



1st July 2019

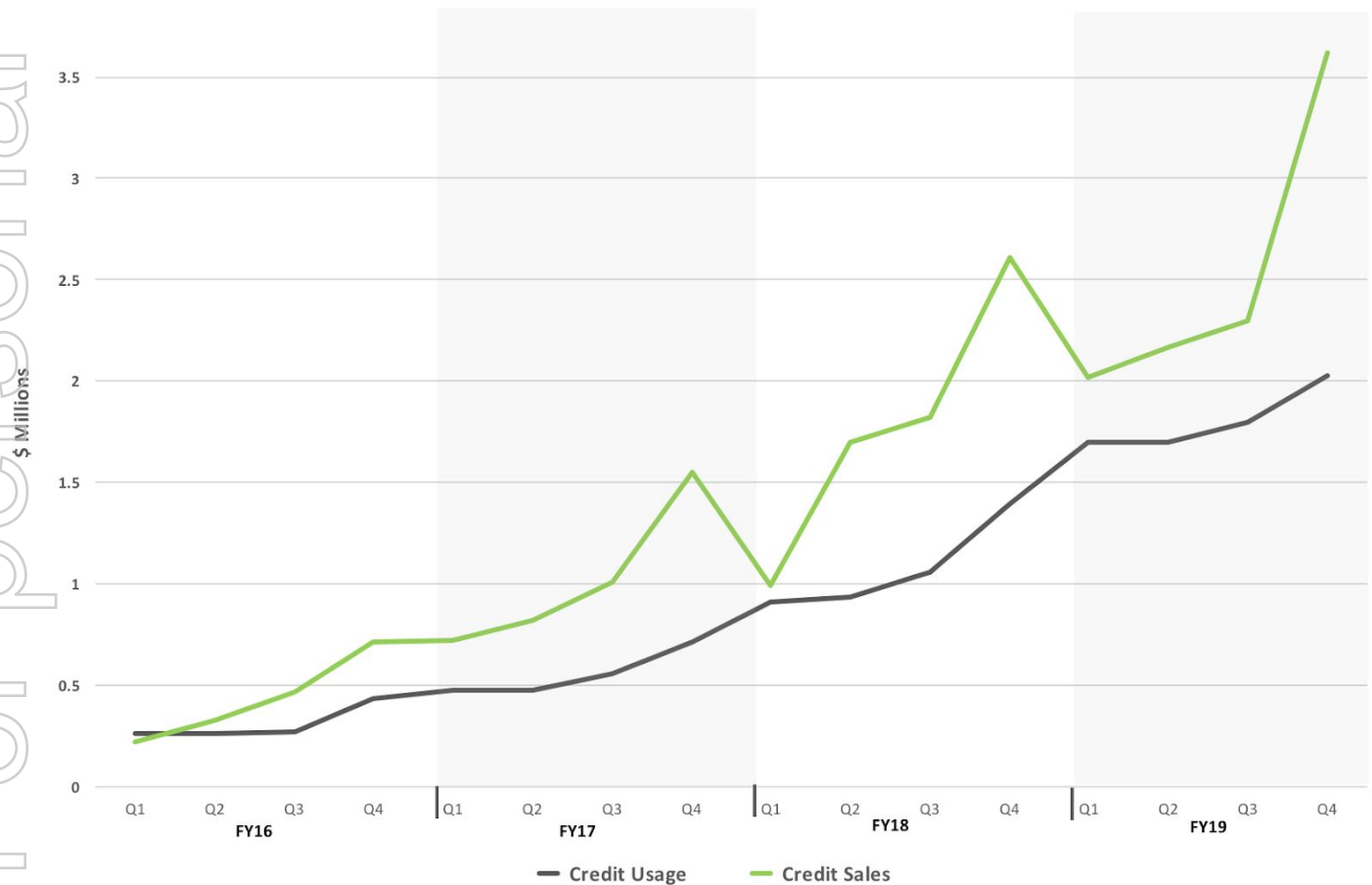
Xref reports another record quarter and announces acquisition of RapidID

- New quarterly sales record of \$3.6 million
- New quarterly credit usage record of \$2 million
- Acquisition of RapidID - a disruptive ID verification and fraud prevention platform

Sales & Credit Usage

Xref Limited (**ASX: XF1**) ("Xref") achieved record sales and credit usage in Q4 FY19. Sales increased by 38% from Q4 FY18 to \$3.6 million, and credit usage increased by 40% from Q4 FY18 to \$2 million, with 28% of credits being used by clients integrated through Xref's channel partners.

International sales also continued to grow strongly with overseas offices contributing 20% of sales compared to 10% in Q4 FY18.

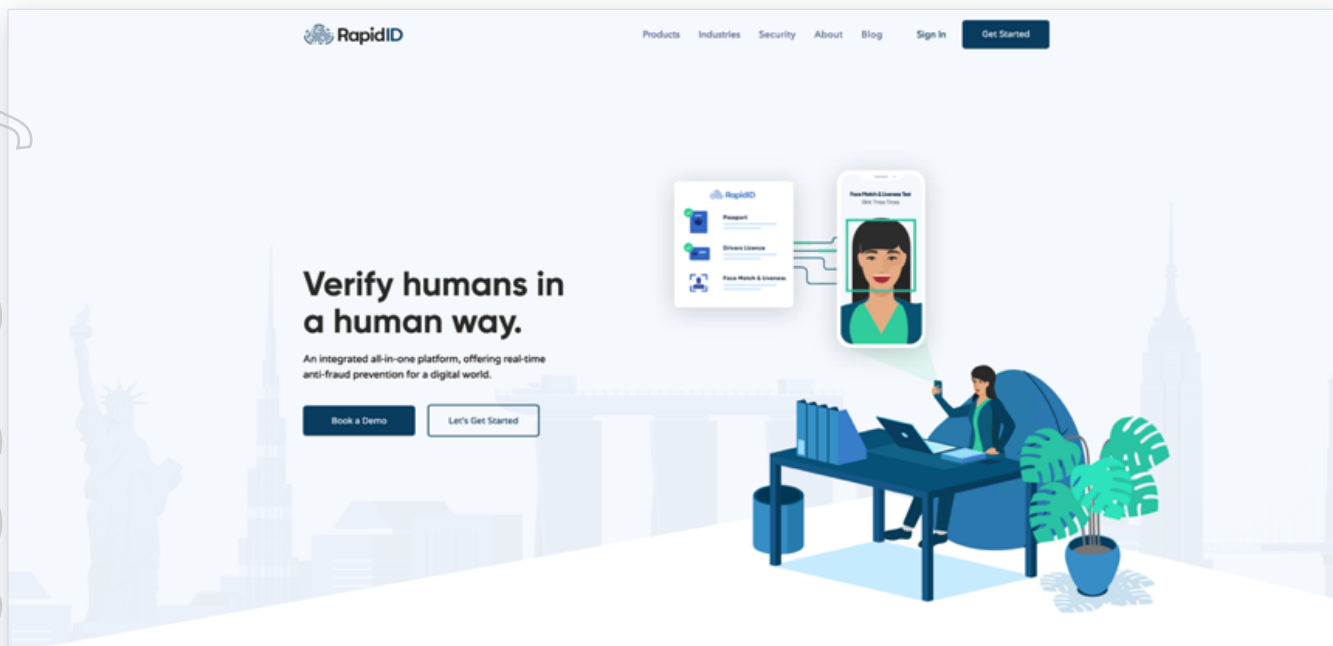


New clients added during the quarter included: **Ministry of Foreign Affairs and Trade**, New Zealand, **Melbourne Cricket Club**, Australia, **Southampton Football Club**, UK, **Uncommon Schools New York**, US, **Mantena AS**, Norway, **The Ritz London**, UK, **Tipico Services**, Malta.

Further information about these new clients follows as an appendix to this announcement.

RapidID Acquisition

Xref is also pleased to announce it has agreed to acquire Rapid ID Pty Ltd ("RapidID").



RapidID is a disruptive ID verification and fraud prevention platform, which aggregates leading customer verification technologies to offer flexible and seamless integration for onboarding and risk analysis monitoring.

RapidID's platform simplifies identification, screening and compliance in an all-in-one, integrated API which enables real-time identity verification:

- **Global ID Checks** - one simple integration checking against more than 100 billion identity records ,across 180 countries and over 2.5 million risk entities, in 50 countries;
- **AML & KYC Compliance** - Anti-Money Laundering ("AML") screening and background checks, including politically exposed persons and terrorism watch lists. Domestic and international AML and 'Know Your Customer' ("KYC") compliance;
- **ID Document Verification** - which allows customers to scan documents in seconds and verify against government sources; and
- **Biometric Verification** - confirms identity beyond a doubt, with facial recognition and liveness technology.

RapidID's Clients

Although still relatively early in its evolution, RapidID has already acquired some significant clients including Uber, Experian, Sunsuper, Creditor Watch, Coinspot, Judobank, Easypay and Health Engine. RapidID's standalone revenues are not material to Xref at this point, however, a significant opportunity exists to increase revenues through sales to Xref's client base.

Strategic Fit

RapidID is a highly complementary acquisition for Xref. **For eight years, Xref has checked that candidates have worked where and how they say they have. With RapidID, Xref now has the ability to also check candidates are who they say they are.**

RapidID has been integrated into Xref's core platform and the additional paid identity checks will be available to Xref's clients and channel partners. HR professionals are looking for better ways to verify the backgrounds and identity of candidates and Xref now brings a seamless and integrated service to their platform of choice.

RapidID will continue to evolve under its current branding and website but it will be identified as an Xref company. RapidID will also be able to develop further in non-HR markets and this will create opportunities for Xref in new sectors.

Consideration

Xref will purchase all shares in Rapid ID Pty Ltd and related intellectual property.

The purchase of RapidID will be completed through a combination of cash and Xref shares to a total value of \$1.5 million AUD. The cash component makes up \$600,000 AUD of the purchase and shares to the value of \$900,000 AUD will be issued to the sellers. The issue price for the shares will be the 14 day VWAP (volume weighted average price) prior to today's date. The purchase consideration will be paid under the terms of the Share Purchase Agreement when the conditions precedent have been fulfilled or waived. Completion is expected to take place in the current quarter.

RapidID's Queensland-based founder, Ashley Hoey, will join Xref along with his development team of two and will continue to develop the RapidID platform and business as General Manager, RapidID.

In addition to the purchase price, Ashley Hoey will receive 300,000 shares on completion and will be entitled to receive an additional 600,000 shares over two years, provided he remains employed by the business.

MANAGEMENT COMMENTS

Executive director / CEO Lee-Martin Seymour said: This acquisition changes the Xref narrative, today we become a global verification service. For eight years we have enabled businesses to validate their candidates' claims. We now also allow them to verify their identity. As individual entities, Xref and RapidID have already formed a symbiotic relationship and together we'll lead each other to significant new market opportunities.

Executive director / CSO Tim Griffiths said: In the development of RapidID, Ashley has chosen a best of breed technology stack offering a full API that we were able to easily integrate with. A vast amount of work has gone into negotiating the global data connections that allow RapidID to offer a seamless connection between people and verification technology. As RapidID is also an ISO 27001 certified business, data security is and will continue to be paramount for both businesses.

Founder / RapidID Ashley Hoey said: Xref provides a great platform for the global growth of RapidID. Since the first meeting with Tim and Lee, we have all recognised the opportunity to combine and become a leading global player in the human verification sector. Having spent time with the whole Xref team, I am excited to join and together develop solutions that will address the rapidly evolving requirements of clients.

Brad Rosser / Chairman said: These final quarter results are a reflection of another successful year for Xref and a very positive indication of the year ahead. In addition, introducing our first acquisition is an exciting and pivotal moment for the business. We will leverage the sales and marketing opportunity it presents to make not only the Xref proposition stronger but also grow RapidID in its own right.

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Key points about Xref

First mover advantage	Xref provided the first automated solution for the candidate referencing process and it is capitalising on its first-mover advantage by focusing on and investing for international growth.
Business model	Under Xref's business model, when clients purchase credits (credit sales) to use the candidate referencing platform, the value of their purchases is recognised as unearned income. When they pay for the credits, the cash is recognised as cash receipts. Once the credits are used by the client (usage), Xref recognises the value of the credits used as revenue (recognised revenue).
Global addressable market	Xref's addressable market includes more than 180 million employees in North America, 120 million employees in Europe and 15 million employees in Australia and New Zealand.

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Appendix – New clients

APAC

The New Zealand Ministry of Foreign Affairs and Trade - is the public service department of New Zealand charged with advising the government on foreign and trade policy, and promoting New Zealand's interests in trade and international relations. The ministry has more than 650 staff based in Wellington, New Zealand, and 650 overseas.

Melbourne Cricket Club - is one of the oldest sports clubs in Australia and is responsible for the management and development of the Melbourne Cricket Ground. It employs approximately 140 permanent club staff and event employees are drawn from a pool of more than 1000 for match-day duties at the ground.

EMEA

Mantena AS - is a specialist in the maintenance of rail vehicles with a long history of servicing the Nordic countries. It employs more than 350 staff providing expertise in the maintenance and logistics management of all types of rolling stock.

The Ritz Hotel - is located in London, England, and is one of the world's most prestigious and best-known hotels. It employs more than 300 staff to service 136 guestrooms, of which 111 are bedrooms and 25 are suites.

Southampton Football Club - is based in Southampton, England and plays in the Premier League, the top tier of English football. The club employs approximately 430 staff.

Tipico Services - is an international provider of sports betting and casino games, headquartered in St Julian's, Malta. The company has branches in Germany, Austria, Croatia, Gibraltar, Colombia and Malta. More than 600 people work for Tipico Group and more than 6,000 in the whole Franchise network.

North America

Uncommon Schools - is a non-profit organisation that manages and operates 53 schools in the United States for low-income students.