



31st July 2020

Xref Secures New Debt Facility

Xref Limited ("Xref", "the Company") (ASX: XF1) is pleased to announce that it has entered into a new four-year secured A\$5m debt facility with PURE Asset Management Pty Ltd ("PURE") to support the Company's growth strategies.

Lee-Martin Seymour CEO Co-Founder. "We are pleased to announce the finalisation of a new A\$5m debt facility. The new facility will further support and accelerate our growth strategies and provide additional working capital. With Xref now operating at close to cash-flow break-even, we are in a strong position to leverage the global opportunity as the employment market recovers from the impact of COVID-19."

Mike Henshaw, Director, PURE Asset Management. "A company that possesses a large structural growth opportunity and entrenched competitive advantage makes Xref a compelling investment prospect. The fact that it is run by a passionate, dedicated and invested management team makes it an ideal candidate for our funding. We acknowledge the challenges of the prevailing environment, but believe our capital will be more than sufficient to fund the Company to deliver on its substantial potential."

Loan facility terms:

- A\$5 million fully drawn facility;
- 4-year term;
- 9.95% p.a. interest rate, interest to be paid every 3 months;
- No principal amortisation, repayable at maturity;
- Pure to have first ranking security over all assets of the Company and its Australian subsidiaries, supported by subsidiary guarantees.

Financial covenants:

The model-based Reporting, Review and Default Event covenants are based on a Direct Margin test applied to:

- the trailing 6-month Direct Margin at the close of business on the last day of each financial quarter for the first 12 months (i.e. 30 September 2020, 31 December 2020, 31 March 2021, 30 June 2021), and on 31 December 2021, then
- the trailing 12-month Direct Margin on a 6-monthly basis thereafter, tested each as at 30 June and 31 December.

The Reporting, Review and Default Event Covenants relating to the Direct Margin are based on the Borrower Group financial model provided to the Lender on 7 July 2020.

There is also a Cash Balance covenant tested on a monthly basis during the term.

Early Repayment

The Company may repay the facility at any time during its term (subject to early exit fees which reduce every 24 months of the loan term).

Warrants

14,285,714 detached unlisted warrants to be issued to PURE. Warrants to have a term of 4 years and an exercise price of A\$0.35 cents each (subject to adjustment in accordance with the Warrant Deed) and may be exercised any time up to the date that is 7 days before the termination date of the facility.

Shareholder Meeting

The warrants will be issued under the Company's existing placement capacity pursuant to ASX Listing Rule 7.1. The Company intends to seek subsequent shareholder approval of the issue of the warrants at the upcoming annual general meeting. Full details regarding the terms and conditions of the warrants and the relationship between the warrants and the facility will be set out in the notice of meeting to shareholders in due course.

Investor and media enquiries:

Presentation: xf1.com

Investor Centre: xref.com/en/investor-centre

Twitter: [@xf1](https://twitter.com/xf1)

Email: investors@xf1.com

Authorised by the Board of Directors of Xref Limited (ASX : XF1)

Xref Limited, Suite 17, 13 Hickson Road, Dawes Point, Sydney NSW 2000 Australia

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.

About PURE Asset Management

PURE Asset Management is a specialist provider of hybrid capital to Australia's most compelling emerging growth companies. Founded in 2018, PURE funds working capital, acquisitions and buybacks via structures that are less dilutive than equity capital, offering companies an alternative to direct equity markets. For more information, please visit www.puream.com.au