on translating foreign controlled entities		(486,584)	192,196
Other comprehensive income/(loss) for the year, net of tax		(486,584)	192,196
Total comprehensive income/(loss) for the year attributable to the owners of Xref Limited		(2,439,929)	(5,488,901)
Earnings/(loss) per share for profit from continuing operations attributable to the owners of Xref Limited		(cents)	(cents)
Basic earnings/(loss) per share	24	(0.995)	(3.04)
Diluted earnings(loss) per share	24	(0.995)	(2.92)

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 30 June 2025

	Note	Consolidated 2025 $	2024 $
Assets			
Current assets			
Cash and cash equivalents	12	5,287,493	4,593,835
Trade and other receivables	11	1,989,736	2,757,148
Contract assets	13	776,517	968,125
Prepayments		580,453	523,720
Total current assets		8,634,199	8,842,828
Non-current assets			
Other assets		137,603	127,925
Contract assets	13	35,041	10,563
Property, plant and equipment		75,848	221,688
Right of use asset	14	15,391	105,998
Intangibles	15	10,262,765	11,047,785
Total non-current assets		10,526,647	11,513,959
Total assets		19,160,846	20,356,787
Liabilities			
Current liabilities			
Trade and other payables	16	2,010,075	2,535,426
Financial liabilities	17	2,510,638	1,220,970
Employee benefits	18	1,013,189	1,266,956
Contract liabilities	19	10,916,140	12,580,855
Other liabilities	20	-	523,256
Deferred grants	20	280,909	-
Total current liabilities		16,730,950	18,127,463
Non-current liabilities			
Financial liabilities	17	5,322,231	7,133,219
Employee benefits	18	259,385	445,930
Contract liabilities	19	520,239	155,087
Deferred tax liability	20	291,261	343,697
Deferred grants	20	424,352	-
Total non-current liabilities		6,817,468	8,077,933
Total liabilities		23,548,418	26,205,396
Net assets/(liabilities)		(4,387,572)	(5,848,609)
Equity			
Issued capital	21	59,261,865	55,405,847
Reserves	22	(21,084,262)	(20,642,626)
Retained earnings		(42,565,175)	(40,611,830)
Total equity		(4,387,572)	(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 year ended 30 June 2025

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	-	-	-	-	-	(1,953,345)	(1,953,345)
Other comprehensive income/(loss) for the year	-	-	-	(486,584)	-	-	(486,584)
Total comprehensive income/(loss) for the year	-	-	-	(486,584)	-	(1,953,345)	(2,439,929)
Transactions with owners in their capacity as owners							
Shares issued during the year	3,856,018	-	-	-	-	-	3,856,018
Options vested	-	-	44,948	-	-	-	44,948
Options forfeited	-	-	-	-	-	-	-
Options expired	-	-	-	-	-	-	-
Warrants exercised	-	-	-	-	-	-	-
Balance at 30 June 2025	59,261,865	308,571	2,590,491	(1,137,503)	(22,845,821)	(42,565,175)	(4,387,572)

For the year ended 30 June 2024

Consolidated	Issued capital * $	Warrants $	Share option reserves $	Foreign currency translation reserve $	Consolidation reserve $	Retained Earnings $	Total $
Balance at 1 July 2023	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	-	-	-	-	-	(5,681,096)	(5,681,096)
Other comprehensive income/(loss) for the year	-	-	-	192,195	-	-	192,195
Total comprehensive income/(loss) for the year	-	-	-	192,195	-	(5,681,096)	(5,488,901)
Transactions with owners in their capacity as owners							
Shares issued during the year	305,234	-	-	-	-	-	305,234
Options vested	-	-	218,780	-	-	-	218,780
Options forfeited	-	-	(311,600)	-	-	-	(311,600)
Options expired	-	-	-	-	-	-	-
Warrants exercised	-	-	-	-	-	-	-
Balance at 30 June 2024	55,405,847	308,571	2,545,543	(650,919)	(22,845,821)	(40,611,830)	(5,848,609)

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

Statement of cash flows

For the year ended 30 June 2025

	Note	Consolidated 2025 $	2024 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		22,829,107	22,175,804
Payments to suppliers and employees (inclusive of GST)		(23,923,778)	(23,039,903)
R&D tax incentive refund receipt		2,350,869	-
Interest received		104,349	38,474
Other receipts		-	146,829
Net cash provided by / (used in) operating activities	26	1,360,547	(678,797)
Cash flows from investing activities			
Payment for intangibles		(1,896,357)	(3,066,538)
Purchase of property, plant and equipment		(10,712)	(52,314)
Net cash used in investing activities		(1,907,069)	(3,118,852)
Cash flows from financing activities			
Proceeds from loans		-	8,106,072
Proceeds from shares issued through private placement (net of transaction costs)		3,448,930	-
Repayments of lease liabilities		(90,954)	(422,470)
Interest on loans		(1,360,201)	(1,002,596)
Repayment of financial liabilities		(757,595)	(5,125,000)
Net cash provided by / (used in) financing activities		1,240,180	1,556,006
Net increase/(decrease) in cash and cash equivalents held		693,658	(2,241,643)
Cash and cash equivalents at beginning of year		4,593,835	6,835,478
Cash and cash equivalents at end of financial year	12	5,287,493	4,593,835

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

Notes to the Financial Statements

Note 1. Reporting Entity

Xref Limited is a limited liability, ASX listed public company (limited by shares) incorporated on 28 January 2003 in New Zealand and from 21 September 2017 was domiciled in Australia. The address of its registered office, which is also a principal place of business, is Level 20, 135 King Street, Sydney, New South Wales, Australia 2000. Xref is a global HR technology company that automates pre-employment recruitment checks, employee engagement surveys, and exit interviews.

The financial statements cover Xref Limited as a Group consisting of Xref Limited and the entities it controlled at the end of, or during the year. 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 resolution of the directors, on 28 August 2025. The directors have the power to amend and reissue the financial statements, should the need arise.

Note 2. Basis of Preparation

This Financial Report is a General Purpose Financial Report (the "GPFR") which has been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001 (Cth). Xref Limited is a for-profit company for the purposes of preparing this Financial Report.

The principal accounting policies adopted in the preparation of this Financial Report are set out in Note 3 Material accounting policies. These policies have been consistently applied to all the financial years presented and are applicable to both the Consolidated Entity and it's subsidiaries.

a. Compliance with IFRS as issued by the IASB

Compliance with Australian Accounting Standards ensures that this Financial Report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, this Financial Report is compliant with IFRS.

b. Basis of measurement

This Financial Report has been prepared on a going concern basis using the historical cost convention except for the following items, as disclosed in the respective accounting policy:

- Financial instruments (including derivatives) required to be measured at fair value through profit or loss (FVTPL); financial assets classified as fair value through other comprehensive income (FVOCI) and financial instruments that have been designated as FVTPL (DFVTPL)

c. Critical accounting estimates

The preparation of this Financial Report in compliance with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. Areas requiring a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 5.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Management believes that the estimates used in preparing this Financial Report are reasonable. Nonetheless, it is possible that outcomes within the next financial year differ from management's assumptions and estimates, which may result in an adjustment to the carrying amounts of the reported assets and liabilities in future reporting periods.

d. Functional and presentation currency

These consolidated financial statements are presented in dollars which is the Company's functional currency. The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the consolidated financial statements contained in the Financial Report, and directors' report have been rounded off to the nearest dollar, unless otherwise stated.

Note 3. 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.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 30.

a. Principles of consolidation

The consolidated Financial Report reflects the financial performance and financial position of the Consolidated Entity. Subsidiaries are all those entities which the Consolidated Entity controls. The Consolidated Entity controls an entity where it has:

1. power to direct the relevant activities
2. exposure, or rights, to variable returns, and
3. the ability to utilise power to affect the entity's returns.

When the Group has less than a majority of the voting power or similar rights of another entity, the Group considers all relevant facts and circumstances in assessing whether it has power over the other entity.

The Group re-assesses whether it controls another entity if facts and circumstances indicate that there are changes in one or more of the three elements of control. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The determination of control is based on current facts and circumstances and is continuously assessed. The Consolidated Entity has power over an entity when it has existing substantive rights that provide it with the current ability to direct the entity's relevant activities, being those activities that significantly affect the entity's returns. The Consolidated Entity also considers the entity's purpose and design. If the Consolidated Entity determines that it has power over an entity, the Consolidated Entity then evaluates its exposure, or rights, to variable returns by considering the magnitude and variability associated with its economic interests.

The effects of all transactions between subsidiaries in the Consolidated Entity are eliminated in full. Unrealised losses are eliminated in the same manner as unrealised gains but only to the extent that there is no evidence of impairment. The consolidation process involves adding together like items of assets, liabilities, income and expenses on a line-by-line basis. All significant intragroup balances are eliminated in presenting the consolidated financial statements.

Interests in subsidiaries are held at cost less impairment in the Parent.

b. Foreign currency translation

The financial statements are presented in Australian dollars (AUD), which is Xref Limited's functional and presentation currency.

Foreign currency transactions are translated into the functional currency of the Parent, using exchange rates prevailing at the dates of the transactions (i.e. the spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from measurement of monetary items denominated in foreign currency at year end exchange rates are recognised in the reported profit or loss. Non-monetary items measured at historical cost are not translated back at each year end, and only translated once using the exchange rate at the transaction date.

Non-monetary items measured at fair value are translated using the exchange rates at each reporting date.

The net balance of foreign exchange gains and losses that relate to monetary items (such as borrowings, cash and cash equivalents) are presented in the Statement of Comprehensive Income within "finance income" or "finance costs". All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within "Other gains/(losses)".

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit and loss are recognised in the Statement of Comprehensive Income as FVTPL. Translation differences on nonmonetary financial assets, such as equities classified as available for sale, are included in fair value movements disclosed within other comprehensive income.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than Australian Dollars are translated into Australian Dollars upon consolidation.

Foreign currency gains and losses on intragroup loans are recognised in the income statement except where the loan is in substance part of the Consolidated Entity's net investment in the foreign operation, in which case the foreign currency gains and losses are recognised in the Consolidated Entity's Foreign Currency Translation Reserve ("FCTR"). The exchange gains or losses recognised in FCTR are reclassified to the income statement or reattributed within equity as follows:

i. assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

ii. income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

iii. all resulting exchange differences are recognised in other comprehensive income.

The assets and liabilities of foreign operations, including any goodwill, are translated to AUDs at exchange rates at the reporting date. The income and expenses of foreign operations are translated to AUD at spot exchange rates on the transaction dates.

Foreign currency differences are recognised and disclosed as other comprehensive income and presented in FCTR within equity.

When a foreign operation is disposed of such that control is lost, the cumulative amount of the translation reserve related to the foreign operation is reclassified to the reported surplus or deficit as part of the gain or loss on disposal.

c. Trade debtors and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

d. 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. The incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

e. 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. In this case, estimates specific to the asset or CGU are required to be determined, including forecast cash flow, long-term growth rates and discount rates. There was no material impairment or reversal of existing impairment recognised during the year.

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.

f. Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

g. Employee benefits

Short term employee benefits

Employee benefits, previously earned from past services, that the Group expect to be settled within 12 months of reporting date are measured based on accrued entitlements at current rate of pays.

These include salaries and wages accrued up to the reporting date and annual leave earned, but not yet taken at the reporting date.

The Group recognises a liability and an expense for bonuses where they are contractually obliged or where there is a past practice that has created a constructive obligation.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed without realistic possibility of withdrawal, to terminate employment, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Long term benefits

The Group's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their services in the current and prior years. The obligation is calculated using the projected unit credit method and is discounted to its present value. Any actuarial gains and losses are recognised in profit or loss in the year in which they arise.

Share based payments

The Group operates an equity settled, share based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non market vesting conditions (for example, profitability). Non market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the statements of comprehensive income, and a corresponding adjustment to equity over the remaining vesting period. If the options lapse or expire, the accumulated balance will be reclassified to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) when the options are exercised.

h. 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

Other revenue is recognised when it is received or when the right to receive payment is established.

i. 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 19 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.

j. Refund liabilities

A cooling-off period of 28 days exists within contracts for the purchase of credits in advance for the Xref Recruiter Platforms. After this period has passed no refunds are provided even if the client does not use their purchased credits. If a client exercises their right to cancel their purchase during this cooling-off period they can be refunded an amount equal to the value of credits not used. No cooling off periods exists in the subscription agreements for the Xref Enterprise or Recruiter Platforms or for Xref Engage

k. Share capital

Share capital represents the consideration received for shares that have been issued. All transaction costs associated with the issuing of shares are recognised as a reduction in equity, net of any related income tax benefits.

l. Dividend distribution

Dividend distributions to the parent’s shareholders are recognised as a liability in the Group’s financial statements in the period in which the dividends are approved by the Parent Directors.

m. Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Parent by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shareholders outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

n. 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.

o. 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.

p. Going concern

The financial report shows that a loss of $1,953,345 (2024: a loss of $5,681,097) has been incurred. There is also a deficiency of net current assets of $8,096,751 (2024: a deficiency of net assets of $9,284,635) and a deficiency of net assets of $4,387,572 (2024: a deficiency of net assets of $5,848,609).

However, this includes the value of contract liabilities of $10,916,140. 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;

- The return of the business to positive cash from operations of $1.3m
- A new capital raise of $3.6m in March 2025 to bolster its cash reserves
- Continued right sizing and cost reductions during the year, whilst revenue demonstrated positive year on year growth of 7%
- All debt covenants being met with no incidences of defaults in its history of servicing debt.

- A conservative cash flow forecast under some very strict growth assumptions, and the effect of some significant cost reductions during FY25, is persuasive enough to form a view that the Xref Group will be in a position to meet all its operational commitments whilst at the same time meeting debt service obligations and covenant requirements.
- Post year-end management accounts demonstrate that forecast is being met. The directors are therefore confident that the achievement of the forecast is more likely than the converse.
- The business ended FY25 with a healthy cash balance of $5.3m vis a vis $4.6m in FY24. As before, that business continues to have the ability to quickly make cost structure changes should desired revenue performance be below forecast expectations to ensure that it operates within it's available cash resources and forecasts / reforecasts.

Comparison of cash 1HFY25 with 2HFY25

Cash generated was positive $0.5m in 1HFY25, which nearly doubled to $0.9m in the second half. Had we not incurred significant costs for the strategic review amounting to $0.7m, the cash surplus would have been higher. Hence the operational cash generation would be a lot better if we excluded these costs. Other adjustments to cost structure that included significant headcount reductions caused higher than expected costs in 2HFY25 leading to one off redundancy payments of nearly $0.5m. We expect the benefits of these cost reductions to flow in FY26.

Given the Directors expectations against the background of the above, the 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 4. New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2025.

Note 5. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 11, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 3. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 15 for further information.

Employee benefits provision

As discussed in note 3, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Share-based payment transactions

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity settled share based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Impairment

An impairment loss is recognised for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances.

Internally generated software and research costs

Management monitors the progress of internal research and development projects by using a project management system (PMS). Development time spent on platform development is recorded into the PMS by product segment.

Significant judgement is required in distinguishing research from the development phase. The Group accounting policy requires a detailed forecast of sales or cost savings expected to be generated by the intangible asset to distinguish any research type project phase from the development phase. This forecast is then incorporated into the Group's budgets and forecasts as the capitalisation of development costs commences. This ensures that managerial accounting, impairment testing procedures and accounting for internally generated intangible assets are based on consistent and common data sources.

Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant nontaxable income and expenses and specific limits to the use of any unused tax losses or credits. The Group has taken the view that they will wait for another consecutive period of profitability prior to recognising any losses as a deferred tax asset. Further details are in note 10.

Research and development refundable tax offset

The Group is exploring options to use available research and developments incentives and is examining applicability of relevant schemes to the group in 2025 that qualified for any government Research & Development Tax Offsets.

Going Concern Assessment

Management has assessed the Company's ability to continue as a going concern in light of current economic challenges. While the Company has previously implemented cost reduction measures which have positively impacted financial performance and cash flow, there remains uncertainty in the economic environment. Management continuously monitors cash flow and conducts scenario analyses to ensure adequate liquidity. The use of the going concern basis of accounting is considered appropriate and Management has plans in place to mitigate risks associated with the current economic headwinds and will continue to assess the situation closely to respond to changing circumstances.

Note 6. 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 2025			
	Xref Platform $	Trust Marketplace $	Xref Engage $	Total $
Revenue				
Revenue from external customers	15,307,669	2,088,082	3,918,191	21,313,942
Intersegment sales	212	-	-	212
Total sales revenue	15,307,881	2,088,082	3,918,191	21,314,154
Other revenue	1,749,957		-	1,749,957
Total segment revenue	17,057,838	2,088,082	3,918,191	23,064,111
Intersegment eliminations	-	(212)	-	(212)
Non trading revenue:				
Interest revenue	104,096	-	-	104,096
Total revenue	17,161,934	2,087,870	3,918,191	23,167,995
EBITDA	527,268	569,766	1,239,525	2,336,559
Depreciation and amortisation	(2,311,218)	(123,682)	(407,355)	(2,842,255)
Interest revenue	104,096	-	-	104,096
Finance costs	(1,711,222)	-	116,279	(1,594,943)
Profit before income tax expense	(3,391,075)	446,083	948,450	(1,996,543)
Income tax expense	(9,238)	-	52,436	43,198
Profit after income tax expense	(3,400,312)	446,083	1,000,886	(1,953,345)
Assets				
Segment assets	11,869,664	563,515	1,807,458	14,240,637
Intersegment eliminations				(8,292,990)
Unallocated assets:				
Goodwill				2,950,434
Total Assets				8,898,081
Total assets includes:				
Investments in subsidiaries	8,292,990	-	-	8,292,990
Liabilities				
Segment liabilities	(21,459,874)	(142,498)	(1,946,045)	(23,548,418)
Intersegment eliminations				-
Total liabilities				(23,548,418)

	Consolidated 2024			
	Xref Platform $	Trust Marketplace $	Xref Engage $	Total $
Revenue				
Revenue from external customers	14,046,848	1,835,660	3,977,047	19,859,555
Intersegment sales	1,442	-	-	1,442
Total sales revenue	14,048,290	1,835,660	3,977,047	19,860,997
Other revenue	28,443	2,806	815,920	847,169
Total segment revenue	14,076,733	1,838,465	4,792,967	20,708,166
Intersegment eliminations	-	(1,442)	-	(1,442)
Non trading revenue:				
Interest revenue	31,456	-	6,438	37,894
Total revenue	14,108,189	1,837,023	4,799,405	20,744,618
EBITDA	(2,526,656)	(594,327)	1,327,393	(1,793,590)
Depreciation and amortisation	(1,653,995)	(178,633)	(1,076,382)	(2,909,010)
Interest revenue	31,456	-	6,438	37,894
Finance costs	(992,367)	-	(10,229)	(1,002,596)
Profit before income tax expense	(5,141,560)	(772,960)	247,221	(5,667,302)
Income tax expense	-	-	(13,795)	(13,795)
Profit after income tax expense	(5,141,560)	(772,960)	233,425	(5,681,097)
Assets				
Segment assets	22,746,472	734,578	2,218,275	25,699,325
Intersegment eliminations				(8,292,972)
Unallocated assets:				
Goodwill				2,950,434
Total Assets				20,356,787
Total assets includes:				
Investments in subsidiaries	8,292,972	-	-	8,292,972
Liabilities				
Segment liabilities	(23,706,684)	(223,731)	(2,274,981)	(26,205,396)
Intersegment eliminations				-
Total liabilities				(26,205,396)

Geographical information

	Revenue from external customers		Geographical non-current assets	
	2025 $	2024 $	2025 $	2024 $
Australia	16,867,372	15,608,531	7,334,074	8,482,781
Canada	843,461	623,832	45,673	39,062
United Kingdom	1,446,370	684,150	-	-
New Zealand	882,996	1,728,824	1,317	-
United States	1,273,955	1,214,217	-	-
	21,314,154	19,859,555	7,381,063	8,521,843

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post- employment benefits assets and rights under insurance contracts.

Note 7. Revenue

	Consolidated 2025 $	2024 $
Revenue from contracts with customers		
- Xref Platform	15,307,881	14,046,848
- Trust Marketplace	2,088,082	1,835,660
- Xref Engage	3,918,191	3,977,047
Total revenue	21,314,154	19,859,555
Other revenue		
Interest	104,096	37,894
Government grants	-	146,829
Deferred grants amortised (Total R& D cash incentive received in Jan 2025 - $2,350,869)	1,645,861	-
Other revenue	-	31,829
	1,749,957	216,552
Total revenue and other income	23,064,111	20,076,107

Disaggregation of revenue

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

	Consolidated 2025			
	Xref Platform $	Trust Marketplace $	Xref Engage $	Total $
Revenue from customers				
Revenue	15,307,881	2,088,082	3,918,191	21,314,154
Geographical regions				
Australia	10,861,100	2,088,082	3,918,191	16,867,373
Canada	843,461	-	-	843,461
United Kingdom	882,995	-	-	882,995
New Zealand	1,446,370	-	-	1,446,370
United States	1,273,955	-	-	1,273,955
	15,307,881	2,088,082	3,918,191	21,314,154
Timing of revenue recognition				
Goods transferred at a point in time	1,829,534	2,088,082	1,007,779	4,925,395
Services transferred over time	13,478,348	-	2,910,411	16,388,759
	15,307,882	2,088,082	3,918,190	21,314,154

	Consolidated 2024			
	Xref Platform $	Trust Marketplace $	Xref Engage $	Total $
Revenue from customers				
Revenue	14,046,848	1,835,660	3,977,047	19,859,555
Geographical regions				
Australia	9,797,267	1,834,218	3,977,047	15,608,532
Canada	623,832	-	-	623,832
United Kingdom	682,206	1,944	-	684,150
New Zealand	1,728,824	-	-	1,728,824
United States	1,214,217	-	-	1,214,217
	14,046,346	1,836,162	3,977,047	19,859,554
Timing of revenue recognition				
Goods transferred at a point in time	5,709,938	1,836,162	1,617,955	9,164,055
Services transferred over time	8,336,408	-	2,359,092	10,695,500
	14,046,346	1,836,162	3,977,047	19,859,555

Note 8. Overheads and administrative expenses

	Consolidated 2025 $	2024 $
Accounting and consulting fees	131,777	196,046
Auditing or reviewing the financial report	133,500	113,156
Legal expenses	752,352	254,847
Marketing fees	488,320	465,027
Consulting and professional fees	460,733	308,977
Administration expenses	2,524,386	3,121,120
Platform expenses	584,098	792,588
Operating lease payments	609,233	456,548
	5,684,399	5,708,308

Auditors remuneration

	Consolidated 2025 $	2024 $
Fees charged by Audit Firm		
Financial statement audit and review	133,500	113,156

Note 9. Depreciation, amortisation and impairment expenses

	Consolidated 2025 $	2024 $
Depreciation, amortisation and impairment expenses		
Depreciation	68,498	466,104
Depreciation ROU Asset	92,389	418,394
Amortisation	2,681,367	2,024,512
	2,842,254	2,909,010

Note 10. Income tax expense

Xref Limited has operating subsidiaries in Australia, the UK, New Zealand, USA and Canada which are expected to accumulate tax losses.

(a). Reconciliation of effective tax rate :

	Consolidated 2025 $	2024 $
Profit (loss) before income tax expense	(1,996,544)	(5,667,302)
Tax at the statutory rate of 25% (2024: 25%)	(499,136)	(1,416,826)
Impact of tax effect:		
Increase in deferred tax asset not brought to account	649,920	1,313,985
Permanent differences	21,246	6,369
Adjustment for foreign tax rates	(209,228)	96,472
Income tax paid by subsidiaries	(6,000)	13,795
Income tax expense for the year	(43,198)	13,795

b. Deferred tax assets and liabilities

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax losses or credits. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full.

The company has not yet raised a deferred tax entry as the Group is not certain whether the tax losses carried forward can be utilised in the foreseeable future. The deferred tax asset position of the Group, which has not been brought to account is $8,734,247 (2024: $7,420,263).

Note 11. Current assets—trade and other receivables

	Consolidated 2025 $	2024 $
Current		
Trade receivables	1,989,736	2,725,212
Other receivables	-	31,936
Total current trade and other receivables	1,989,736	2,757,148

Trade debtors and other receivables are non interest bearing and receipt is normally on 30 days terms. Therefore, the carrying value of trade debtors and other receivables approximates its fair value.

All receivables are subject to credit risk exposure.

The maximum exposure to credit risk at the reporting date is the carrying amount of trade debtors and other receivables as disclosed above. The Group does not hold any collateral as security.

The Group's management considers that all financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality. None of the Group's financial assets are secured by collateral or other credit enhancements.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. No allowance for expected credit losses was deemed to be necessary.

As at 30 June 2025, the ageing analysis of trade receivables past due but not impaired is detailed as follows:

	2025 $	2024 $
0-30 days in terms	1,544,521	2,036,315
30-90 days overdue	429,258	694,903
90 days+ overdue	15,957	(6,006)
	1,989,736	2,725,212

Note 12. Current assets—cash and cash equivalents

	Consolidated 2025 $	 2024 $
Cash at bank and in hand	5,287,493	4,593,835

Note 13. Current assets—Contract assets

	Consolidated 2025 $	 2024 $
Capitalised Commission Credit Sales	300,879	443,100
Capitalised Commission Subscriptions	475,638	525,025
	776,517	968,125

(a). Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	2025 $	2024 $
Opening Balance	989,251	1,149,378
Additions	1,113,386	1,074,626
Recognition as expenses	(1,299,767)	(1,239,660)
Balancing adjustment due to forex	8,688	4,907
Closing balance	811,558	989,251
Current (within 12 months)	776,517	978,688
Non-Current (12-18 months)*	35,041	10,563
Total contract liabilities	811,558	989,251

** reported in Non-current assets - Other assets*

Note 14. Non current assets—right of use assets

	Consolidated 2025 $	 2024 $
Right of use assets—Land and Buildings	724,166	1,377,469
Less: Accumulated depreciation	(708,775)	(1,271,471)
	15,391	105,998

There were no additions made to right-of-use assets during the year. All new leases held are for a currency of one year or less as of the date of the balance sheet.

The Group leases office buildings for its offices under agreements which have terms remaining of no longer than 1 year and 2 months as at 30 June 2025. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 15. Non current assets—intangible assets

	Consolidated	
	2025 $	2024 $
Goodwill *	2,950,434	2,950,434
Less: Accumulated impairment	-	-
	2,950,434	2,950,434
Website	325,000	325,000
Less: Accumulated amortisation	(325,000)	(325,000)
	-	-
Patents, trademarks and other rights	853,737	853,737
Less: Accumulated amortisation	(229,748)	(139,878)
	623,989	713,859
Customer relationships	847,000	847,000
Less: Accumulated amortisation	(302,500)	(181,500)
	544,500	665,500
Licenses	50,000	50,000
Less: Accumulated impairment	-	-
	50,000	50,000
Domain Names	113,958	113,958
Less: Accumulated amortisation	(50,607)	(38,920)
	63,351	75,038
Software development	10,960,284	9,063,667
Less: Accumulated amortisation	(4,929,793)	(2,470,714)
	6,030,491	6,592,953
Total intangibles	10,262,765	11,047,785

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:
Movements in carrying amounts of intangible assets.

Consolidated	Patents, trademarks and other rights $	Customer Relationships $	Licenses $	Domain Names $	Software Development $	Website $	Goodwill $	Total $
Balance at 1 July 2023	786,645	804,650	50,000	86,220	5,280,645	54,612	2,950,434	10,013,206
Additions	-	-	-	-	3,058,821	-	-	3,058,821
Amortisation expense	(90,666)	(121,000)	-	(11,451)	(1,746,513)	(54,612)	-	(2,024,242)
Balance at 30 June 2024	695,979	683,650	50,000	74,769	6,592,953	-	2,950,434	11,047,786
Additions	-	-	-	-	1,896,617	-	-	1,896,617
Amortisation expense	(89,870)	(121,000)	-	(11,687)	(2,459,078)	-	-	(2,681,635)
Balance at 30 June 2025	606,109	562,650	50,000	63,082	6,030,491	-	2,950,434	10,262,765

Impairment testing

Goodwill acquired through business combination has been allocated to the following cash-generating units:

	Consolidated 2025 $	2024 $
RapidID	1,333,986	1,333,986
Voice Project	1,616,248	1,616,248
	2,950,234	2,950,234

1. RapidID

The recoverable amount of the consolidated entity's goodwill has been determined as the higher of the asset's value in use and its fair value less cost of disposal using a discounted cash flow model, based on a 5-year projection period approved by management and the board, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for RapidID:

• 17% post-tax discount rate;
• The business very conservatively runs with the FY25 exit revenue base with 5 – 6 % revenue growth in FY2026 thereafter p.a;
• 15% of revenue per annum in operating expenses, and 14% of revenue per annum in payroll expense;
• 52% - 56% per annum in gross margin; and
• 3% terminal value growth rate.

Management has estimated $2.1M in revenue in FY26 similar to FY25, however with the launch of Trust Marketplace (where ID checks have been introduced into the employment sector) revenue is expected to ramp FY26 and onwards.

Based on the above, the recoverable amount of RapidID computed using a discounted cash flow model returned a positive value exceeding the carrying amount of its net assets (excluding cash) indicating that the CGU is not impaired.

Given the level of headroom in the model, management believes that any reasonable possible changes in the key assumptions on which the recoverable amount of RapidID's goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

2. Xref Engage (formerly Voice Project)

The recoverable amount of the consolidated entity's goodwill has been determined as the higher of the asset's value in use and its fair value less cost of disposal using a discounted cash flow model, based on a 5-year projection period approved by management and the board, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for Voice Project:

• 17% post-tax discount rate;
• 0% per annum average projected revenue growth rate during the forecast period;
• 38% of revenue per annum in wages during the forecast period;
• 15% of revenue per annum in operating expenses during the forecast period;
• 2.5 % terminal value growth rate.

Xref Engage's (formerly Voice Project) revenue is assumed to stay flat due to recent changes in employee structure.

Based on the above, the recoverable amount of Xref Engage computed using a discounted cash flow model returned a positive value exceeding the carrying amount of its net assets (excluding cash) indicating that the CGU is not impaired.

Sensitivity

The key sensitivities are as follows:

• If sales growth were negative 5% over the 5-year period, the headroom will still be positive, all other assumptions remaining consistent.
• Break even WACC is 21.5%, all other assumptions remining consistent.

Note 16. Current liabilities—trade and other payables

	Consolidated	
	2025	2024
	$	$
Trade payables	609,301	744,436
Accrued interest	115,142	-
GST payable	349,235	423,395
Accrued salaries, wages and related costs	214,655	377,075
Non trade payables and accrued expenses	430,916	693,725
Superannuation payable	290,826	296,794
	2,010,075	2,535,426

Refer to note 25 for further information on financial instruments. Trade creditors and other payables are non-interest bearing and normally settled on 30 day terms; therefore, their carrying amount approximates their fair value.

Note 17. Financial liabilities

	Consolidated	
	2025	2024
	$	$
Current		
Lease Liability	15,070	90,856
Borrowing [*refer note (a) below*]	2,495,568	1,130,114
Total current borrowings	2,510,638	1,220,970
Non-current		
Lease Liability	-	13,386
Borrowing [*refer note (a) below*]	5,322,231	7,224,074
Total non-current borrowings	5,322,231	7,237,461
Total borrowings	7,832,869	8,458,430

a. Borrowing facilities	2025 $	2024 $
Reconciliation		
Loan	8,396,947	8,320,964
Initial transaction Cost	(71,018)	(71,018)
Principal repayments	(757,595)	-
PIK Interest Capitalised	230,916	-
Amortisation of transaction costs	18,550	-
	7,817,799	8,249,946

Terms of the loan established with Element SaaS Finance LLC for USD $5.5m are given below:

The key terms of the facility are:

- Facility Limit: USD $5.5m
- Term: 4-year term;
- Interest Rate: 14% p.a. interest rate, paid monthly plus 2.75% p.a. accruing over the term of the loan and paid at maturity.
- Amortisation: 9-month interest only period following drawdown with monthly principal amortisation thereafter.
- Security: first-ranking charge over all assets of the Company and its Australian subsidiaries, supported by subsidiary guarantees.
- Prepayment: the facility may be prepaid at any time during the term in part or in whole (subject to early exit fees which reduce every 12 months of the loan term).
- Cash Balance covenant tested monthly during the loan term.

Note 18. Employee benefits

	2025 $	2024 $
Employee benefits - current (short-term)	1,013,189	1,266,956
Employee benefits - non-current (long-term)	259,385	445,930
Total Employee Benefits	1,272,574	1,712,886

Short–term employee benefits represent accruals for leave entitlements as at the reporting date, and the Group’s obligation to its current employees that are expected to be settled within 12 months of the balance date.

Long–term employee benefits represent accruals for leave entitlements as at the reporting date, and the Group’s obligation to its current employees that are expected to be settled beyond 12 months of the balance date.

Note 19. Contract Liabilities

	2025 $	2024 $
Xref unearned revenue movement		
Opening balance - Xref	10,955,491	11,217,734
Xref Sales	13,950,606	13,808,766
Add: Opening conditional credits	22,962	992,194
Less: Credit Usage & Subscriptions recognised	(15,252,353)	(15,143,998)
Less: Closing conditional credits	-	22,962
	(1,278,785)	(320,076)
Foreign exchange revaluation impacts	105,775	57,833
Closing balance – Unearned revenue Xref	9,782,481	10,955,491
Trust Marketplace unearned revenue movement		
Opening balance - Trust Marketplace	55,101	59,980
Add: Prepaid Checks Sold	-	-
Less: Prepaid Checks Used	(55,101)	(4,879)
Closing balance - Unearned revenue Trust Marketplace	-	55,101
Engage unearned revenue movement		
Opening balance - Engage	1,725,350	1,173,658
Add: Platform subscriptions sold	2,865,489	2,910,784
Less: Subscriptions recognised	(2,936,941)	(2,359,092)
Closing balance - Unearned revenue Engage	1,653,898	1,725,350
Total group unearned revenue	11,436,379	12,735,942
Current (within 12 months)	10,916,140	12,580,855
Non-Current (12-18 months)	520,239	155,087
Total contract liabilities	11,436,379	12,735,942

Note 20. Other Liabilities

Other liabilities represent the deferred grants being the R&D tax incentive received in FY2025 relating to R&D expenditure incurred in FY 2024. Also included here is the non-current deferred tax liability taken up on identifiable intangible assets acquired from Xref Engage (formerly Voice Project).

	2025 $	2024 $
Current		
Contingent consideration	-	523,256
Deferred grants	280,909	
Deferred tax liability	-	-
Total other liabilities - Current	280,909	523,256
Non- Current		
Deferred tax liability	291,261	343,697
Deferred grants	424,352	
Total other liabilities - Non current	715,613	343,697

Note 21. Equity—issued capital

	2025 Shares	2024 Shares	2025 $	2024 * $
Ordinary shares—fully paid	220,089,764	188,203,266	59,261,865	55,405,847

	Date	Shares	Issued price / $	Total $
Balance	1 July 2023	185,296,289		55,100,613
Issued under share based remuneration		-	-	-
Issued as business acquisition consideration		2,906,977		305,234
Options exercised		-	-	-
Warrants exercised		-	-	-
	30 June 2024	188,203,266		55,405,847
Issued under share based remuneration		-	-	-
Shares issued during the year (net of transaction costs)		27,926,443	0.13	3,449,036
Issued as business acquisition consideration		2,906,977	0.34	406,982
Options exercised		1,053,078	-	-
Warrants exercised		-	-	-
	30 June 2025	220,089,764		59,261,865

During the year ended 30 June 2025

No shares were issued under share-based remuneration during the year and all shares issued due to exercising of Options were from the employee share trust..

During the year ended 30 June 2024

No shares were issued under share-based remuneration or due to exercising of Options or Warrants.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company is seen as value adding or earnings accretive relative to the current company's share price / earning potential at the time of the investment. The Group is not actively pursuing additional investments in the short term.

The Group is in compliance with its loan covenants and expects to meet all covenants at the next review. The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

Note 22. Equity—other equity reserves

	2025 $	2024 $
Foreign currency reserve	(1,137,503)	(650,918)
Share options reserve	2,590,491	2,545,543
Share warrants	308,571	308,571
Consolidation Reserve	(22,845,821)	(22,845,821)
	(21,084,262)	(20,642,625)

Foreign Currency Reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

a). Share options and related reserves

Employee Stock Option Plans (ESOPs) have been granted to certain employees and Executive Stock Option Plans have been granted to executives as part of their remuneration packages. These grants vest over time periods between 0 to 3 years, subject to the vesting condition that they are in current employment with the group. There are no other vesting conditions attached. The options expire one month from termination for holders of vested options or one month after termination in all other instances. Vested options expire between 1 and 3 years from the vesting date for current employees.

	Issue Date	Expiry Date	Average exercise price in $A per share	Options	Option Reserve $
Granted	4/12/2018	3/09/2023	$0.66	-	36,570
Granted	20/07/2020	15/01/2024	$0.35	-	50,020
Granted	20/07/2020	15/01/2024	$0.35	-	9,300
Granted	20/07/2020	15/01/2024	$0.35	-	1,040
Granted	7/09/2020	15/01/2024	$0.18	-	114,000
Granted	7/09/2020	15/01/2024	$0.18	-	114,000
Granted	26/11/2021	17/11/2024	$0.35	-	233,944
Granted	26/11/2021	17/11/2024	$0.54	-	809,606
Granted	5/07/2022	5/07/2025	$0.00	82,500	231,812
Granted	5/07/2022	5/07/2026	$0.50	3,140,000	548,000
Granted	5/07/2022	5/07/2026	$0.42	1,103,241	204,876
Granted	20/02/2023	20/02/2026	$0.00	30,000	68,600
Granted	20/02/2023	20/02/2027	$0.50	680,000	60,200
Granted	20/02/2023	20/02/2027	$0.42	532,500	55,125
Granted	31/03/2024	15/09/2024	$0.18	-	8,000
Granted	21/03/2025	21/03/2028	$0.20	1,800,000	45,397
Closing Balance		30/06/2025		7,368,241	2,590,491

	Issue Date	Expiry Date	Average exercise price in $A per share	Options	Option Reserve $
Granted	4/12/2018	9/3/2023	$0.66	-	36,570
Granted	20/07/2020	1/15/2024	$0.35	-	50,020
Granted	20/07/2020	1/15/2024	$0.35	-	9,300
Granted	20/07/2020	1/15/2024	$0.35	-	1,040
Granted	7/09/2020	1/15/2024	$0.18	-	114,000
Granted	7/09/2020	1/15/2024	$0.18	-	114,000
Granted	26/11/2021	11/17/2024	$0.35	600,000	234,394
Granted	26/11/2021	11/17/2024	$0.54	2,700,000	809,606
Granted	5/07/2022	7/5/2025	$0.00	411,859	231,812
Granted	5/07/2022	7/5/2026	$0.50	4,020,000	548,000
Granted	5/07/2022	7/5/2026	$0.42	1,343,241	204,876
Granted	20/02/2023	2/20/2026	$0.00	245,000	68,600
Granted	20/02/2023	2/20/2027	$0.50	860,000	60,200
Granted	20/02/2023	2/20/2027	$0.42	612,500	55,125
Granted	31/03/2024	9/15/2024	$0.18	4,000,000	8,000
Closing Balance		6/30/2024		14,792,600	2,545,543

The weighted average exercise price for the financial year 2025 was $0.35 (FY2024: $0.38).

Options Reserve

During the year ended 30 June 2025, 1,800,000 options were issued of which 600,000 vested immediately on the issue date at the exercise price of $0.20 due to expire on 21 March 2028; 5,000 options lapsed, 8,152,500 options expired, and 1,053,078 (160,000 in FY2024) options were exercised.

For the options granted during the financial year 2025, the valuation model (Black-Scholes Option Pricing Model) inputs used to determine the fair value as at the grant date are given below:

	Issue Date	Expiry Date	Share price at the date of the grant	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date
Granted	21/03/2025	21/03/2028	$0.14	$0.20	69%	4.10%	$0.0540

Vested Options

Options vested and therefore exercisable	Expiry Date	2025	2024
Options vested - Lija Wilson	11/17/2024	-	300,000
Options vested - Lija Wilson	11/17/2024	-	300,000
Options vested - Thomas Stianos	11/17/2024	-	1,800,000
Options vested - Nigel Heap	11/17/2024	-	900,000
Options Vested - Employees and Contractors	7/5/2025	52,500	381,859
Options Vested - Employees and Contractors	7/5/2026	2,890,000	3,770,000
Options Vested - Employees and Contractors	7/5/2026	1,028,241	1,268,241
Options vested - Robert Waring	7/5/2025	30,000	30,000
Options vested - Robert Waring	7/5/2026	250,000	250,000
Options vested - Robert Waring	7/5/2026	75,000	75,000
Options Vested - James Solomons	3/31/2024	-	2,000,000
Options Vested - Sharon Blesson	3/31/2024	-	2,000,000
Options Vested - Engage employees	2/20/2026	30,000	-
Options Vested - Engage employees	2/20/2027	1,212,500	-
Options Vested - Jake Phillpot	3/21/2028	300,000	-
Options Vested - Jon Newbery	3/21/2028	300,000	-
		6,168,241	13,075,100

The weighted average share price for the current financial year was $0.15 (2024: $0.14)

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.

Warrant reserve

In conjunction with the loan facility agreement executed on 31 July 2020, a warrant deed was also signed with Pure Asset Management on the same date (Note 17). Consequently, 14,285,714 detached warrants were issued to Pure Asset Management with an exercise option price of $0.35 each exercisable within the next 4-year period. The fair value of the warrants was determined using the Black-Scholes model with a volatility rate of 62% and a grant date share price of $0.13 was $385,714 as originally assessed. On 6 December 2021, Pure Asset Management exercised 2,857,142 warrants at $0.35 each, reducing the fair value of the warrant reserve to the current carrying value of $308,571.

On 23 July 2024 the remaining 11,428,572 warrants expired having not been exercised. Refer to ASX announcement of 6 August 2024.

Note 23. Equity—dividends

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

Note 24. Earnings per share

Basic EPS amounts are calculated by dividing the profit 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 profit 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 (where the exercise price is currently below the current share price). The Group recorded a loss for the year ended 30 June 2025 and a loss for the year ended 30 June 2024.

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

	Consolidated 2025 $	2024 $
Loss after income tax attributable to the owners of Xref Limited	(1,953,345)	(5,681,097)
Weighted average number of ordinary shares used in calculating basic earnings per share	196,230,047	186,968,467
Weighted average number of ordinary shares used in calculating diluted earnings per share	196,342,547	194,532,302
	Cents	Cents
Basic earnings / (loss) per share	(0.995)	(3.04)
Diluted earnings / (loss) per share	(0.995)	(2.92)

Note 25. Financial instruments

a. Classification of financial instruments

The carrying amounts presented in the statement of financial position relate to the following categories of financial assets and liabilities

Group 2025	Cash, trade and other receivables; trade and other creditors	Financial liabilities at amortised cost	Total $
Financial assets			
Cash and cash equivalents	5,287,493	-	5,287,493
Trade debtors and other receivables	2,127,339	-	2,127,339
Total	7,414,832	-	7,414,832
Financial liabilities			
Trade creditors and other payables	1,536,214	-	1,536,214
Financial liabilities incl. leases	-	7,832,869	7,832,869
Total	1,536,214	7,832,869	9,369,083

Group 2024	Cash, trade and other receivables; trade and other creditors	Financial liabilities at amortised cost	Total $
Financial assets			
Cash and cash equivalents	4,593,835	-	4,593,835
Trade debtors and other receivables	2,874,510	-	2,874,510
Total	7,468,345	-	7,468,345
Financial liabilities			
Trade creditors and other payables	2,136,214	-	2,136,214
Financial liabilities incl. leases	-	8,354,188	8,354,188
Total	2,136,214	8,354,188	10,490,403

b. Financial instrument risk management

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity Risk
- Market Risk

The Group are exposed to market risk through their use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

The Group has a series of policies to manage the risk associated with financial instruments. Policies have been established which do not allow transactions that are speculative in nature to be entered into and the Group is not actively engaged in the trading of financial instruments. As part of this policy, limits of exposure have been set and are monitored on a regular basis.

i. Credit risk

Credit risk is the risk that a third party will default on its obligation to the Group, causing the Group to incur a loss.

The Group has no significant concentration of risk in relation to cash and cash equivalents, trade debtors and other financial assets.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls.

ii. Liquidity risk

Liquidity risk represents the Group’s ability to meet is contractual obligations as they fall due. The Group manages liquidity risk by managing cash flows and ensuring that adequate cash is in place to cover any potential shortfalls.

All amounts shown as current financial liabilities are expected to be paid on demand and without interest. Financial liabilities outstanding at the end of the financial year represent the loan established with Element SaaS Finance LLC for AUD 8.4m (USD $5.5m) bearing an Interest Rate of 14% p.a., paid monthly plus 2.75% p.a. accruing over the term of the loan and paid at maturity.

The Group's financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

		Contractual cash-flow maturities					
Group 2025	Carrying amounts	Total contractual cash-flows	0-6 months	6-12 months	1 - 2 years	2-5 years	Later than 5 years
Trade creditors and other payables	1,719,249	1,719,249	1,719,249	-	-	-	-
Superannuation payable	290,826	290,826	290,826	-	-	-	-
Financial liabilities incl. leases	7,832,869	9,929,171	1,719,554	1,704,484	3,408,968	3,096,165	-
Total	9,842,944	11,939,246	3,729,629	1,704,484	3,408,968	3,096,165	-

		Contractual cash-flow maturities					
Group 2024	Carrying amounts	Total contractual cash-flows	0-6 months	6-12 months	1 - 2 years	2-5 years	Later than 5 years
Trade creditors and other payables	2,136,214	2,286,086	2,286,086	-	-	-	-
Superannuation payable	296,794	296,794	296,794	-	-	-	-
Financial liabilities incl. leases	8,354,188	9,800,075	183,844	1,259,027	2,523,236	5,833,968	-
Total	10,787,196	12,382,955	2,766,724	1,259,027	2,523,236	5,833,968	-

iii. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

iv. Foreign exchange risk

The Group is exposed to fluctuations in foreign currency exchange rates as a result of maintaining foreign currency denominated bank accounts and entering into foreign currency transactions. Thus, the Group will incur a foreign exchange gain or loss each year due to the appreciation and depreciation of the Australian dollar relative to other currencies including the United States dollar, the Canadian dollar and the UK Pounds Sterling.

The exposure to currencies of the Group is as follows:

	2025 $	2024 $
Canadian Dollars	133,509	82,731
UK Pound Sterling	231,130	196,187
New Zealand Dollars	516,962	262,474
United States Dollar	2,032,650	1,984,309
Total	2,914,251	2,525,701

The potential impact on the bank accounts, net deficits and equity movements in foreign currency exchange rates (calculated by applying the change in foreign exchange rate to foreign currencies held at balance date) is indicated below:

Potential Foreign Exchange Rate Fluctuation Impact on valuation of holding in:	5% $	10% $	20% $
Canadian Dollars	6,675	13,351	26,702
UK Pound Sterling	11,557	23,113	46,226
New Zealand Dollar	25,848	51,696	103,392
United States Dollar	101,633	203,265	406,530
Total impact of potential change in exchange rate	145,713	291,425	582,850

Foreign exchange risk

Currency risk is the risk that the fair value of financial instruments will fluctuate due to a change in foreign exchange rates.

Most of the Group transactions are carried out in Australian Dollars (AUD). Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in United Kingdom Pounds Sterling (GBP) , Canadian dollars (CAD), New Zealand Dollar (NZD) and United States Dollar (USD).

The Group monitors foreign expenditure, seeking favourable terms when it is time to for further funding. By adopting this passive strategy, it expects its average foreign exchange rates to reflect the average foreign exchange rate for the year.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into AUD at the closing rate:

30 June 2025 – Group	Australia	United Kingdom	Short-term exposure Canada	New Zealand	United States
Financial Assets	5,840,321	351,891	283,567	539,871	261,579
Financial Liabilities	(1,372,450)	(25,626)	(77,625)	(75,583)	(2,495,568)
Net statements of financial position exposure	4,467,871	326,265	205,942	464,288	(2,233,989)

30 June 2025 – Group	Australia	United Kingdom	Long-term exposure Canada	New Zealand	United States
Financial Assets	101,458	-	36,144	-	-
Financial Liabilities	-	-	-	-	(5,322,231)
Net statements of financial position exposure	101,458	-	36,144	-	(5,322,231)

30 June 2024 – Group	Australia	United Kingdom	Short-term exposure Canada	New Zealand	United States
Financial Assets	6,322,941	273,789	141,903	359,873	252,478
Financial Liabilities	(2,143,121)	(48,988)	(151,135)	(83,626)	29,373
Net statements of financial position exposure	4,179,820	224,801	(9,232)	276,247	281,851

30 June 2024 – Group	Australia	United Kingdom	Long-term exposure Canada	New Zealand	United States
Financial Assets	97,458	-	19,904	-	-
Financial Liabilities	-	-	(13,386)	-	(8,249,946)
Net statements of financial position exposure	97,458	-	6,518	-	(8,249,946)

Foreign exchange risk

Sensitivity analysis

The following analysis illustrates the sensitivity of profit and equity in regard to the Group's financial assets and financial liabilities carried in foreign currencies. It assumes a 5+/- % change in exchange rates for the year ended at 30 June 2025 (2024: 5%).

The percentage movement has been determined based on the average exchange rate market volatility for the AUD in the previous 12 months.

	2025		2024	
Group	Loss for the year	Equity	Loss for the year	Equity
5% (2024: 5%) increase in AUD against foreign currencies	(1,974,981)	(4,849,654)	(5,575,036)	(5,266,860)
5% (2024: 5%) decrease in AUD against foreign currencies	(1,923,574)	(3,969,497)	(5,722,058)	(5,074,386)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

Interest rate risk

Interest rate risk is the risk that cash flows from a financial instrument will fluctuate because of changes in market interest rates.

In relation to bank loans, there is no exposure to interest rate risk to the Group as these have fixed interest rates.

Note 26. Cash Flow Information

(a). Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

Reconciliation of operating profit to operating cash flows	2025 $	2024 $
Operating profit	(1,953,345)	(5,681,097)
Adjustments for non cash items included in operating cash flows:		
Deferred grant	705,261	-
Unearned revenue	(1,299,563)	284,570
Shares based payments	44,948	(92,820)
Gains on fair value measurements of contingent consideration	(116,279)	(668,511)
Unrealised foreign exchange	(181,736)	79,871
Loss on disposal of assets	88,055	356,059
Bad debts written off	28,269	42,900
Depreciation, amortisation and impairment	2,842,255	2,599,886
Deferred tax	(52,436)	78,653
Financing costs	18,550	324,059
Interest expense on borrowing	1,711,222	1,003,120
Working Capital Changes:		
(Increase)/decrease in trade and other receivables	739,143	17,266
(Increase)/decrease in prepayments	(30,434)	439,435
(Increase)/decrease in contract assets	202,171	160,127
Increase/(decrease) in trade and other payables	(945,222)	36,997
Increase/(decrease) in employee benefits	(440,312)	340,688
Net cash from operating activities	1,360,547	(678,797)

Note 27. Related Parties

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 an arms length basis, none of the transactions included special terms, conditions or guarantees. The following transactions were carried out with related parties *a. Purchase of services*

	2025 $	2024 $
OakHill Hamilton - Rob Waring remuneration paid	105,704	68,750
Manh Consulting - Jon Newbery remuneration paid	17,716	-
West Riding Investments - Rental payment to Lee Seymour	5,815	8,006
Payments to Key Management Personnel	129,235	76,756

b. Other related party balances

Other related party balances Loans to directors for the year ended 30 June 2025 amounted to $0 (2024: $0).

c. Key management compensation see information below

	2025 $	2024 $
Short term employee benefit	1,636,611	1,422,138
Post employment benefits	124,592	104,469
Share based payments	45,848	8,000
	1,807,051	1,534,607

Note 28. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

	Level 1 $	Level 2 $	Level 3 $	Total $
Consolidated - 30 June 2025				
Other liabilities				
Contingent consideration - Earnout payable in shares at FVTPL	0	0	0	0
Total liabilities	0	0	0	0
Consolidated - 30 June 2024				
Other liabilities				
Contingent consideration	0	0	523,256	523,256
Total liabilities	0	0	523,256	523,256

Contingent consideration represents part consideration payable to the vendors of Xref Engage (formerly Voice Project) acquired in a business combination in FY2023.

	Fair value at 2025 $	2024 $	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Subsidiary acquired				
Engage	-	523,256	The first and second earn out are payable in XRef ordinary shares following the first and second full year of operations of The Voice . Contingent consideration value recorded is based on assumptions regarding meeting certain annual EBITDA hurdles (unobservable input to valuation) and the ASX share price on the final assessment and share issue date	For both the first and second earn out, the fair value of the contingent consideration recorded as a liability at both 30 June 2023 and 30 June 2024 assumes that 100% of the EBITDA target will be achieved. If less than 50% if the EBITDA target is achieved, no earn out is payable. If between 50% and 99% of the EBITDA target is achieved, the earn out will increase progressively from 1% to 99% respectively.
Total	0	523,256		

Level 1-3 assets and liabilities

Movement in level 1-3 assets and liabilities during the current and previous financial year are set out below:

Contingent Consideration	Total $
Consolidated	
Balance as at 30 June 2023	1,497,000
FVTPL Expense / (Gain) recognised in profit or loss	(668,511)
Additions	0
Settlement	(305,233)
Balance at 30 June 2024	523,256
FVTPL Expense / (Gain) recognised in profit or loss	(116,279)
Additions	0
Settlement	(406,977)
Balance at 30 June 2025	0

Note 29. Contingencies

In the opinion of the Directors, the Company did not have any contingent assets or liabilities at 30 June 2025.

Note 30. Parent entity

Set out below is the supplementary information about the parent entity.

	2025 $	2024 * $
Statement of Profit or Loss and Other Comprehensive Income		
Loss after income tax	(437,880)	(1,617,376)
Total comprehensive income/ (loss)	(437,880)	(1,617,376)
Statement of Financial Position		
Assets		
Total non current assets	37,450,360	38,337,571
Total Assets	37,450,360	38,337,571
Liabilities		
Total current liabilities	523,256	812,000
Total non-current liabilities	-	685,000
Total Liabilities	523,256	1,497,000
Net Assets	36,927,104	36,840,571
Equity		
Issued capital	55,405,846	55,100,613
Reserves	3,166,114	2,946,934
Retained profits	(21,644,856)	(21,206,976)
Total Equity	36,927,104	36,840,571

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

There are no guarantees entered into by the parent entity in relation to any of its subsidiaries in 2025 and 2024.

Contingent liabilities

The Company did not have any contingent liabilities at 30 June 2025.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment in 2025 and 2024.

Note 31. Events Occurring After the Reporting Date

The Remuneration and Nominations Committee has approved executive bonuses of $160,000 subsequent to 30 Jun 2025, and has been accrued in the financials for FY2025.

Note 32. Consolidated Entity Disclosure Statement

Entity Name	Body Corporate, Partnership or Trust	Country of Incorporation / Formation	Principal place of business	% of Share Capital held directly or indirectly by the Company in the body corporate	Australian or Foreign Tax Resident	Jurisdiction for Foreign tax resident
Xref Limited (*Holding Company*)	Body Corporate	Australia	Australia	N/A	Australian	Australia
Xref AU Pty Limited	Body Corporate	Australia	Australia	100%	Australian	Australia
Xref Engage Pty Limited	Body Corporate	Australia	Australia	100%	Australian	Australia
Voice Project Pty Limited	Body Corporate	Australia	Australia	100%	Australian	Australia
RapidID Pty Limited	Body Corporate	Australia	Australia	100%	Australian	Australia
TMP Digital Verifications Pty Limited	Body Corporate	Australia	Australia	100%	Australian	Australia
Xref Employee Share Trust	Trust	Australia	Australia	100%	Australian	Australia
Xref (NZ) Pty Limited	Body Corporate	New Zealand	New Zealand	100%	Foreign	New Zealand
Xref (UK) Limited	Body Corporate	United Kingdom	United Kingdom	100%	Foreign	United Kingdom
Xref Referencing CA Limited	Body Corporate	Canada	Canada	100%	Foreign	Canada
Xref LLC	Body Corporate	United States of America	United States of America	100%	Foreign	United States of America

Key assumptions and judgements - Determination of tax residency

Section 295 (3A) of the *Corporation Acts 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, “Australian resident” has the meaning provided in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency

  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation’s public guidance in *Tax Ruling TR 2018/5*.

- Foreign tax residency

  The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Director’s Declaration

In the opinion of the directors of Xref Limited (“the Company”):

1. The consolidated financial statements and notes for the year ended 30 June 2025 are in accordance with the Corporations Act 2001 and

   a. comply with Accounting Standards, 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. complies with the Corporations Regulations 2001 and other mandatory professional reporting requirements;

   c. 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 year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   b. the financial statements and notes for the financial year comply with the Accounting Standards; and

   c. the financial statements and notes for the financial year give a true and fair view.

3. 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.

4. the Consolidated entity disclosure statement as at 30 June 2025 set out in note 32 is true and correct.

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

Lee-Martin Seymour Managing Director 28 August 2025 Sydney	**Thomas Stianos** Chairman 28 August 2025 Sydney

Crowe Sydney
ABN 97 895 683 573
Level 24, 1 O'Connell Street
Sydney NSW 2000
Main +61 (02) 9262 2155
Fax +61 (02) 9262 2190
www.crowe.com.au

Independent Auditor's Report to the Members of Xref Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Xref Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration .

In our opinion, the accompanying financial report of Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How we addressed the Key Audit Matter
Software Development Costs (Note 3, Note 5, Note 15)	
In accordance with AASB 138: *Intangible Assets ("*AASB 138*)"*, the Group has capitalised software development costs amounting to $6,030,491 (2024: $6,592,953). These costs include both external expenses and internal wage costs of Xref Limited's software developers. This is a key audit matter because of the estimates, criteria, and judgments involved in capitalising internally generated intangible assets.	We critically analysed management's assessment in accordance with AASB 138, including performing the following procedures: a) Reviewed documentation produced by management outlining the nature of the development projects, the benefits to the business and the project timeline for introduction to the market. b) Discussed with management and certain employees their role in developing projects, to determine the reasonableness of their input and work performed and to confirm criteria were satisfied to capitalise certain internal wage costs. c) Obtained management reports, along with timesheets in relation to the internal payroll costs capitalised. Performed detailed tests; verifying the amounts capitalised in comparison to the work performed as recorded in timesheets. d) Obtained supporting documentation in relation to external costs capitalised to ensure the scope of work performed by experts was in relation to the development of software. e) Confirmed with management that any costs relating to redundant technology have been appropriately written off. f) Evaluated costs capitalised against the requirements of AASB 138, ensuring the criteria for development were satisfied and any research was expensed in the period. g) Evaluated the reasonableness of the Group's financial report disclosures in light of the requirements of Australian Accounting Standards.
Goodwill (Note 3, Note 5, Note 15)	
Under AASB 136: *Impairment of Assets ("*AASB 136*")*, goodwill is required by to be tested annually for impairment at the Cash Generating Unit (CGU) level. The Group performed an impairment assessment of goodwill by calculating the value	We critically analysed management's workings, including performing the following procedures: a) Assessed whether the Group's identification of CGUs was consistent with our knowledge of the operations, internal reporting lines and level of integration of the acquired businesses.

Key Audit Matter	How we addressed the Key Audit Matter
in use for each CGU, using discounted cash flow models. The impairment assessment was a key audit matter due to the size of the goodwill balance and the judgements and estimates involved in determining the value in use of each CGU.	b) Discussed with management the basis for the significant assumptions and inputs used in the value in use model calculations as provided by management and its external expert. Challenged the appropriateness of the assumptions used in comparison to actual results achieved and future budgets. c) Assessed management's expert's qualifications, in relation to their ability to provide input into the value in use models. d) Interrogated the value in use model using different inputs as a means to perform sensitivity analysis and assess breakeven position. e) Evaluated the reasonableness of the Group's financial report note disclosures in light of the requirements of Australian Accounting Standards.
Revenue Recognition (Note 3, Note 7, Note 19)	
The Group generates revenue from the following sources: • Sale of Credits • Sale of Software Subscriptions • Sale of Consultancy Services • Sale of ID verification checks The Group's accounting policies for the recognition of revenue are outlined in Note 3 (h) to the financial statements. The Group's revenue streams are either recognised over time or at a point in time, depending on the identified performance obligations. Due to the differing revenue recognition criteria and high volume of transactions, revenue recognition is considered to be a key audit matter.	Our audit procedures included the following: a) Assessed whether the revenue recognition policy applied to each revenue stream is in accordance with AASB 15 Revenue from Contracts with Customers. b) Obtained a detailed understanding and performed a walkthrough of each revenue stream. c) Performed a combination of tests of control and tests of detail on each revenue stream, verifying that revenue was appropriately recorded upon satisfaction of the respective performance obligations. This included testing whether the sale transactions were recognised as a contract liability at balance date where applicable. d) Performed year-end cut off testing. e) Evaluated the reasonableness of the financial report note disclosures in light of the requirements of the Australian Accounting Standards.
Going Concern (Note 3 (p))	
The Group incurred a net loss in the current year of $1,953,345. There was a deficiency in current assets and net assets for the Group, which amounts to $8,096,751 and $4,387,572, respectively. As a result, Going Concern was considered a key audit matter. Despite these deficiencies, the financial statements were prepared on a going concern	We critically analysed the Group's cashflow forecast, for at least twelve months from the date of this report, which was used to support the going concern assessment, including performing the following procedures: a) Obtained justification from management around the assumptions used within the cashflow forecast.

Key Audit Matter	How we addressed the Key Audit Matter
Going Concern (Note 3 (p))	
basis, taking into account the measures implemented by management as described in the related note.	b) Critically evaluated assumptions used by management against historical performance. c) Assessed the ability to further reduce operating costs should revenue forecasts not be achieved. d) Reviewed current cash position, obtained loan confirmation from Elements SaaS Finance LLC and assessed compliance with loan covenants. e) Interrogated the cashflow forecast using different inputs as a means to perform sensitivity analysis. f) Evaluated the reasonableness of the Group's financial report note disclosures in light of the requirements of Australian Accounting Standards.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of: a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001;* and b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001.*

The directors of the Company are responsible for such internal control as the directors determine is necessary to enable the preparation of: i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and ii) the consolidated entity disclosure statement that is true and correct and is free from misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in pages 14 to 21 of the directors' report for the year ended 30 June 2025.

In our opinion, the remuneration report of Xref Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Crowe Sydney

Barbara Richmond
Partner

28 August 2025
Sydney

Corporate Directory

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
Suite 213
150 King Street West
Toronto, ON, M5H 1J9

United States
Suite 500
13809 Research Blvd
Austin, TX, 78750

New Zealand
Level 10
11 Britomart Place
Auckland

Website
xref.com

Investor Hub
xf1.com

DIRECTORS

Thomas Stianos
Chairman

Lee-Martin Seymour
Managing Director

Nigel Heap
Non-Executive Director

Jake Phillpot
Non-Executive Director

Jon Newbery
Non-Executive Director

OFFICERS

Lee-Martin Seymour
Chief Executive Officer, Co-Founder

Avi Lewis
Chief Financial Officer (Interim)

Sharon Blesson
Chief Technology Officer

Robert Waring
Company Secretary

LEADERSHIP TEAM

Tobi Ajibola
Chief Revenue Officer

Dr. Louise Parkes
Chief Customer Officer

Melanie Seymour
Director of HR & Payroll

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

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000

GPO Box 5193
Sydney NSW 2001

www.automic.com.au
hello@automic.com.au

Tel: 1300 288 664
(within Australia)

Tel: + 61 2 9698 5414
(outside Australia)

Shareholder Information

Information relating to shareholders, as required by ASX Listing Rule 4.10, and not disclosed elsewhere in this Annual Report, is detailed below.

Substantial Shareholders of the Company as at 14 August 2025, based on Substantial Shareholder Notices received by the ASX and the Company:

Substantial Shareholders	Shareholding
EPI Capital Pty Ltd, Jake Phillpot, Joshua Cameron, Alexandru Ghiculescu & Tasmin Trezise (the 'Tanda Parties')	31,840,950
Lee-Martin John Seymour	31,730,108
Beauvais Capital Pty Ltd <The Reginald Hector Trust>	18,806,946
Thorney Technologies Ltd & TIGA Trading Pty Ltd	14,881,301
Scobie Dickinson Ward	14,318,743
Herald Investment Trust PLC	11,540,775
Richmond Hill Capital Pty Ltd	11,016,683

Based on the market price at 14 August 2025 there were 425 shareholders with **less than a marketable parcel** of 2,777 shares at a share price of $0.18.

Number of Ordinary Shares Held	Number of Holders	Ordinary Shares	% of Total Issued Capital
1 - 1,000	194	87,367	0.04
1,001 - 5,000	450	1,296,575	0.59
5,001 - 10,000	262	2,015,618	0.92
10,001 - 100,000	331	9,926,636	4.50
100,001 and over	88	206,763,568	93.95
Total	**1,325**	**220,089,764**	**100.00**

Top 20 Holders of Ordinary Shares (XF1) as at 14 August 2025

Rank	Name of Shareholder	Shares	% of Shares
1	West Riding Investments Pty Ltd <Seymour Family A/C>	29,890,353	13.58
2	EPI Capital Pty Ltd	27,926,443	12.69
3	Beauvais Capital Pty Ltd <The Reginald Hector A/C>	20,000,000	9.09
4	Citicorp Nominees Pty Limited	19,002,160	8.63
5	UBS Nominees Pty Ltd	17,825,347	8.10
6	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient>	17,499,344	7.95
7	Netwealth Investments Limited <Wrap Services A/C>	13,319,359	6.05
8	HSBC Custody Nominees (Australia) Limited	13,029,855	5.92
9	J P Morgan Nominees Australia Pty Limited	12,464,307	5.66
10	Mr Craig Graeme Chapman <Nampac Discretionary A/C>	2,419,355	1.10
11	Buttonwood Nominees Pty Ltd	2,285,140	1.04
12	Globex Nuclear Pty Ltd	1,856,165	0.84
13	Seymour Superannuation Holdings Pty Ltd <Seymour Super Fund A/C>	1,839,755	0.84
14	Mr Alexandru Andrei Ghiculescu	1,311,000	0.60
15	Eagle Eye Equities Pty Ltd	1,245,269	0.57
16	WM Future Holdings Pty Ltd	1,200,000	0.55
17	Mr Stephen Michael Lawlor	1,013,088	0.46
18	Beebee Holdings Pty Ltd	1,000,000	0.45
19	Mr Bhu Dev	957,280	0.43
20	Daniel P Moses (Nominees) Pty Limited <Daniel Moses Family A/C>	910,000	0.41
Total of Top 20 Holdings		**186,994,220**	**84.96**
Other Holdings		33,095,544	15.04
Total Fully Paid Shares Issued		**220,089,764**	**100.00**

Options (XF1AP to XF1AX) as at 14 August 2025

Name and Number of Option Holders	Shares the Option Holder is Entitled to	Exercise Price	Option Expiry Date
One employee (under Employee Option Plan)	30,000	Nil	20 February 2026
44 employees and contractors (under Employee Option Plan)	1,095,741	$0.42	5 July 2026
43 employees and contractors (under Employee Option Plan)	3,110,000	$0.50	5 July 2026
Eight employees and contractors (under Employee Option Plan)	532,500	$0.42	20 February 2027
Eight employees and contractors (under Employee Option Plan)	680,000	$0.50	20 February 2027
Total Number of Options on Issue	**5,448,241**		

Voting Rights

At general meetings of the Company, all fully paid ordinary shares carry one vote per share without restriction. On a show of hands, every member present at a general meeting, or by proxy, shall have one vote and, upon a poll, each share shall have one vote. Option holders have no voting rights until the options are exercised.

On-Market Buy-Back

There is no current on-market buyback of shares in the Company.

XREF