

17 April 2020

March 2020 Quarterly Trading Report

XRF Scientific Ltd (“XRF” or “The Company”) provides an update on the March 2020 quarterly financial results (unaudited):

Quarter results for period ended 31 March

	March 2020 Quarter	March 2019 Quarter	Change
Revenue	\$6.9m	\$6.7m	2%
Profit Before Tax	\$986k	\$710k	39%

Year to Date (YTD) results for nine months ended 31 March

	March 2020 YTD	March 2019 YTD	Change
Revenue	\$22.6m	\$21.7m	4%
Profit Before Tax	\$3.26m	\$2.32m	40%

The March quarter was overall positive, with the usual seasonal slowdown in mining exploration activity, as well as impact from the coronavirus situation. The increase in profits over the prior year was a result of all divisions improving performance. All three months individually in the quarter were more profitable than the prior year.

Since the outbreak of the coronavirus, measures have been put in place to protect the health and wellbeing of our employees, which also help safeguard our operations. Supply chains remain intact for our key manufacturing inputs, which are supported by extensive stock holdings of raw materials and finished goods across our locations.

Sales of Consumable and Precious Metal products have continued as normal to the vast majority of our mining customers, both in Australia and overseas. Our international offices in Europe and Canada have seen a slowdown in sales activity, however orders continue to be received on a regular basis.

Capital Equipment sales have continued to flow from the mining industry. We have seen a slowdown of new machine sales in Europe. During this time we have taken action to scale our costs appropriately and will continue with new product developments that are scheduled for release later this year.

Our balance sheet remains robust to deal with challenges that may be presented in the current environment. Our cash at bank position has improved since we reported the half-year results, increasing from \$1.6m at 31 December 2019 to \$3.7m at 31 March 2020. In addition we have \$1.5m of unused working capital debt facilities available with our bank. Debt levels are currently \$2.0m at 31 March 2020, which consists of \$0.7m short-term and \$1.3m long-term. \$1.6m of our debt relates to property and equipment.

Due to the current level of uncertainty in the world it is difficult to provide guidance on the June quarter at this time. However, our products do remain of critical importance for quality control in the mining sectors that we service, as well as in industrial product manufacturing.

Please direct any inquiries to:

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About XRF Scientific:

XRF Scientific Limited is an Australian listed company (ASX: XRF) based in Perth, Western Australia. XRF manufactures equipment and chemicals, which are distributed to production mines, construction material companies and commercial analytical laboratories, in Australia and overseas, and used in the preparation of samples for analysis.

XRF has manufacturing, sales and support facilities located in Perth, Melbourne, Europe and Canada, plus a global network of distributors. The Company has representation in the United States, South America, Africa, the Middle East and Asia and has a customer base that includes multinational blue-chip customers such as:- BHP Billiton, Rio Tinto, Vale, South 32, Glencore, Alcoa, Lafarge, Holcim, ArcelorMittal, CSIRO, Intertek, Bureau Veritas, SGS and ALS.

XRF's technology is used to measure the composition and purity of materials and is mainly applied in industrial quality control and in process control for manufacturing processes in industries such as metals and mining, construction materials, chemicals and petrochemicals.

XRF's products help customers to improve product quality and performance, increase productivity and yield and reduce downtime and waste. Its businesses have established positions in their specialised markets.

Read more about XRF Scientific at: <https://www.xrfscientific.com/general-overview/>