Xref Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Xref Limited
ABN:	122 404 666
Reporting period:	For the year ended 30 June 2026
Previous period:	For the year ended 30 June 2025

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	10.2%	to	19,143,411
Loss from ordinary activities after tax attributable to the owners of Xref Limited	down	77.9%	to	(432,066)
Loss for the year attributable to the owners of Xref Limited	down	77.9%	to	(432,066)
Total comprehensive loss for the year attributable to the owners of Xref Limited	down	87.1%	to	(315,628)

Comments
Refer to the Operating and financial review section in director's report for the results commentary.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(6.29)	(6.66)

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

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

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

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11. Attachments

Details of attachments (if any):

The Directors' report and Financial Statements of Xref Limited for the financial year ended 30 June 2026 is attached.

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12. Signed

This Appendix 4E has been authorised for release by the Board of Directors and signed on its behalf by:

Signed ______________________________

Date: 31 August 2026
Lee-Martin Seymour
Managing Director, Sydney

Xref Limited

ABN 122 404 666

Directors' report and Financial Statements - 30 June 2026

Contents

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') 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 2026.

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:

Nigel Heap (appointed as Chairman on 1 May 2026)
Lee-Martin Seymour (Managing Director)
Jake Phillpot
Jon Newbery
Thomas Stianos (resigned on 30 April 2026)

Principal activities
Throughout the financial year, the Group's core activity remained the development of human resources technology to help organisations reduce staff turnover through better hiring and employee engagement. This is driven by the SaaS-based 'hire-to-retire' platform, offering industry-led pre-employment referencing checks, employee engagement tools and automated candidate talent pooling.

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 $432,066 (30 June 2025: loss of $1,953,345).

Review of operations

Strategic Evolution and Platform Growth
Xref is pleased to report its financial results for FY26, a year defined by a surge in client acquisition on the new platform and a significant increase in operational efficiency driven by AI integration and platform consolidation.

The Group is now primarily driven by multi-year SaaS contracts with New Platform ARR of $11.2m (now 71.1% of total Group ARR). This strategic shift ensures the Group's revenue base is more predictable, provides compounding value, and is insulated from the volatility of traditional recruitment cycles.

Platform	ARR 30 June 2026 $m	YOY Change %
New Platform	11.2	+50.1%
Engage Platform	2.8	(2.3%)
API Only/Legacy	1.7	(72.1%)
Total	**15.7**	

Financial and operational highlights

- **Revenue performance:** Total revenue for the year reached $19.1m, with the new platform delivering 56.3% year-on-year growth to reach $8.6m.
- **Underlying EBITDA:** Increased by 75.6% on the prior year to $4.7m following a strategic restructure of the cost base reducing manual effort with AI scalable technology.
- **Annual Recurring Revenue (ARR):** New platform ARR grew 50.1% to $11.2m compared to the previous year, now representing 71.1% of overall ARR.
- **Operating efficiency:** Total operating expenses were reduced by 23.9% to $14.9m (FY26 vs FY25). This was driven by a 27.0% decrease in Wages and Salaries cost as the company "right sized" through AI and self-service tools.
- **Revenue Per Employee (RPE):** Increased by 19.8% to reach $355k per head (FY25: $296k) following a restructure in FY26.

The table below provides a reconciliation between net loss after tax and EBITDA and Underlying EBITDA.

EBITDA	2026 $m	2025 $m	Change %
Net loss after tax	(0.4)	(2.0)	
Add: Net interest income and expense	1.2	1.6	
Add: Net depreciation and amortisation expense	3.0	2.8	
Add: Income tax benefit	-	-	
EBITDA	**3.8**	**2.4**	**+54.6%**
Add: Share-based payment expense	0.2	-	
Add: Restructuring costs	0.7	0.2	
Underlying EBITDA	**4.7**	**2.6**	**+75.6%**

* *Earnings before interest, taxation, depreciation and amortisation ('EBITDA') is a financial measure which is not prescribed by Australian Accounting Standards and represents the Group's underlying and recurring earnings from its operations. It is determined by adjusting the statutory net profit/(loss) after tax for items that are non-cash or non-operating in nature. The directors consider EBITDA to represent the core earnings of the Group. EBITDA includes R&D tax incentive refund recognised in other income and excludes capitalised wages.*

Future outlook

The Group's operational resilience is evidenced by a positive underlying EBITDA increased by 75.6% since the prior year placing the Group in a operationally profitable position further supported by the refinancing post year end.

Matters subsequent to the end of the financial year

On 28 August 2026, the Group completed a refinancing of its existing debt borrowing facility with Element SaaS Finance LLC, with the outstanding balance repaid on settlement.

A new facility with the Commonwealth Bank of Australia (CBA) was secured for $6.3 million maturing in August 2029 and an overdraft facility of $2.0 million which will be reviewed annually. The new facilities bear the following interest rates:

- Term facility: line fee of 3.80% per annum and a margin of BBSY Rate (90 days), with interest-only payments for the first two years.
- ● Overdraft facility: line fee of 1.30% per annum and a margin of the Overdraft Index Rate minus 1.50% per annum.

The Group is subject to financial covenants and is required to maintain a maximum Gross Leverage Ratio of 3.50:1 and a minimum Cash Flow Cover Ratio of 1.20:1.

Principal repayments on the loan facility commence on the second year anniversary of the loan settlement.

As the refinancing was completed after the reporting date, the borrowings have been presented in accordance with conditions that existed at 30 June 2026. The directors consider that the new facilities strengthen the Group's liquidity position and support its ongoing operations.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments, business strategies and prospects

Building on FY26 results looking ahead to FY27, Xref is well-positioned for growth with the company focussing on the following core strategies:

(1) **Accelerating Legacy Migration** transitioning remaining clients from legacy systems to API/New Platform
● 285 clients migrated in FY26

(2) **Driving growth through strategic upsells increasing platform adoption**
● 52% YoY increase to 954 clients having adopted the new platform

(3) Optimisation of lead flow conversion into **high-value client acquisitions**
● 179 new clients in FY26 with an average ARR of $6.5k

(4) Maintaining long-term stability and platform loyalty **maximising client retention**
● 84% retention rate of clients in FY26

With its lean operating structure, improved and scalable technology, and larger addressable market, Xref is well prepared for its next stage of growth. The Group 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 threats 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 on 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 global 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 timeframe to achieve the necessary result.

To complement the operational cash flow management measures in place, the company refinanced its debt facilities subsequent to 30 June 2026. The refinance, effective from 28 August 2026, extends the debt's maturity profile, reduces the interest rate, provides additional liquidity from an undrawn overdraft facility and eliminated principal repayments until August 2028.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Group during the financial year.

Environmental regulation
In relation to environmental compliance, the following disclosure standard will soon become effective.

AASB S2 'Climate-related Disclosures' sets out specific climate related disclosures. It applies to entities required to prepare and lodge a financial report with ASIC under Chapter 2M and is effective for different entities based on certain criteria. This mandatory sustainability reporting may be applicable for the company for the first time for the year ending 30 June 2028.

Information on directors

Name:	**Nigel Heap**
Title:	Independent Non-Executive Chairman (appointed as chairman on 1 May 2026) and Chairman of the Remuneration and Nomination Committee
Qualifications:	LLB, AMP
Experience and expertise:	Nigel has been a non-executive director at Xref since 2016 and is Chairman of the Board and Remuneration and Nomination 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 expanded their 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:	Board Chairman Chairman of the Remuneration and Nomination Committee Member of the Audit and Risk Committee
Interests in shares:	32,103
Interests in options:	900,000
Contractual rights to shares:	None

Name:	**Lee-Martin Seymour**
Title:	Managing Director and Chief Executive Officer
Qualifications:	None
Experience and expertise:	Lee-Martin is the founder of Xref. He has 22 years recruitment experience across many geographic and market sectors. For 14 years Lee-Martin 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-Martin 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 Audit and Risk Committee Member of the Remuneration and Nomination Committee
Interests in shares:	31,740,108
Interests in options:	None
Interests in performance rights:	986,409
Contractual rights to shares:	None

Name:	**Jake Phillpot**
Title:	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 and Risk Committee Member of the Remuneration and Nomination Committee
Interests in shares:	30,364,950
Interests in options:	None
Interests in rights:	None

Name:	**Jon Newbery**
Title:	Independent Non-Executive Director and Chairman of the Audit and Risk Committee
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 Technologies Limited (ASX: PHX)
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Audit and Risk Committee Member of the Remuneration and Nomination Committee
Interests in shares:	None
Interests in options:	None
Contractual rights to shares:	None

Name:	**Thomas Stianos**
Title:	Former Independent Non-Executive Chairman (resigned on 30 April 2026)
Qualifications:	B. App Sc
Experience and expertise:	Thomas 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. Thomas 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
Date of resignation as a director	30 April 2026
Other current directorships:	Not applicable as no longer a director
Former directorships (last 3 years):	None
Special responsibilities:	Former Chairman of the Board and Member of the Audit and Risk Committee
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director
Contractual rights to shares:	Not applicable as no longer a director

'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.

Company secretary
Kamille Dietrich (appointed on 20 February 2026)
Kamille is an experienced Company Secretary and lawyer with over five years experience in corporate governance, company secretarial practice and advising ASX-listed companies. As a Company Secretary at Automic Group, Kamille provides governance and company secretarial services to a broad portfolio of ASX listed and unlisted entities, with a focus on ASX compliance, Board support, corporate transactions and statutory compliance. Kamille is also and affiliated member of Governance Institute of Australia.

Robert Waring (BEc, ACA, FCIS, ASIA, FAICD) (resigned on 20 February 2026)
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.

The Board thanks Robert for his valuable contribution and service to the company.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2026, and the number of meetings attended by each director were:

	Full Board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Nigel Heap	17	17	2	2	4	4
Lee-Martin Seymour	17	17	2	2	4	4
Jake Phillpot	17	17	2	2	3	4
Jon Newbery	17	17	2	2	4	4
Thomas Stianos	10	17	2	2	3	4

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

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 persons having 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 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; and
- 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.

In consultation with external remuneration consultants (refer to the section 'Use of remuneration consultants' below), the Remuneration and Nomination Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board has 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; and
- 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; and
- 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. At the 2016 AGM that the maximum aggregate cash-based remuneration payable to Non-Executive Directors in any financial year was resolved to be $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; and
- 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 Group 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 Group 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 (Non-Executive Directors) or Performance Rights (Executives). Options or Performance Rights are awarded to executives with vesting conditions that are determined appropriate by the Remuneration and Nomination Committee at the time of awarding and may 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 2026, ARR growth and EBITDA were the financial targets. Any remaining portion of cash bonus and incentive payments are at the discretion of the Remuneration and Nomination Committee.

Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

The Remuneration and Nomination Committee is of the opinion that the continued improved results 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 Remuneration and Nomination Committee has not engaged the services of remuneration consultants in determining the above remuneration arrangements for the financial year ended 30 June 2026.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors of Xref Limited:
- Nigel Heap - Non-Executive Director and Chairman (appointed as Chairman on 1 May 2026)
- Lee-Martin Seymour - Managing Director & Chief Executive Officer
- Jake Phillpot – Non-Executive Director
- Jon Newbery – Independent Non-Executive Director
- Thomas Stianos - Former Non-Executive Chairman (resigned on 30 April 2026)

And the following persons:
- Avi Lewis – Chief Financial Officer
- Sharon Blesson – Chief Technology Officer
- Robert Waring – Former Company Secretary (resigned on 20 February 2026)

2026	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:								
Nigel Heap	68,282	-	-	8,194	-	-	43,820	120,296
Jake Phillpot	57,200	-	-	6,864	-	-	25,676	89,740
Jon Newbery	64,064	-	-	-	-	-	25,676	89,740
Thomas Stianos**	97,717	-	-	11,726	-	-	87,640	197,083
Executive Directors:								
Lee-Martin Seymour	413,839	-	-	30,103	-	-	-	443,942
Other Key Management Personnel:								
Avi Lewis	268,834	-	-	29,751	-	-	-	298,585
Sharon Blesson	384,895	-	-	30,103	-	-	-	414,998
Robert Waring***	72,971	-	-	-	-	-	-	72,971
	1,427,802	-	-	116,741	-	-	182,812	1,727,355

* Cash bonus accrued not paid.
** Represents remuneration from 1 July 2025 to 30 April 2026.
*** Represents remuneration from 1 July 2025 to 20 February 2026.

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:								
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
Thomas Stianos	114,400	-	-	13,156	-	-	-	127,556
Executive Directors:								
Lee-Martin Seymour	396,602	73,308	-	36,455	-	-	-	506,365
Other Key Management Personnel:								
Avi Lewis****	53,750	-	-	6,181	-	-	-	59,931
Sharon Blesson	378,656	68,529	-	35,743	-	-	-	482,928
Robert Waring	105,705	-	-	-	-	-	-	105,705
James Solomons***	343,296	-	-	24,626	-	-	-	367,922
	1,483,441	141,837	-	124,592	-	-	45,848	1,795,718

*   Cash bonus accrued not paid.
**   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.

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

Name	Fixed remuneration 2026	Fixed remuneration 2025	At risk - STI 2026	At risk - STI 2025	At risk - LTI 2026	At risk - LTI 2025
Non-Executive Directors:						
Nigel Heap	100%	100%	-	-	-	-
Jake Phillpot	100%	100%	-	-	-	-
Jon Newbery	100%	100%	-	-	-	-
Executive Directors:						
Lee-Martin Seymour	100%	87%	-	13%	-	-
Other Key Management Personnel:						
Avi Lewis	100%	100%	-	-	-	-
Sharon Blesson	100%	86%	-	14%	-	-

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 2025
Term of agreement:	No fixed term
Details:	Base salary for the year ending 30 June 2026 of $376,528 p.a. plus superannuation, plus $22,173 car allowance to be reviewed annually by the Remuneration and Nomination Committee. 3 months termination notice by either party. Discretionary STI bonus may be paid as per Remuneration and Nomination Committee approval and KPI achievement and LTI through performance rights based on performance metrics including ARR growth. Non-solicitation and non-compete clauses exist.

Name:	**Avi Lewis**
Title:	Chief Financial Officer
Agreement commenced:	1 July 2025
Term of agreement:	No fixed term
Details:	A base salary for the year ending 30 June 2026 of $282,000 p.a. plus superannuation, to be reviewed annually by the Remuneration and Nomination Committee. 3 months termination notice by either party. Discretionary STI bonus may be paid as per Remuneration and Nomination Committee approval and KPI achievement and LTI through performance rights based on performance metrics including ARR growth. Non-solicitation and non-compete clauses exist.

Name:	**Sharon Blesson**
Title:	Chief Technology Officer
Agreement commenced:	1 July 2025
Term of agreement:	No fixed term
Details:	Base salary for the year ending 30 June 2026 of $350,685 p.a. plus superannuation, plus $22,173 car allowance to be reviewed annually by the Remuneration and Nomination Committee. 3 months termination notice by either party. Discretionary STI bonus may be paid as per Remuneration and Nomination Committee approval and KPI achievement and LTI through performance rights based on performance metrics including ARR growth. 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
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2026.

Options
The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2026 are set out below:

Name	Number of options granted during the year 2026	Number of options granted during the year 2025	Number of options vested during the year 2026	Number of options vested during the year 2025	Number of options forfeited during the year 2026	Number of options forfeited/expired during the year 2025	Number of options cancelled during the year 2026	Number of options cancelled during the year 2025
Nigel Heap	900,000	-	600,000	-	-	900,000	-	-
Jake Phillpot	-	900,000	-	300,000	-	-	900,000	-
Jon Newbery	-	900,000	-	300,000	-	-	900,000	-
Lee-Martin Seymour	-	-	-	-	-	-	-	-
Avi Lewis	-	-	-	-	-	-	-	-
Sharon Blesson	-	-	-	-	-	-	-	-
Thomas Stianos	1,800,000	-	1,200,000	-	600,000	1,800,000	-	-
Robert Waring	-	-	-	-	-	-	-	-

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 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 non-executive or 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 30.

Additional information
The earnings of the Group for the five years to 30 June 2026 are summarised below:

	2026 $	2025 $	2024 $	2023 $	2022 $
Revenue	19,143,411	21,314,154	19,859,555	18,591,434	14,454,868
Loss after income tax	(432,066)	(1,953,345)	(5,681,097)	(3,359,340)	729,575
STI cash bonus paid as a % of potential	-	85%	20%	10%	-
LTI achieved	-	-	-	-	-

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2026	2025	2024	2023	2022
Share price at financial year end ($)	0.070	0.150	0.180	0.170	0.380
Total dividends declared (cents per share)	-	-	-	-	-
Basic earnings per share (cents per share)	(0.196)	(0.995)	(3.040)	(1.810)	0.400
Diluted earnings per share (cents per share)	(0.196)	(0.995)	(2.920)	(1.810)	0.360

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 Group, 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					
Nigel Heap	32,103	-	-	-	32,103
Lee-Martin Seymour	31,740,108	-	-	-	31,740,108
Jake Phillpot	30,364,950	-	-	-	30,364,950
Sharon Blesson*	175,000	-	-	(175,000)	-
Thomas Stianos**	200,000	-	-	(200,000)	-
Robert Waring**	306,350	-	-	(306,350)	-
	62,818,511	-	-	(681,350)	62,137,161

* Disposals of 175,000 shares on 10 September 2025.

** Other represents shares held at resignation date, when removed as a KMP.

Options & Performance Rights holdings

The number of options and performance rights 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 the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Nigel Heap	-	900,000	-	-	900,000
Jake Phillpot**	900,000	-	-	(900,000)	-
Jon Newbery**	900,000	-	-	(900,000)	-
Lee-Martin Seymour	-	-	-	-	-
Sharon Blesson	75,000	-	-	-	75,000
Thomas Stianos*	-	1,800,000	-	(1,800,000)	-
Robert Waring*	325,000	-	-	(325,000)	-
	2,200,000	2,700,000	-	(3,925,000)	975,000

* Represents movements up to and options held at resignation date. On resignation, Thomas Stianos retained 1,200,000 options which are vested.

** In March 2026 share options issued to Jake Phillpot and Jon Newbery were cancelled.

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Executive Performance Rights					
Lee-Martin Seymour	-	986,409	-	-	986,409
Sharon Blesson	-	691,567	-	-	691,567
Avi Lewis	-	526,400	-	-	526,400
	-	2,204,376	-	-	2,204,376

Performance Rights

Performance rights were granted during the financial year to executives based on a 3-year vesting period. As at 30 June 2026, no performance rights had vested. Details regarding the exercise price, valuation and vesting conditions relating to the performance rights can be found in note 30 of the financial statements.

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 $71,046 (ex GST).

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Xref Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
20/02/2023	20/02/2027	$0.42	225,000
20/02/2023	20/02/2027	$0.50	290,000
19/12/2025	21/11/2028	$0.20	2,100,000
			2,615,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options and performance rights
There were no ordinary shares of Xref Limited issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report.

The following performance rights were granted during the year and up to the date of this report:

Performance rights

Grant date	Vesting date	Exercise price	Number under option
27/08/2026	27/08/2029	$0.00	3,271,457

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 a 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.

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 were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Crowe Sydney
There are no officers of the company who are former partners of Crowe Sydney.

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.

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	Nigel Heap
Managing Director	Chairman

31 August 2026
Sydney

Crowe Sydney
ABN 97 895 683 573
Level 24, 1 O'Connell Street
Sydney NSW 2000
Main +61 (02) 9262 2155
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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 2026 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 Kd

Barbara Richmond
Partner

31 August 2026
Sydney

Xref Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
Revenue	5	19,143,411	21,314,154
Cost of sales		(2,244,877)	(2,284,354)
Gross margin		16,898,534	19,029,800
Other income	5	1,987,941	1,851,711
Interest revenue		64,005	104,096
Gain on fair value adjustments to contingent consideration		-	116,279
Expenses			
Overheads and administrative expenses		(5,040,910)	(5,890,251)
Depreciation and amortisation expenses	6	(3,000,961)	(2,842,254)
Employee benefits expense		(9,931,764)	(12,609,754)
Share-based payments		(157,134)	(44,948)
Finance costs	6	(1,283,561)	(1,711,222)
Total expenses		(19,414,330)	(23,098,429)
Loss before income tax benefit		(463,850)	(1,996,543)
Income tax benefit	7	31,784	43,198
Loss after income tax benefit for the year attributable to the owners of Xref Limited	21	(432,066)	(1,953,345)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		116,438	(486,584)
Other comprehensive income/(loss) for the year, net of tax		116,438	(486,584)
Total comprehensive loss for the year attributable to the owners of Xref Limited		(315,628)	(2,439,929)
		Cents	Cents
Basic earnings per share	8	(0.196)	(0.995)
Diluted earnings per share	8	(0.196)	(0.995)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Xref Limited
Statement of financial position
As at 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
Assets			
Current assets			
Cash and cash equivalents	9	2,329,497	5,287,493
Trade and other receivables	10	4,336,238	1,989,736
Contract assets	11	592,573	776,517
Prepayments		403,660	580,453
Total current assets		7,661,968	8,634,199
Non-current assets			
Contract assets	11	29,849	35,041
Property, plant and equipment	12	40,121	75,847
Right-of-use assets		-	15,391
Intangible assets	13	9,304,769	10,262,765
Other assets		110,911	137,603
Total non-current assets		9,485,650	10,526,647
Total assets		17,147,618	19,160,846
Liabilities			
Current liabilities			
Trade and other payables	14	2,434,779	2,010,074
Contract liabilities	15	9,522,025	10,916,140
Borrowings	16	2,594,577	2,495,568
Lease liabilities		-	15,070
Employee benefits	17	1,080,300	1,013,189
Deferred grants	18	498,098	280,909
Total current liabilities		16,129,779	16,730,950
Non-current liabilities			
Contract liabilities	15	711,481	520,239
Borrowings	16	3,706,924	5,322,231
Deferred tax liability	7	238,825	291,261
Employee benefits	17	225,553	259,385
Deferred grants	18	681,032	424,352
Total non-current liabilities		5,563,815	6,817,468
Total liabilities		21,693,594	23,548,418
Net liabilities		(4,545,976)	(4,387,572)
Equity			
Issued capital	19	59,261,865	59,261,865
Reserves	20	(21,119,171)	(21,084,262)
Accumulated losses	21	(42,688,670)	(42,565,175)
Total deficiency in equity		(4,545,976)	(4,387,572)

The above statement of financial position should be read in conjunction with the accompanying notes

Xref Limited
Statement of changes in equity
For the year ended 30 June 2026

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2024	55,405,847	(20,642,626)	(40,611,830)	(5,848,609)
Loss after income tax benefit for the year	-	-	(1,953,345)	(1,953,345)
Other comprehensive loss for the year, net of tax	-	(486,584)	-	(486,584)
Total comprehensive loss for the year	-	(486,584)	(1,953,345)	(2,439,929)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 19)	3,856,018	-	-	3,856,018
Share-based payments (note 30)	-	44,948	-	44,948
Balance at 30 June 2025	59,261,865	(21,084,262)	(42,565,175)	(4,387,572)

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2025	59,261,865	(21,084,262)	(42,565,175)	(4,387,572)
Loss after income tax benefit for the year	-	-	(432,066)	(432,066)
Other comprehensive income for the year, net of tax	-	116,438	-	116,438
Total comprehensive income/(loss) for the year	-	116,438	(432,066)	(315,628)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 19)	-	(15,375)	-	(15,375)
Share-based payments (note 20)	-	172,599	-	172,599
Transfer expired share warrants to retained earnings (note 20)	-	(308,571)	308,571	-
Balance at 30 June 2026	59,261,865	(21,119,171)	(42,688,670)	(4,545,976)

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

Xref Limited
Statement of cash flows
For the year ended 30 June 2026

	Note	Consolidated 2026 $	2025 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		20,014,906	22,829,107
Payments to suppliers and employees (inclusive of GST)		(18,291,306)	(23,914,450)
		1,723,600	(1,085,343)
R&D tax incentive refund receipt		-	2,350,869
Interest received		64,005	104,349
Income taxes paid		(20,652)	(9,328)
Net cash from operating activities	31	1,766,953	1,360,547
Cash flows from investing activities			
Payments for property, plant and equipment	12	(21,104)	(10,712)
Payments for intangibles	13	(1,986,135)	(1,896,357)
Net cash used in investing activities		(2,007,239)	(1,907,069)
Cash flows from financing activities			
Proceeds from issue of shares	19	-	3,448,930
Repayment of lease liabilities		(15,070)	(90,954)
Interest and other finance costs paid		(1,197,080)	(1,360,201)
Repayment of borrowings		(1,505,560)	(757,595)
Net cash (used in)/from financing activities		(2,717,710)	1,240,180
Net (decrease)/increase in cash and cash equivalents		(2,957,996)	693,658
Cash and cash equivalents at the beginning of the financial year		5,287,493	4,593,835
Cash and cash equivalents at the end of the financial year	9	2,329,497	5,287,493

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

Note 1. General information

The financial statements cover Xref Limited ('Xref') as a Group 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 was incorporated on 28 January 2003 in New Zealand and from 21 September 2017 was domiciled in Australia.

Xref Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 20
135 King street
Sydney NSW
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 _____August 2026. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of 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 any significant impact on the financial performance or position of the Group during the financial year.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

As disclosed in the financial statements for the financial year ended 30 June 2026, the Group recognised a loss of $432,066 (2025: $1,953,345). There is also a deficiency of net current assets of $8,467,811 (2025: $8,096,751) and a deficiency of net assets of $4,545,976 (2025: $4,387,572).

However, this deficiency includes the value of contract liabilities of $10,233,506 (2025: $11,436,379). Under the standard terms and conditions of the contracts of the Group, 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 these financial statements which assumes that the Group will be able to meet its commitments, realise its assets and discharge its liabilities in its ordinary course of business.

Note 2. Material accounting policy information (continued)

Considerations that support this assertion are:

- Positive cash from operations of $1,766,953.
- Conservative cash flow forecasts under stringent growth assumptions and scenarios, and the effect of some significant cost reductions during FY26, is persuasive enough to form a view that the Group will be able to meet all its operational commitments.
- An operational restructuring process as part of its continued focus on technology-driven optimisation led to redundancies, resulting in headcount reductions of 18 roles, releasing $1.3m in free cash flows back into the business over the 12 months commencing March 2026.
- The business ended the financial year with a healthy cash balance of $2,329,497 (30 June 2025: $5,287,493). The 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 its available cash resources and forecasts.
- R&D incentive tax claim of $2.0m lodged in August 2026.

On 28 August 2026, the Group completed a refinancing of its existing debt borrowing facility with Element SaaS Finance LLC, with the outstanding balance repaid on settlement.

A new facility with the Commonwealth Bank of Australia (CBA) was secured for $6.3 million maturing in August 2029 and an overdraft facility of $2.0 million which will be reviewed annually.

The new facilities bear the following interest rates:

- Term facility: line fee of 3.80% per annum and a margin of BBSY Rate (90 days), with interest-only payments for the first two years.
- Overdraft facility: line fee of 1.30% per annum and a margin of the Overdraft Index Rate minus 1.50% per annum.

At 31 August 2026, $5.6 million of the loan facility was drawn and the overdraft of $2.0 million remains undrawn. Principal repayments commence on the second year anniversary of the loan settlement.

As the refinancing was completed after the reporting date, the borrowings have been presented in accordance with conditions that existed at 30 June 2026. The directors consider that the new facilities strengthen the Group's liquidity position and support its ongoing operations.

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 realise its assets and extinguish its liabilities in the normal course of business.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 29.

Note 2. Material accounting policy information (continued)

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Xref Limited ('company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. Xref Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: 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.

Note 2. Material accounting policy information (continued)

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 recognised as a refund liability.

Trust Marketplace (TMP) comprises a marketplace business and a direct service business. For marketplace transactions facilitated through the platform, the Group acts as an agent under AASB 15 and recognises revenue on a net basis. For direct service arrangements, the Group acts as principal and recognises revenue and related costs on a gross basis.

Group sales
The Group has three main sources of Sales. The provision of candidate referencing services via the sale of credits and 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. The other event is when the customer has purchased a subscription to the Xref platform, for which 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.

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.

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.

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

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

An income tax benefit will arise for the financial year where an income tax loss is incurred and, where permitted to do so, is carried-back against a qualifying prior period’s tax payable to generate a refundable tax offset.

Note 2. Material accounting policy information (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade 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 Group 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.

Note 2. Material accounting policy information (continued)

Contract assets
Contract assets are recognised when the Group has transferred services to the customer but where it 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.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business and is not amortised. Instead, goodwill is 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.

Intellectual Property, trademarks and other rights
Significant costs associated with intellectual property and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Customer relationships
Customer relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 7 years.

Software
Significant costs associated with software development are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 years. Software acquired in business combinations are deferred and amortised over the assessed period of their expected benefit, being their finite life of 5 years.

Domain names
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.

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. The 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.

Trade and other payables
Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 2. Material accounting policy information (continued)

Contract liabilities
Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

Note 2. Material accounting policy information (continued)

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques used to measure fair value are those that are appropriate in the circumstances and which maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Xref Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Note 2. Material accounting policy information (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

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 Group for the annual reporting period ended 30 June 2026. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements
This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. The standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Note 3. 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.

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.

Revenue from contracts with customers
Judgement is applied in determining whether the Group acts as principal or agent in arrangements involving services provided by third-party suppliers through the Group's platform.

In making this assessment, management considers whether the Group obtains control of the specified service before it is transferred to the customer, including consideration of which party is primarily responsible for service delivery, exposure to fulfilment risk, and discretion in establishing prices. Based on this assessment, the Group has concluded that it acts as an agent in certain arrangements and therefore recognises revenue only for the net fees earned from those transactions.

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.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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 2. 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.

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.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

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.

Recovery of 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 non-taxable 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 7.

Employee benefits provision
As discussed in note 2, 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.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

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 4. 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 Group is organised into three operating segments based on products and services sold: Xref Platform, Trust Marketplace and Xref Engage. The CODM reviews EBITDA (earnings before interest, tax, depreciation , amortisation and other non-operating expenses). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

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 (TMP)	ID verification, Qualification checks, Background checks
Xref Engage	Engagement surveys

Intersegment transactions
Intersegment transactions where needed are made at market rates. Pre-employment screening, identification, qualification and 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.

Note 4. Operating segments (continued)

Operating segment information

Consolidated 30 June 2026	Xref Platform $	Trust Marketplace $	Xref Engage $	Total $
Revenue				
Revenue from external customers	13,685,795	1,883,078	3,574,113	19,142,986
Intersegment sales	425	-	-	425
Total sales revenue	13,686,220	1,883,078	3,574,113	19,143,411
Other income (including R&D grant income)	2,138,654	-	-	2,138,654
Total segment revenue	15,824,874	1,883,078	3,574,113	21,282,065
Intersegment eliminations	-	(425)	-	(425)
Interest revenue	64,005	-	-	64,005
Total revenue	15,888,879	1,882,653	3,574,113	21,345,645
EBITDA	944,270	628,133	2,184,264	3,756,667
Depreciation and amortisation expenses	(3,000,961)	-	-	(3,000,961)
Interest revenue	64,005	-	-	64,005
Finance costs	(1,283,561)	-	-	(1,283,561)
Loss before income tax benefit	(3,276,247)	628,133	2,184,264	(463,850)
Income tax benefit	(20,652)	-	52,436	31,784
Loss after income tax benefit	(3,296,899)	628,133	2,236,700	(432,066)
Assets				
Segment assets	12,434,157	520,008	1,243,019	14,197,184
Unallocated assets:				
Goodwill	-	1,333,986	1,616,448	2,950,434
Total assets				17,147,618
Liabilities				
Segment liabilities	(19,583,890)	(168,770)	(1,940,934)	(21,693,594)
Total liabilities				(21,693,594)

Note 4. Operating segments (continued)

Consolidated **30 June 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 income (including R&D grant income)	1,851,711	-	-	1,851,711
Total segment revenue	17,159,592	2,088,082	3,918,191	23,165,865
Intersegment eliminations	-	(212)	-	(212)
Interest revenue	104,096	-	-	104,096
Total revenue	17,263,688	2,087,870	3,918,191	23,269,749
EBITDA	527,268	569,766	1,355,803	2,452,837
Depreciation and amortisation expenses	(2,311,218)	(123,682)	(407,354)	(2,842,254)
Interest revenue	104,096	-	-	104,096
Finance costs	(1,711,222)	-	-	(1,711,222)
(Loss)/profit before income tax expense	(3,391,076)	446,084	948,449	(1,996,543)
Income tax expense	(9,238)	-	52,436	43,198
(Loss)/profit after income tax expense	(3,400,314)	446,084	1,000,885	(1,953,345)
Assets				
Segment assets	13,839,439	563,515	1,807,458	16,210,412
Unallocated assets:				
Goodwill	-	1,333,986	1,616,448	2,950,434
Total assets				19,160,846
Liabilities				
Segment liabilities	(21,459,875)	(142,498)	(1,946,045)	(23,548,418)
Total liabilities				(23,548,418)

Geographical information

	Geographical non-current assets	
	2026 $	2025 $
Australia	9,474,103	7,334,074
New Zealand	10,835	1,317
Canada	712	45,673
	9,485,650	7,381,064

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 5. Revenue

	Consolidated 2026 $	Consolidated 2025 $
Revenue from contracts with customers		
- Xref Platform	13,686,220	15,307,881
- Trust Marketplace	1,883,078	2,088,082
- Xref Engage	3,574,113	3,918,191
Total revenue	19,143,411	21,314,154
Other income		
Grant income*	1,536,180	1,645,861
Foreign exchange gain on interest bearing loans and borrowings	602,474	205,850
Other foreign exchange losses	(150,713)	-
	1,987,941	1,851,711
Total revenue and other income	21,131,352	23,165,865

* Other income relates to the proportional recognition of the R&D tax offset for FY2026 of $2,000,000, claimed in August 2026, and amortisation of an R&D tax offset received for FY2024.

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

Consolidated 30 June 2026	Xref Platform $	Trust Marketplace $	Xref Engage $	Total $
Revenue from customers				
Revenue	13,686,220	1,883,078	3,574,113	19,143,411
Geographical regions				
Australia	9,690,203	1,883,078	3,574,113	15,147,394
Canada	813,582	-	-	813,582
United Kingdom	782,401	-	-	782,401
New Zealand	1,349,473	-	-	1,349,473
United States of America	1,050,561	-	-	1,050,561
	13,686,220	1,883,078	3,574,113	19,143,411
Timing of revenue recognition				
Goods transferred at a point in time	1,441,264	1,883,078	774,297	4,098,639
Services rendered over time	12,244,954	-	2,799,818	15,044,772
	13,686,218	1,883,078	3,574,115	19,143,411

Note 5. Revenue (continued)

Consolidated 30 June 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 of America	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 rendered over time	13,478,348	-	2,910,411	16,388,759
	15,307,882	2,088,082	3,918,190	21,314,154

Note 6. Expenses

	Consolidated	
	2026 $	2025 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	56,830	68,498
Buildings right-of-use assets	-	92,389
Total depreciation	56,830	160,887
Amortisation and impairment		
Patents, trademarks and other rights	89,893	71,990
Customer relationships	121,000	139,150
Software development	2,722,005	2,459,080
Domain names	11,233	11,417
Total amortisation and impairment	2,944,131	2,681,637
Total depreciation and amortisation expenses	3,000,961	2,842,524
Finance costs		
Interest and finance charges paid/payable on borrowings	1,283,257	1,660,590
Interest and finance charges paid/payable on lease liabilities	304	50,632
Finance costs expensed	1,283,561	1,711,222
Leases		
Short-term/low value lease payments	683,275	609,235
Superannuation expense		
Defined contribution superannuation expense	1,078,630	1,254,301

Note 7. Income tax

	Consolidated	
	2026 $	2025 $
Income tax benefit		
Current tax	-	-
Deferred tax - origination and reversal of temporary differences	(52,436)	(52,436)
Adjustment recognised for prior periods	20,652	9,238
Aggregate income tax benefit	(31,784)	(43,198)
Deferred tax included in income tax benefit comprises:		
Decrease in deferred tax liabilities	(52,436)	(52,436)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(463,850)	(1,996,543)
Tax at the statutory tax rate of 25%	(115,963)	(499,136)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Difference in overseas tax rates	16,450	(209,228)
Permanent differences	(84,044)	21,246
Increase in deferred tax asset not brought to account	183,557	649,920
Income tax paid by subsidiaries	(31,784)	(6,000)
Income tax benefit	(31,784)	(43,198)

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

	Consolidated	
	2026 $	2025 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	8,988,622	8,734,247
Potential tax benefit at statutory tax rates @30% (2025 - 25%)	2,696,587	2,183,562

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 above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed. The Group 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.

International Tax Reform – Pillar Two Model Rules
The Group is not within the scope of the OECD Pillar Two model rules, as its annual consolidated global revenue is less than €750 million. Accordingly, the legislation has no impact on the Group's financial position or performance for the year ended 30 June 2026.

Note 7. Income tax (continued)

	Consolidated 2026 $	Consolidated 2025 $
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Customer Relationships	105,875	136,125
Intellectual Property	129,577	149,512
Brand Names	3,373	5,624
Deferred tax liability	238,825	291,261
Movements:		
Opening balance	291,261	343,697
Credited to profit or loss	(52,436)	(52,436)
Closing balance	238,825	291,261

Note 8. Earnings per share

	Consolidated 2026 $	Consolidated 2025 $
Earnings per share for loss		
Loss after income tax attributable to the owners of Xref Limited	(432,066)	(1,953,345)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	220,089,764	196,230,047
Weighted average number of ordinary shares used in calculating diluted earnings per share	220,089,764	196,230,047
	Cents	**Cents**
Basic earnings per share	(0.196)	(0.995)
Diluted earnings per share	(0.196)	(0.995)

Share options and performance rights have been excluded from the above calculation in the current and previous year as their inclusion would be anti-dilutive.

Note 9. Cash and cash equivalents

	Consolidated 2026 $	Consolidated 2025 $
Current assets		
Cash on hand	204	204
Cash at bank	2,329,293	5,287,289
	2,329,497	5,287,493

Note 10. Trade and other receivables

	Consolidated 2026 $	Consolidated 2025 $
Current assets		
Trade receivables	2,336,259	1,989,736
Research and Development Tax Incentive	1,999,979	-
	4,336,238	1,989,736

Allowance for expected credit losses
The Group has recognised a loss of $nil (2025: $nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2026.

As at 30 June 2026, the ageing analysis of trade receivables past due but not impaired is detailed as follows:

Consolidated	Expected credit loss rate 2026 %	Expected credit loss rate 2025 %	Carrying amount 2026 $	Carrying amount 2025 $
Not overdue	-	-	1,978,004	1,544,521
30 to 90 days overdue	-	-	355,000	429,258
Over 90 days overdue	-	-	3,255	15,957
			2,336,259	1,989,736

Note 11. Contract assets

	Consolidated 2026 $	Consolidated 2025 $
Current assets		
Capitalised commission credit sales	154,903	300,879
Capitalised commission subscriptions	437,670	475,638
	592,573	776,517
Non-current assets		
Capitalised commission subscriptions	29,849	35,041
	622,422	811,558

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

	2026 $	2025 $
Opening balance	811,558	989,251
Additions	1,091,117	1,113,386
Recognition as expenses	(1,275,488)	(1,299,767)
Balancing adjustments due to forex	(4,765)	8,688
Closing balance	622,422	811,558

Note 12. Property, plant and equipment

	Consolidated	
	2026 $	2025 $
Non-current assets		
Plant and equipment - at cost	240,270	990,566
Less: Accumulated depreciation	(200,149)	(914,719)
	40,121	75,847

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant and equipment $
Balance at 1 July 2024	221,688
Additions	10,712
Disposals	(88,055)
Depreciation expense	(68,498)
Balance at 30 June 2025	75,847
Additions	21,104
Disposals	-
Depreciation expense	(56,830)
Balance at 30 June 2026	40,121

Note 13. Intangible assets

	Consolidated 2026 $	Consolidated 2025 $
Non-current assets		
Goodwill - at cost	2,950,434	2,950,434
Intellectual Property, trademarks and other rights - at cost	853,737	853,737
Less: Accumulated amortisation	(319,641)	(229,748)
	534,096	623,989
Customer relationships - at cost	847,000	847,000
Less: Accumulated amortisation	(423,500)	(302,500)
	423,500	544,500
Software development - at cost	12,946,140	10,960,284
Less: Accumulated amortisation	(7,651,519)	(4,929,793)
	5,294,621	6,030,491
Licenses - at cost	50,000	50,000
Less: Accumulated amortisation	-	-
	50,000	50,000
Domain names - at cost	114,238	113,958
Less: Accumulated amortisation	(62,120)	(50,607)
	52,118	63,351
Total intangible assets	9,304,769	10,262,765

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $	Patents, trademarks and other rights $	Customer relation-ships $	Software develop-ment $	Licenses $	Domain names $	Total $
Balance at 1 July 2024	2,950,434	695,979	683,650	6,592,954	50,000	74,768	11,047,785
Additions	-	-	-	1,896,617	-	-	1,896,617
Amortisation expense	-	(71,990)	(139,150)	(2,459,080)	-	(11,417)	(2,681,637)
Balance at 30 June 2025	2,950,434	623,989	544,500	6,030,491	50,000	63,351	10,262,765
Additions	-	-	-	1,986,135	-	-	1,986,135
Amortisation expense	-	(89,893)	(121,000)	(2,722,005)	-	(11,233)	(2,944,131)
Balance at 30 June 2026	2,950,434	534,096	423,500	5,294,621	50,000	52,118	9,304,769

Note 13. Intangible assets (continued)

Impairment testing
Goodwill acquired through business combinations has been allocated to the following cash-generating units:

	Consolidated	
	2026 $	2025 $
Trust Marketplace (TMP)	1,333,986	1,333,986
Xref Engage	1,616,248	1,616,248
	2,950,234	2,950,234

TMP
The recoverable amount of the Group'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 TMP:
- 18% (2025: 17%) post-tax discount rate;
- The business very conservatively runs with the FY26 exit revenue base with nil revenue growth in FY2027 thereafter p.a;
- 14% (2025: 15%) of revenue per annum in operating expenses, and 13% (2025: 14%) of revenue per annum in payroll expense;
- 52% (2025: 52% - 56%) per annum in gross margin; and
- 2% (2025: 3%) terminal value growth rate.

Based on the above, the recoverable amount of TMP 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 TMP's goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

Xref Engage
The recoverable amount of the Group'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:

- 18% (2025: 17%) post-tax discount rate;
- negative 5% (2025: 0%) per annum average projected revenue growth rate during the forecast period;
- 38% (2025: 38%) of revenue per annum in wages during the forecast period;
- 15% (2025: 15%) of revenue per annum in operating expenses during the forecast period; and
- 2% (2025: 2.5%) terminal value growth rate.

Note 13. Intangible assets (continued)

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 Engage's goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

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.

Note 14. Trade and other payables

	Consolidated	
	2026 $	2025 $
Current liabilities		
Trade payables	687,916	609,301
Accrued interest	36,607	115,142
Accrued salaries, wages and related costs	177,958	214,655
Non trade payables and accrued expenses	936,680	430,915
Superannuation payable	233,113	290,826
GST payable	362,505	349,235
	2,434,779	2,010,074

Note 15. Contract liabilities

	Consolidated	
	2026 $	2025 $
Current liabilities		
Contract liabilities	9,522,025	10,916,140
Non-current liabilities		
Contract liabilities	711,481	520,239
	10,233,506	11,436,379

Note 15. Contract liabilities (continued)

	Consolidated 2026 $	Consolidated 2025 $
Xref unearned revenue movement		
Opening balance - Xref	9,782,481	10,955,491
Xref sales	12,719,966	13,950,606
Add: Opening conditional credits	-	22,962
Less: Credit usage and subscriptions recognised	(13,764,557)	(15,252,353)
	(1,044,591)	(1,278,785)
Foreign exchange revaluation impacts	(205,815)	105,775
Closing balance - Unearned revenue Xref	8,532,075	9,782,481
TrustMarketplace unearned revenue movement		
Opening balance - Trust Marketplace	-	55,101
Less: Prepaid checks used	-	(55,101)
Closing balance - Unearned revenue TrustMarketplace	-	-
Engage unearned revenue movement		
Opening balance - Engage	1,653,898	1,725,350
Add: Platform subscriptions sold	2,907,635	2,865,489
Less: Subscriptions recognised	(2,860,102)	(2,936,941)
Closing balance - Unearned revenue Engage	1,701,431	1,653,898
Total Group unearned revenue	10,233,506	11,436,379

Note 16. Borrowings

	Consolidated 2026 $	Consolidated 2025 $
Current liabilities		
Element SaaS Finance LLC loan	2,594,577	2,495,568
Non-current liabilities		
Element SaaS Finance LLC loan	3,706,924	5,322,231
	6,301,501	7,817,799

Refer to note 23 for further information on financial instruments.

The terms of the loan established with Element SaaS Finance LLC for USD5.5m are given below:

Note 16. Borrowings (continued)

- Facility limit: USD5.5m.
- Term: 4-year term. The loans are payable in 2 Tranches. Tranche 1 expires on 13 February 2028 and Tranche 2 expires on 1 3 May 2028.
- 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.

  An initial interest only period was applicable from the period of up to 9 months from the utilisation date of the loan which ended in March 2025.
- 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. The loans will be repayable immediately if the covenants are breached.

Loan covenants
The bank loans are subject to certain financial covenants and these are assessed at the end of each month. The loans will be repayable immediately if the covenants are breached.

On 27 August 2026 the Group completed a refinancing of its debt facilities and the outstanding balance held with Element SaaS was repaid on settlement. For further details refer to note 32.

Note 17. Employee benefits

	Consolidated	
	2026 $	2025 $
Current liabilities		
Annual leave	592,715	633,731
Long service leave	487,585	379,458
	1,080,300	1,013,189
Non-current liabilities		
Long service leave	225,553	259,385
	1,305,853	1,272,574

Note 18. Deferred grants

	Consolidated	
	2026 $	2025 $
Current liabilities		
Deferred grants	498,098	280,909
Non-current liabilities		
Deferred grants	681,032	424,352
	1,179,130	705,261

Note 19. Issued capital

	Consolidated			
	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares - fully paid	220,089,764	220,089,764	59,261,865	59,261,865

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2024	188,203,266		55,405,847
Shares issued in relation to business combinations	24 January 2025	2,906,977	$0.34	406,982
Issue of shares	24 March 2025	27,926,443	$0.13	3,630,438
Issue of shares - exercise of options	30 April 2025	1,053,078	$0.00	-
Share issue transaction costs, net of tax				(181,402)
Balance	30 June 2025	220,089,764		59,261,865
Balance	30 June 2026	220,089,764		59,261,865

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

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 was seen as value adding relative to the current company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2025 Annual Report.

Note 20. Reserves

	Consolidated 2026 $	Consolidated 2025 $
Foreign currency reserve	(1,021,065)	(1,137,503)
Share-based payments reserve	2,747,715	2,590,491
Share warrants reserve	-	308,571
Consolidation reserve	(22,845,821)	(22,845,821)
	(21,119,171)	(21,084,262)

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.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

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

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.

Movements in reserves
Movements in each class of reserve during the current financial year are set out below:

Consolidated	Foreign currency reserve $	Share-based payments reserve $	Share warrants reserve $	Consolidation reserve $	Total $
Balance at 1 July 2024	(650,919)	2,545,543	308,571	(22,845,821)	(20,642,626)
Foreign currency translation	(486,584)	-	-	-	(486,584)
Share-based payments	-	44,948	-	-	44,948
Balance at 30 June 2025	(1,137,503)	2,590,491	308,571	(22,845,821)	(21,084,262)
Foreign currency translation	116,438	-	-	-	116,438
Share-based payments	-	172,599	-	-	172,599
Exercise of options	-	(15,375)	-	-	(15,375)
Transfer expired share warrants to retained earnings	-	-	(308,571)	-	(308,571)
Balance at 30 June 2026	(1,021,065)	2,747,715	-	(22,845,821)	(21,119,171)

Note 21. Accumulated losses

	Consolidated 2026 $	Consolidated 2025 $
Accumulated losses at the beginning of the financial year	(42,565,175)	(40,611,830)
Loss after income tax benefit for the year	(432,066)	(1,953,345)
Transfer from other reserves	308,571	-
Accumulated losses at the end of the financial year	(42,688,670)	(42,565,175)

Note 22. Dividends

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

Note 23. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency 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:

	Consolidated 2026 $	Consolidated 2025 $
Canadian Dollars	191,186	133,509
UK Pound Sterling	164,109	231,130
New Zealand Dollars	103,577	516,962
United States Dollar	1,326,385	2,032,650
	1,785,257	2,914,251

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:

Note 23. Financial instruments (continued)

Potential Foreign Exchange Rate Fluctuation Impact on valuation of holding in:	5% $	10% $	20% $
Canadian Dollars	9,559	19,119	38,237
UK Pound Sterling	8,205	16,411	32,822
New Zealand Dollar	5,179	10,358	20,715
United States Dollar	66,319	132,638	265,277
Total impact of potential change in exchange rate	89,262	178,526	357,051

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:

	Short-term exposure				
30 June 2026	Australia	United kingdom	Canada	New Zealand	United states
Financial assets	4,788,334	309,929	336,797	1,058,388	1,535,336
Financial liabilities	(2,016,017)	(12,159)	(30,589)	(89,367)	(2,574,900)
Net statements of financial position exposure	2,772,317	297,770	306,208	969,021	(1,039,564)

	Long-term exposure				
30 June 2026	Australia	United kingdom	Canada	New Zealand	United states
Financial assets	101,458	-	-	9,453	-
Financial liabilities	-	-	-	-	(3,743,536)
Net statements of financial position exposure	101,458	-	-	9,453	(3,743,536)

	Short-term exposure				
30 June 2025	Australia	United kingdom	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)

Note 23. Financial instruments (continued)

30 June 2025	Long-term exposure Australia	United kingdom	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)

Sensitivity analysis
The following analysis illustrates the sensitivity if 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 as 30 June 2026 (2025: 5%).

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

	2026 Loss for the year	2026 Equity	2025 Loss for the year	2025 Equity
5% (2025: 5%) increase in AUD against foreign currencies	(442,666)	(4,597,088)	(1,974,981)	(4,849,654)
5% (2025: 5%) decrease in AUD against foreign currencies	(352,757)	(4,430,014)	(1,923,574)	(3,969,497)

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.

Price risk
The Group is not exposed to any significant price 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.

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..

Liquidity risk
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 23. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2026	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables	2,434,779	-	-	-	2,434,779
Interest-bearing - fixed rate					
Element SaaS Finance LLC loan	3,250,654	4,194,194	-	-	7,444,848
Total non-derivatives	5,685,433	4,194,194	-	-	9,879,627

Consolidated - 2025	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade and other payables	2,010,074	-	-	-	2,010,074
Interest-bearing - variable					
Lease liability	15,070	-	-	-	15,070
Interest-bearing - fixed rate					
Element SaaS Finance LLC loan	3,408,968	3,408,968	3,096,165	-	9,914,101
Total non-derivatives	5,434,112	3,408,968	3,096,165	-	11,939,245

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 24. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated 2026 $	Consolidated 2025 $
Short-term employee benefits	1,427,802	1,625,278
Post-employment benefits	116,741	124,592
Share-based payments	182,812	45,848
	1,727,355	1,795,718

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Crowe Sydney, the auditor of the company:

	Consolidated	
	2026	2025
	$	$
Audit services - Crowe Sydney		
Audit or review of the financial statements	142,465	133,500

Note 26. Contingencies

In the opinion the directors, the Group did not have any contingent assets or liabilities at 30 June 2026 and 30 June 2025.

Note 27. Commitments

In the opinion the directors, the Group did not have any capital commitments at 30 June 2026 and 30 June 2025.

Note 28. Related party transactions

Parent entity
Xref Limited is the parent entity.

Key management personnel
Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2026	2025
	$	$
Payment for goods and services:		
OakHill Hamilton - Rob Waring remuneration paid	71,046	105,704
Manh Consulting - Jon Newbery remuneration paid	64,064	17,716
West Riding Investments - Rental payment to Lee Seymour	-	5,815
Payment for services from key management personnel	135,110	129,235

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

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

Note 29. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2026 $	2025 Restated $
Loss after income tax	(557,558)	(437,880)
Total comprehensive loss	(557,558)	(437,880)

Statement of financial position

	Parent	
	2026 $	2025 Restated $
Total current assets	-	-
Total non-current assets	5,384,929	5,396,441
Total assets	5,384,929	5,396,441
Total current liabilities	1,179,130	523,256
Total non-current liabilities	-	-
Total liabilities	1,179,130	523,256
Equity		
Issued capital	55,405,846	55,405,846
Reserves	2,747,715	3,166,114
Accumulated losses	(53,947,762)	(53,698,775)
Total equity	4,205,799	4,873,185

Restatement of comparatives

Correction of error
During the year, the company reassessed the recoverability of their inter-company receivable loans and investment in subsidiary entities in the Group. As a result, an impairment provision was recorded of $32,053,919 against these assets for the year ended 30 June 2025.

This restatement affects the parent entity only and has no impact on the consolidated financial statements.

Note 29. Parent entity information (continued)

	30 June 2025 Reported $	Adjustments $	30 June 2025 Restated $
Statement of profit or loss and other comprehensive income			
Loss for the year	(437,880)	-	(437,880)
Statement of financial position			
Total non current assets	37,450,360	(32,053,919)	5,396,441
Total assets	37,450,360	(32,053,919)	5,396,441
Net assets	36,927,104	(32,053,919)	4,873,185
Accumulated losses	(21,644,856)	(32,053,919)	(53,698,775)
Total Equity	36,927,104	(32,053,919)	4,873,185

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2026 and 30 June 2025.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.

Note 30. Share-based payments

Share options & Performance Rights
Share Option and Performance Rights have been granted to certain employees and Executive Share Option and Performance Rights have been granted to non-executives and executives as part of their remuneration packages. These grants vest over time periods between 0 to 3 years, subject to the vesting condition that the holder is 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.

During FY26 performance rights were granted to executives as part of their long-term incentive converting to equity upon vesting. The performance rights are under a three-year vesting period subject to company performance metrics including ARR growth and debt metrics.

Note 30. Share-based payments (continued)

Set out below are summaries of options granted under the plan:

2026 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
05/07/2022	05/07/2025	$0.00	82,500	-	(37,500)	(45,000)	-
05/07/2022	05/07/2026	$0.42	1,103,241	-	-	(245,000)	858,241
05/07/2022	05/07/2026	$0.50	3,140,000	-	-	(1,030,000)	2,110,000
20/02/2023	20/02/2026	$0.00	30,000	-	(30,000)	-	-
20/02/2023	20/02/2027	$0.42	532,500	-	-	(307,500)	225,000
20/02/2023	20/02/2027	$0.50	680,000	-	-	(390,000)	290,000
21/03/2025	21/03/2028	$0.20	1,800,000	-	-	(1,800,000)	-
19/12/2025	21/11/2028	$0.20	-	2,700,000	-	(600,000)	2,100,000
			7,368,241	2,700,000	(67,500)	(4,417,500)	5,583,241

2025 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
26/11/2021	17/11/2024	$0.35	600,000	-	-	(600,000)	-
26/11/2021	17/11/2024	$0.54	2,700,000	-	-	(2,700,000)	-
05/07/2022	05/07/2025	$0.00	411,859	-	-	(329,359)	82,500
05/07/2022	05/07/2026	$0.42	1,343,241	-	-	(240,000)	1,103,241
05/07/2022	05/07/2026	$0.50	4,020,000	-	(880,000)	-	3,140,000
20/02/2023	20/02/2026	$0.00	245,000	-	-	(215,000)	30,000
20/02/2023	20/02/2027	$0.42	612,500	-	-	(80,000)	532,500
20/02/2023	20/02/2027	$0.50	860,000	-	-	(180,000)	680,000
31/03/2024	15/09/2024	$0.18	4,000,000	-	-	(4,000,000)	-
21/03/2025	21/03/2028	$0.20	-	1,800,000	-	-	1,800,000
			14,792,600	1,800,000	(880,000)	(8,344,359)	7,368,241

The weighted average exercise price during the financial year was $0.39 (30 June 2025: $0.35).

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2026 Number	2025 Number
05/07/2022	05/07/2026	-	82,500
05/07/2022	05/07/2026	858,241	1,103,241
05/07/2022	05/07/2026	2,110,000	3,140,000
20/02/2023	20/02/2026	-	30,000
20/02/2023	20/02/2027	225,000	532,500
20/02/2023	20/02/2027	290,000	680,000
21/03/2025	21/03/2028	-	600,000
19/12/2025	21/11/2028	1,800,000	-
		5,283,241	6,168,241

The weighted average share price during the financial year was $0.15 (30 June 2025: $0.15).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.86 years (2025: 1.73 years).

Note 30. Share-based payments (continued)

For the options granted during the current financial year, the valuation model (Black-Scholes Option pricing model) inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Risk-free interest rate	Fair value at grant date
19/12/2025	21/11/2028	$0.15	$0.20	69.00%	3.80%	$0.600

Set out below is a summary of the performance rights granted:

Grant date	Vesting date	Fair value	Exercise price	Balance at the start of the year	Granted	Vested	Balance at the end of the year
27/08/2025	26/08/2028	$0.18	$0.00	-	3,271,457	-	3,271,457

Note 31. Cash flow information

Reconciliation of loss after income tax to net cash from operating activities

	Consolidated 2026 $	2025 $
Loss after income tax benefit for the year	(432,066)	(1,953,345)
Adjustments for:		
Depreciation and amortisation	3,000,961	2,842,255
Share-based payments	157,134	44,948
Bad debts written off	53,140	28,269
Net loss on disposal of non-current assets	-	88,055
Deferred grant	473,869	705,261
Unearned revenue	(1,202,873)	(1,299,563)
Gain on fair value measurements of contingent consideration	-	(116,279)
Interest expense on borrowings and other finance costs	1,283,561	1,729,772
Unrealised foreign exchange	116,528	(181,736)
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(2,346,502)	739,143
Decrease in contract assets	189,136	202,171
Decrease/(increase) in prepayments	176,793	(30,434)
Increase/(decrease) in trade and other payables	316,429	(945,222)
Decrease in deferred tax liabilities	(52,436)	(52,436)
Increase/(decrease) in employee benefits	33,279	(440,312)
Net cash from operating activities	1,766,953	1,360,547

Note 31. Cash flow information (continued)

Non-cash investing and financing activities

	Consolidated 2026 $	Consolidated 2025 $
Additions / Lease modification to the right-of-use assets	-	1,782
Shares issued in relation to business combinations	-	406,982
	-	408,764

Changes in liabilities arising from financing activities

Consolidated	Element SaaS Finance LLC loan $	Lease liabilities $	Total $
Balance at 1 July 2024	8,396,946	104,242	8,501,188
Net cash used in financing activities (principal repayments)	(757,595)	(90,954)	(848,549)
Initial transaction costs	(71,018)	-	(71,018)
Amortisation of transaction costs	18,550	-	18,550
PIK interest capitalised	230,916	-	230,916
Acquisition of leases / Lease modification	-	1,782	1,782
Balance at 30 June 2025	7,817,799	15,070	7,832,869
Net cash used in financing activities	(1,505,560)	-	(1,505,560)
Initial transaction costs	(71,018)	-	(71,018)
Amortisation of transaction costs	18,550	-	18,550
PIK interest capitalised	466,624	-	466,624
Exchange differences	(424,894)	-	(424,894)
Other changes	-	(15,070)	(15,070)
Balance at 30 June 2026	6,301,501	-	6,301,501

Note 32. Events after the reporting period

On 28 August 2026, the Group completed a refinancing of its existing debt borrowing facility with Element SaaS Finance LLC, with the outstanding balance repaid on settlement.

A new facility with the Commonwealth Bank of Australia (CBA) was secured for $6.3 million maturing in August 2029 and an overdraft facility of $2.0 million which will be reviewed annually. The new facilities bear the following interest rates:

- Term facility: line fee of 3.80% per annum and a margin of BBSY Rate (90 days), with interest-only payments for the first two years.
- Overdraft facility: line fee of 1.30% per annum and a margin of the Overdraft Index Rate minus 1.50% per annum.

The Group is subject to financial covenants and is required to maintain a maximum Gross Leverage Ratio of 3.50:1 and a minimum Cash Flow Cover Ratio of 1.20:1.

Principal repayments on the loan facility commence on the second year anniversary of the loan settlement.

As the refinancing was completed after the reporting date, the borrowings have been presented in accordance with conditions that existed at 30 June 2026. The directors consider that the new facilities strengthen the Group's liquidity position and support its ongoing operations.

Note 32. Events after the reporting period (continued)

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Xref Limited (Holding Company)	Body Corporate	Australia	-	Australia
Xref AU Pty Limited	Body Corporate	Australia	100.00%	Australia
Xref Engage Pty Limited	Body Corporate	Australia	100.00%	Australia
Voice Project Pty Limited	Body Corporate	Australia	100.00%	Australia
RapidID Pty Limited	Body Corporate	Australia	100.00%	Australia
TMP Digital Verifications Pty Limited	Body Corporate	Australia	100.00%	Australia
Xref Employee Share Trust	Trust	Australia	100.00%	Australia
Xref (NZ) Pty Limited	Body Corporate	New Zealand	100.00%	New Zealand
Xref (UK) Limited	Body Corporate	United Kingdom	100.00%	United Kingdom
Xref Referencing CA Limited	Body Corporate	Canada	100.00%	Canada
Xref LLC	Body Corporate	United States of America	100.00%	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 Group has applied the following interpretations:

Australian tax residency
The Group 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 Group has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the Group 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.

Xref Limited
Directors' declaration
30 June 2026

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Lee-Martin Seymour	Nigel Heap
Managing Director	Chairman

31 August 2026
Sydney

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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 2026, 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 2026 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 2 and Note 13)	
In accordance with AASB 138: *Intangible Assets* (“AASB 138)”, the Group has capitalised software development costs amounting to $5,294,621 (2025: $6,030,491). 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 2 and Note 13)	
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. Challenged the appropriateness of the assumptions used in comparison to actual results achieved and future budgets. c) Interrogated the value in use model using different inputs as a means to perform sensitivity analysis and assess breakeven position. d) Evaluated the reasonableness of the Group's financial report note disclosures in light of the requirements of Australian Accounting Standards.
Revenue Recognition (Note 2, Note 5, and Note 15)	
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 2 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 applicable revenue streams, 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 2)	
The Group incurred a net loss in the current year of $432,066 (2025: Loss of 1,953,345). There was a deficiency in current assets and net assets for the Group, which amounted to $8,467,811 and $4,545,976, respectively. As a result, Going Concern was considered a key audit matter.	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. b) Critically evaluated assumptions used by management against historical performance and recent business restructure.

Key Audit Matter	How we addressed the Key Audit Matter
Going Concern (Note 2)	
Despite these deficiencies, the financial statements were prepared on a going concern basis, taking into account the measures implemented by management as described in the related note.	c) Reviewed current cash position, obtained loan confirmation from Elements SaaS Finance LLC and assessed compliance with loan covenants. d) Interrogated the cashflow forecast using different inputs as a means to perform sensitivity analysis. e) Assessed the impact of the post-balance-sheet refinancing of the loan facility on the going concern assumption, as disclosed as a subsequent event in Note 32. 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 2026, 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 8 to 16 of the directors' report for the year ended 30 June 2026.

In our opinion, the remuneration report of Xref Limited, for the year ended 30 June 2026, 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.

Crowe Sydney

Barbara Richmond
Partner

31 August 2026
Sydney