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First half sales up 185%

- New clients and renewals include Goodman Fielder, Hudson, Lion Nathan, News Corporation and Target
- Significant new European and Canadian clients include Bytes Technology Group, Kuoni Group, E.S. Fox, Revera, and TravelEdge Group
- International business expanding rapidly with 23 EMEA-based clients and 24 North American clients

Xref Limited (ASX:XF1), the human resources technology company, today announced that FY2017 first half sales were up 185% compared to the previous corresponding half.

Xref's cloud-based platform automates the collection of feedback on potential and current employees. It is the candidate referencing platform of choice for 30% of the ASX's top 50 companies, and Xref's clients include more than 500 enterprise companies, government, small- to medium-sized businesses, human resources agencies, not-for-profit groups and other organisations.

Global client growth

Strong client growth continued and significant new clients and renewals in Australia and New Zealand included Caltex, DFP Recruitment Agency, Fitness First, Goodman Fielder, Hamilton City Council, Hays, Holcim, Hudson, Linx Cargo Care Group, Lion Nathan, Opal Aged Care, News Corporation, NSW Department of Family and Community Services (FACS), Optus, Qantas, Roy Hill, Sunrice, Target, Transport for NSW and WPP AUNZ. Further information about these organisations is included later in this release.

Xref's London office signed new clients in the Europe, Middle East and Africa (EMEA) market including Bytes Technology Group, Callidus Consulting and Kuoni Group. The group now supports 23 EMEA-based clients and 200 users in the UK across a wide range of industries.

The group's Toronto office increased its North American client base and new clients included Clarity, ES Fox, Miele, Revera, TravelEdge Group and WilsonCTS.

Xref has approximately 2,200 users around the world.

Integration

One of Xref's growth strategies is to integrate with complementary human resources technology platforms that are widely used, allowing clients to access other suppliers that service the broader human resources and recruitment sector. This expands Xref's addressable market and enables the company to quickly onboard clients without the need for a large sales team.

Xref has now integrated, or is in the process of integrating, with 10 organisations including Expr3ss!, Oracle Taleo and Verify. The Expr3ss! commercial partnership announced in October 2016 has been highly successful, with ten clients signed during the quarter including Can Do Group, Ed Harry, Hickinbotham

Group, Krispy Kreme Australia, Ogilvy Australia, Perks International Business Services, Radio Rentals, Rooty Hill RSL Club, RT Edwards and Sealink Travel Group. Negotiations are continuing with more than 20 further potential clients.

Record sales and revenue

Xref's business model involves selling Xref credits, which clients consume as they make candidate reference checks on a 'credit-per-candidate' basis.

Sales for the first half of FY2017 were \$1.55 million, up 185% compared to \$542,000 in the previous corresponding period. December quarter sales (from 1 October to 31 December 2016) were a record \$821,000, up 153% from \$324,000 in the previous corresponding quarter and up 12% from \$725,000 in the previous quarter.

Clients purchase Xref credits and, once used, the credits are reported as revenue. Client usage of credits continued to grow. Total credits used for Q2 FY2017 was \$479,000, up 100% compared to \$239,000 in the previous corresponding quarter. Usage for the first half of FY2017 was \$954,000, including a record month in December 2016. 1H FY2017 usage was up 130% compared to \$413,000 in the previous corresponding period.

Xref Recruitment Risk Index

During the second quarter Xref examined empirical factors that drive the human resources industry, conducting a significant thought leadership effort as the company launched its first Xref Recruitment Risk Index. This quantitative survey explored the behaviours of candidates, referees and hiring managers in Australia.

The results uncovered serious flaws in candidate referencing, including that organisations were taking too long to hire talent, and that businesses must do more to protect themselves against fraud and discrimination. The research showed that 70% of respondents admitted to taking advantage of flaws in the reference checking process to improve their chances of landing a job, and three in ten (29%) of those who had been contacted as a referee had been asked discriminatory questions. The Xref Recruitment Risk Index can be downloaded here: <https://xref.global/au/xref-recruitment-risk-index-white-paper/>.

Executive director / CTO Tim Griffiths said: *"The December quarter demonstrated strong growth, and we are excited by our prospects. We are continually enhancing our platform with new features and our integration program is expanding successfully, helping to drive new clients to Xref's platform."*

Executive director / CEO Lee-Martin Seymour said: *"The first half continued our dynamic growth trajectory, and our growth rate continues to exceed 100% year-on-year. International sales are strengthening, supported by conference and exhibition sales initiatives, and the global use of the Xref platform has increased substantially."*

Chairman Brad Rosser said: *"The strong first half sales are pleasing, and demonstrate Xref's ability to capitalise on its growing client base. The company is building momentum in all markets in which it operates. Sales in Europe and North America are expanding as recognition of value from Xref's platform increases, and we anticipate continued growth."*

Corporate

At 31 December 2016 Xref held \$7.0 million cash. This follows an \$8 million share placement (\$7.46 million after share issue costs) which closed oversubscribed in August 2016, enabling the group to accelerate its

investment in global sales growth, product integration and software development. Xref received an R&D refundable tax offset of \$482,000 in December 2016.

New clients

Xref's new clients and renewals include the following organisations:

Australia and New Zealand

- Caltex Australia is a Top 50 ASX company, and the nation's leader in transport fuels, supplying one third of all Australia's transport fuel needs.
- DFP Recruitment Services is one of Australia's leading recruitment companies, delivering various services ranging from temporary, permanent, graduate and volume/bulk recruitment.
- Fitness First is one of the world's leading health and fitness companies, with over 370 clubs in 16 countries servicing 1 million members and employing over 10,000 people.
- Goodman Fielder has a portfolio of well-known consumer brands including MeadowLea, Praise, White Wings, Pampas, Helga's, Wonder White, Vogel's (under licence), Meadow Fresh, Edmonds and Irvines. Goodman Fielder is headquartered in Sydney and employs over 5,000 people in Australasia and the Pacific Islands.
- Hamilton City Council is the local authority for New Zealand's largest inland city and currently employs 992 staff.
- Hays is a leading global specialist recruiting group. At 30 June 2016 the Group employed 9,214 staff operating from 252 offices in 33 countries across 20 specialisms. In FY2016, Hays placed around 67,000 candidates into permanent jobs and around 220,000 people into temporary assignments.
- Holcim Australia is a major supplier of concrete, aggregates and concrete pipes and products in Australia, and part of the global LafargeHolcim group. Holcim Australia and New Zealand operates in over 300 sites across Australia and New Zealand.
- Hudson is a leading provider of specialist recruitment, talent management, people development and recruitment process outsourcing (RPO) services worldwide. It has more than 1,600 employees in approximately 20 countries.
- Lion Nathan is one of Australasia's largest food and beverage companies, employing approximately 6,700 people across Australia and New Zealand. It is home to four out of the top ten beer brands in Australia and its brands are also market leaders across the dairy and juice categories. This diverse portfolio, produced across 34 sites, collectively generates revenues of around \$5 billion each year.
- LINX employs more than 1,250 skilled personnel across more than 50 operating sites. It handles more than 11 million tonnes of bulk cargo per annum and maintains more than 130,000 square metres of warehousing space nationally.
- News Corp is a global, diversified media and information services company. Headquartered in New York, the activities of News Corp are conducted primarily in the United States, Australia, and the United Kingdom and it has 25,000 employees.
- Qantas is Australia's largest domestic and international airline, employing over 30,000 people with approximately 93 per cent of them based within Australia.
- NSW Department of Family and Community Services employs over 20,000 people in metropolitan and rural NSW, providing services to disadvantaged people and communities in NSW.
- Opal Aged Care is one of the leading, privately owned aged care providers in Australia with 71 homes in four states providing specialist aged care services for a range of needs.

- Roy Hill is a recently developed 55 million tonne per annum iron ore mining, rail and port operation in West Australia's Pilbara region. Roy Hill is an independent iron ore operation with West Australian majority ownership, chaired by Gina Rinehart.
- Sun Rice has operations across Australia, the USA, the Middle East and Papua New Guinea. Sun Rice employs 2100 people across its 30 brands and supplies products to 60 countries.
- Target is an iconic Australian retailer dedicated to making fashion, style and quality affordable for the whole family. Target Australia Pty Ltd is part of the Wesfarmers Ltd group.
- Transport for NSW is the lead agency of the NSW Transport cluster, employing 25,000 people. It leads the development of a safe, efficient and integrated transport system.
- WPP AUNZ is the leading marketing communication services group in Australia and New Zealand, comprising 5,500 people working across 80+ companies in over 170 offices.

Europe

- Bytes Technology Group is one of the largest software services and solutions businesses in the UK. The UK business began in 1982 and has grown profitably each year to reach a turnover in excess of £194m in FY2015.
- Callidus Consulting is a specialist automotive recruitment agency, confidential executive search and consultancy business that works across the UK and internationally.
- Kuoni Group is a leading service provider to the global travel industry and governments with a strong focus on Asia. Kuoni Group generated turnover of CHF 3.35 billion in the 2015 financial year and employed about 8,000 people (FTE) at the end of 2015.

North America (Canada)

- Clarity is a web-based business solutions provider based in Calgary, Alberta, and Western Canada's leading experts in website design and content management deployment delivering regional health, health care and hospital intranet/internet/e-learning sites.
- E.S.Fox is a privately owned, totally integrated Canadian multi-trade constructor and fabricator providing single source solutions for the industrial, commercial and institutional [ICI] markets. The 1000+ employees at E.S. Fox are actively involved in executing many major industrial, commercial, and institutional projects throughout the country.
- Miele is a manufacturer of high-end domestic appliances and commercial equipment, headquartered in Germany. In FY2016 the company achieved a sales volume of €3.71 billion. The Miele group employs 18,370 people worldwide, 10,326 of them in Germany.
- Revera is a leading owner, operator and investor in the senior living sector committed to helping older adults live life to the fullest. Through its portfolio of partnerships, Revera owns or operates more than 500 properties across Canada, the United States and the United Kingdom.
- The TravelEdge Group consists of three companies. Kensington Tours, Worldview Travel and TravelEdge. The group has \$700 million in sales.
- WilsonCTS is a leading global provider of contingent talent solutions committed to finding the right employees at the right time for its clients. It provides a full suite of services including contract staffing, permanent placement and temp-to-perm.

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