

ASX ANNOUNCEMENT: 26th February 2026

Xref H1 FY26 Interim Results: Strategic Transition to New Platform Delivers Positive EBITDA and Record Efficiency

Xref Limited (ASX:XF1) (the Company) is pleased to release its interim financial results for the half-year ended 31 December 2025 (H1 FY26). The period was defined by the successful completion of Xref's transition from a credit-based point solution to a SaaS-based "Employer Intelligence Platform".

Financial & Operational Highlights

- **Revenue:** Overall revenue of \$10.2m while revenue from the new platform grew 58% year-on-year to \$4.2 million.
- **Positive EBITDA Performance:** EBITDA was again positive at \$1.3 million, demonstrating the fundamental profitability of the core business. EBITDA adjusted to exclude R&D grants grew 904% when compared to the corresponding period highlighting the significant improvement in operating margins derived from platform consolidation and the efficiencies flowing from AI and the new self-service tools.
- **Annual Recurring Revenue (ARR):** New platform ARR grew 27% (from June 2025) to \$9.2 million, now representing 54% of total Group ARR (\$16.5m).
- **Record Efficiency via AI:** Total operating expenses were reduced by 14% to \$9.9 million. This was driven by a 13.0% decrease in wages and salaries as the company derived efficiencies through AI and self-service tools. 57% of code is now AI-generated and an AI Agent resolved 24% of all support cases.
- **Debt Facility:** The debt facility outstanding was reduced by \$0.9m during the half, further strengthening the company's balance sheet.
- **Cash Balance:** Cash at bank as of 31st December 2025 was \$2.8m

Xref has intentionally transitioned away from low-quality, "seasonal" transactional revenue in favor of multi-year SaaS contracts covering a broader range of services and data. The underlying health of the business is evidenced by the \$9.2M New Platform ARR (now 54% of total Group ARR) and the significant improvement in margins and resulting growth in adjusted EBITDA achieved during the half. This strategic shift ensures our revenue base is more predictable and is insulated from the volatility of traditional recruitment cycles.

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Operating Expenses

Total operating expenses were reduced by 14% to \$9.9m (H1 FY26 vs H1 FY25). This was driven by a 13.0% decrease in wages and salaries as the company derived efficiencies through Ai and self-service tools. Our Ai agent successfully resolved 7,000 support cases, reducing manual handling by 25%. Additionally, implementation of Ai tools in our development process led to 57% of all code deployed during the half being AI-generated.

By replacing manual headcount with scalable technology, the company's operational expense base has reduced 9% from \$10.9m in H1 FY25 to \$9.9m in H1FY26. As a result of a company restructure in February 2026, second half operating expenses are expected to reduce further.

Strategic Evolution: From Hire to Retire

Xref has successfully transitioned its "Data Engine" to capture the full employee lifecycle. The platform now transforms high-friction recruitment tasks into automated data-gathering workflows, building a longitudinal "truth record" for every employee.

Usage across the new platform's features saw significant growth:

- **Organisations:** on the new platform rose **54%** (843 total).
- **Engagement:** Active users surged **148%** to over 7,000, while Pulse & Exit Survey adoption grew **165%**.
- **Feature Adoption:** High uptake of new tools, with 97% adopting Roles & Permissions self-service and 98% using AI Summaries.
- **Retention:** Renewals increased by 70% (431 organisations).
- **Marketplace:** Background check adoption jumped 400% (50 organisations), with volume growing 202% to 1,781 checks.

Xref's Data Lake and API Library

Xref's data moat is built upon a verified, private archive of professional data that spans over two decades. This "Longitudinal Verification Layer" is comprised of more than 26 years of engagement history and 16 years of pre-employment data, forming a foundational library of "professional truth". The company emphasizes that while competitors may attempt to synthesize people data using Large Language Models (LLMs), Xref's archive is impossible to match because it consists of proprietary, real-world interactions rather than scraped web content. As of February 2026, this data lake contains approximately 9 million candidate and referee records, 7 million career histories, and 11 million employee opinions.

To leverage this asset, Xref utilises a scalable API infrastructure that serves as an industry "trust layer". This "Meta Data API" allows third-party platforms including Applicant Tracking Systems (ATS), job boards, and other HR tech SaaS to request and access data insights directly. For employment-focused platforms, this

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integration enables candidates to verify their identities and surface historical, Xref-verified data at the moment of profile creation. This "headless" approach allows external systems to tap into Xref's automated workflows for referencing, background checking, and sentiment analysis, ultimately accelerating the hiring process by providing access to a pool of immediately available, verified talent

Investor presentation and results webinar: Monday 2nd March 2026 at 10am AEDT

Xref is pleased to announce the release of an investor presentation providing further information on its performance and strategy covering several key areas including details of the adoption rates of Xref's new platform, the ongoing improvements in operational efficiency and the future outlook for Xref's proprietary data (Data Lake) and API library.

Following the release of the upcoming financial results, Xref Limited (ASX: XF1) invites shareholders and investors to an online briefing hosted by Lee-Martin Seymour, Founder and CEO. The session will be held on **Monday 2nd March 2026 at 10am AEDT**. During the session, Mr. Seymour will provide a comprehensive update on the company's recent performance and present the formal Investor Presentation. To ensure an interactive experience, there will be a live Q&A session following the presentation. Attendees are strongly urged to register in advance via the [Xref Investor Hub](#). Shareholders are also welcome to submit questions prior to the session through the registration portal to ensure key topics are addressed.

Management Commentary

Xref Founder and CEO, Lee-Martin Seymour said: *"This half-year represents a definitive turning point for Xref. We have made the bold, deliberate decision to pivot from a transactional, credit-based application to a, SaaS-based 'hire-to-retain' platform. This shift effectively eliminates the seasonality of our legacy model by transitioning clients to traditional SaaS contracts with auto-renewal and multi-year terms. Simultaneously, we have achieved transformative efficiencies within our own operations. By integrating AI across our development and client support functions, we have created a leaner, more scalable business. Our operational resilience is evidenced by a positive and growing EBITDA, demonstrating that Xref is fundamentally profitable even during periods of softer employment markets. We are now positioned as a high-performance engine capable of global scale."*

Outlook

We remain focused on advancing our hire-to-retain platform, offering industry-leading reference checks, a comprehensive marketplace for background checks, employee engagement tools and automated candidate talentpooling. Our key priorities include migrating final legacy clients to the new platform, driving deep adoption of our expanded product suite, and accelerating client acquisition. Alongside we will be targeting further API partnerships, in particular our new Meta Data API that will help enrich

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candidate profiles upon job application.

We have established a path to sustainable and increasing profitability, underpinned by a clear growth strategy, demonstrated demand and adoption of our platform, and efficient Ai optimised operating expenses.

This announcement has been approved by the board of directors of Xref Limited.

To learn more or ask questions, please visit

Website: xref.com

Xref Investor Hub: xf1.com

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