



AGM Presentation
October 2022



Our Technology

Sample Preparation Technology

Mining and Manufacturing



Minerals:
Iron ore
Gold
Nickel
Copper
Aluminium
Bauxite
Manganese
Uranium
Lithium
Mineral sands
Commercial labs

Materials:
Cement
Steel
Glass
Ceramics
Research
Education

Raw
Samples



Prepared
Samples

Chemical Analysis



Analysis Techniques:
XRF
ICP
Fire Assay*
Photon Assay*

**New exposure added via 50% Orbis Mining acquisition*

Lab Products

Sample Preparation Products

X-Ray Flux

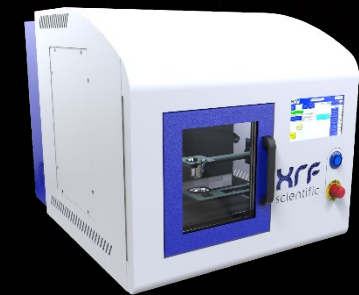


Platinum Labware



Recycling service of turning used platinum products into new items

Fusion Machines



Lab Products

Orbis Mining Pty Ltd 50% Acquisition



Laboratory Jaw
Crushers

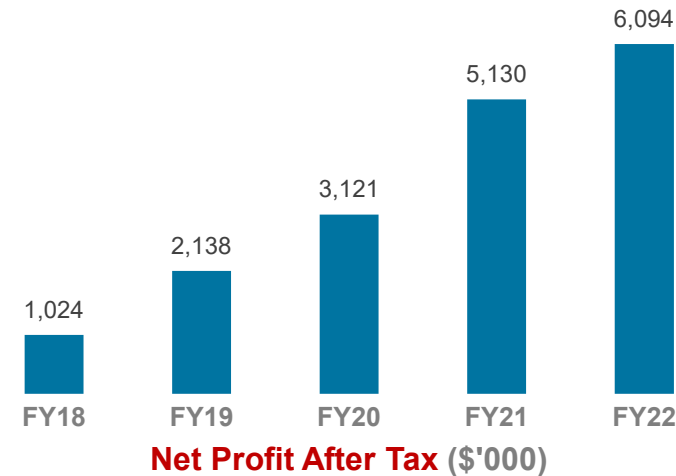
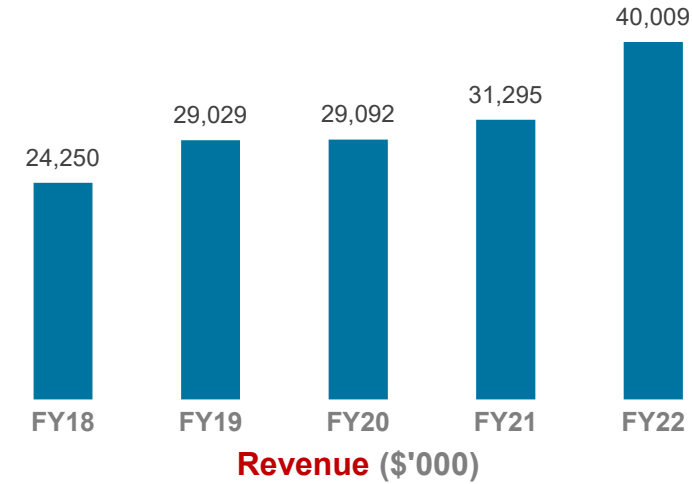


Smart Splitting
Crushing Systems

FY22 Financial Highlights



- Revenue up 28% to \$40m vs FY21
- NPAT up 19% to \$6.1m vs FY21
- Adjusted PBT up 38% to \$8.2m vs FY21
- Fully franked dividend of 2.5 cents per share
- Orbis Mining Pty Ltd fully consolidated into XRF's accounts with minority interest reflected in profit or loss statement. \$1.9m revenue contribution for FY22



Full Year Results - Overview

(\$m)	2022	2021	Change	2020	2019
Sales revenue	40.0	31.3	28%	29.1	29.0
Profit before tax	8.2	6.8	21%	4.5	3.2
Adjusted profit before tax*	8.2	5.9	38%	4.2	3.2
Net profit after tax	6.1	5.1	19%	3.1	2.1
Earnings per share (cents)	4.5	3.8	18%	2.3	1.6
Weighted average no. of shares	135,469,700	134,345,542	1%	133,825,803	133,825,803
Dividends (cents per share)	2.5	2.0	25%	1.4	1.0
Dividend payout ratio	56%	*60%		60%	63%
<i>*As a percentage of adjusted NPAT</i>					
 <i>*Adjustments (\$)</i>					
COVID-19 wages subsidies	-	(826,629)		(212,729)	-
COVID-19 other grants/subsidies	-	(29,522)		(74,776)	-
COVID-19 payroll tax refunds	-	-		(82,837)	-
Interest on early loan repayment	-	-		22,496	-
Redundancy / other employee payments	-	-		97,328	-
Total adjustments	-	(856,151)		(250,518)	-

Balance Sheet

(\$m)	2022	2021	Change
Cash and cash equivalents	6.6	5.3	27%
Trade and other receivables	6.2	4.5	39%
Inventories	15.6	12.5	24%
Other assets	0.5	0.4	29%
Property, plant and equipment	7.9	8.1	(3%)
PPE lease asset	0.7	0.6	21%
Intangible assets	17.0	15.9	7%
Deferred tax asset	1.0	1.1	(2%)
Total assets	55.5	48.4	15%
Trade and payables			
- platinum loan provisions	2.6	3.8	(30%)
- other items	4.7	3.0	61%
Debt (short-term)	1.3	0.8	58%
Debt (long-term)	1.5	0.0	100%
Current lease liabilities	0.4	0.4	(4%)
Non-current lease liabilities	0.4	0.2	62%
Income tax liability	0.7	0.6	26%
Deferred tax liability	0.6	0.5	16%
Total liabilities	12.2	9.3	32%
Total equity	43.3	39.1	11%

- Net cash position of \$3.8m
- Consumables division inventories increased by \$2.4m due to lithium price increases
- \$0.9m of platinum on loan converted to owned inventory asset. Platinum asset remains classified as Inventories. Liability shifts from Platinum Loan Provisions to Debt
- Balance of \$1.1m in debt increase is for short-term lithium inventory funding
- Orbis Mining acquisition movement contributions at 30 June 2022:
 - Trade and other receivables: \$0.4m
 - Inventories: \$1.1m
 - Intangible assets: \$0.9m
 - Trade and payables (other items): \$1.0m

Cash Flow Statements

(\$m)	2022	2021
Net cash inflow from operating activities	3.1	4.5
Net cash (outflow) from investing activities	(1.1)	(0.6)
Net cash inflow/(outflow) from financing activities	(0.7)	(2.2)
Cash at start of period	5.3	3.6
Net increase/(decrease) in cash	1.3	1.7
Cash at end of period	6.6	5.3

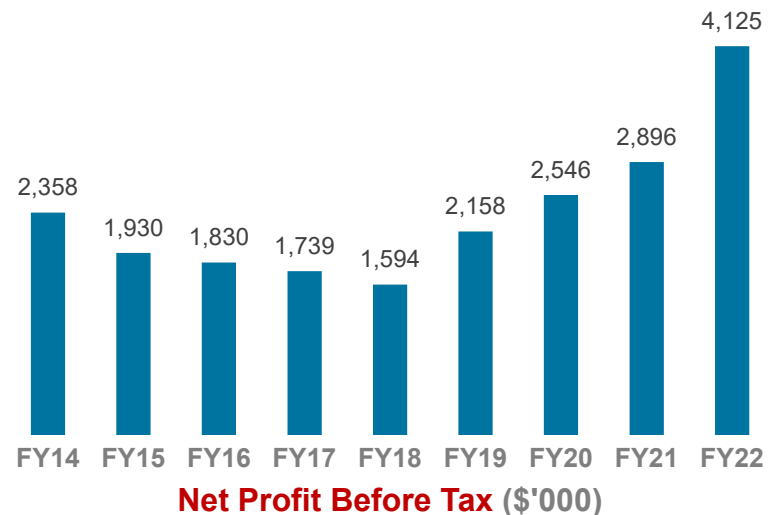
Highlights:

- \$2.1m cash paid out for FY21 dividend (FY20 dividend cash: \$1.65m)
- Operating cash flow impacted by:
 - Conversion of \$0.9m in platinum on loan to owned asset resulted in \$0.9m additional outflow from operating activities and \$0.9m inflow from financing activities
 - Increase in Consumables division stock position of \$2.4m due to lithium production chemical price increases

Consumables

(\$m)	FY22	FY21	FY20
Sales revenue	12.1	9.3	8.9
Change in % *	30%	5%	11%
NPBT	4.1	2.9	2.5
Change in % *	42%	14%	18%
Margin %	34%	31%	29%

* Compared to immediately prior period



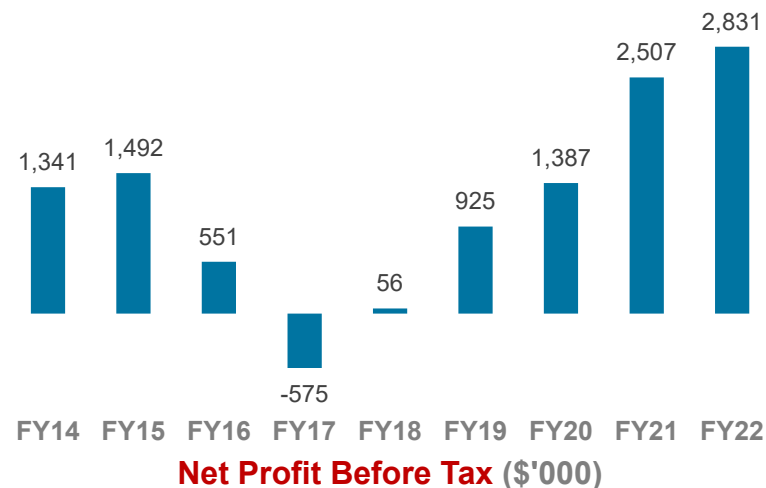
Overview for FY22:

- Revenue up 30% on FY21
- NPBT up 42% on FY21
- Robust demand from the mining sector driven by production and exploration
- Key production input lithium compounds rising in price due to demand from EV sector and added \$2.4m to our inventories. Revenue and costs increased, with no negative impact on margins. Situation expected to continue in FY23
- Inventory levels expected to rise by a further \$2.3-2.8m during 1H23. Additional working capital requirements for lithium should level off by around December 2022

Precious Metals

(\$m)	FY22	FY21	FY20
Sales revenue	18.3	14.4	13.2
Change in % *	28%	9%	1%
NPBT	2.8	2.5	1.4
Change in % *	13%	81%	50%
Margin %	15%	17%	10%

* Compared to immediately prior period



Overview for FY22:

- Revenue up 28% on FY21
- NPBT up 13% on FY21
- Adjusted NPBT up 33% on FY21 (ex COVID-19 subs)
- Strong demand from mining and industrial markets, for both new product and recycling sales
- Reoccurring orders from mining customers, as increased sample testing requires regular recycling of spent platinum labware products
- New customers in specialised fields, including platinum products to produce medical glass and crystal growth
- Germany office contributed revenue \$5.5m (FY21: \$3.6m) and NPBT \$453k (FY21: \$199k)

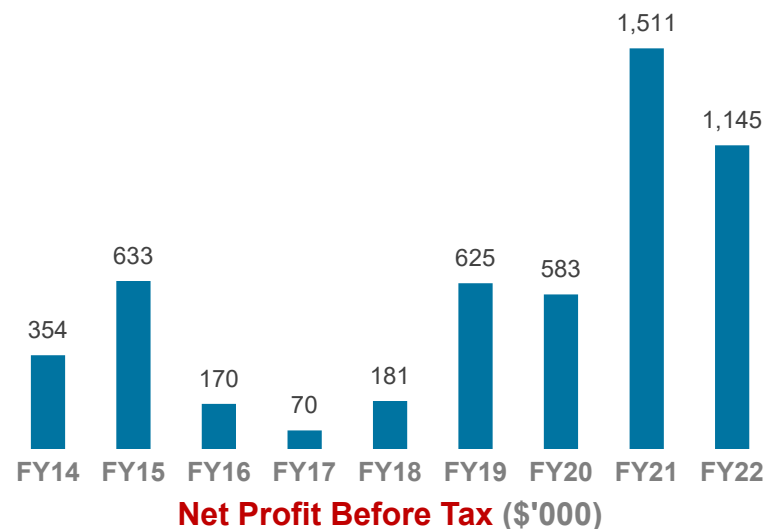
*COVID-19 wages subsidies included in NPBT:

- FY22: Nil
- FY21: \$362k
- FY20: \$114k

Capital Equipment

(\$m)	FY22	FY21	FY20
Sales revenue	10.8	9.6	8.0
Change in % *	12%	20%	(13%)
NPBT	1.1	1.5	0.6
Change in % *	(24%)	159%	(7%)
Margin %	11%	16%	7%

* Compared to immediately prior period



Overview for FY22:

- Revenue up 12% on FY21
- NPBT down 24% on FY21
- Adjusted NPBT up 3% on FY21 (ex COVID-19 subs)
- High levels of machines demand from the mining and industrial sectors. Growing installed machine base is increasing spare parts revenue over time
- Order book continues to grow to new record levels, with some product lines booked out for production for 1H23
- 50% acquisition of Orbis Mining Pty Ltd, contributing laboratory crusher revenue of \$1.8m during 2H. Significant revenue growth expected for FY23 based on current sales momentum

*COVID-19 wages subsidies included in NPBT:

- FY22: Nil
- FY21: \$392k
- FY20: \$93k

September 2022 Quarterly Report

Quarter results for period ended 30 September

	September 2022 Quarter	September 2021 Quarter	Change %
Revenue	\$12.6m	\$9.5m	32%
Profit Before Tax	\$2.4m	\$1.7m	45%



- The results were driven by activity in the mining sector and buoyant demand for capital equipment products
- **Consumables:**
 - Sales \$3.8m for Q1 23 (Q1 22: \$2.6m)
 - Mining production and exploration sample analysis continued to generate strong demand. Lithium prices remain high
 - New product release: XR-tab for pressed pellets sample preparation
- **Capital Equipment:**
 - Sales \$4.0m for Q1 23 (Q1 22: \$2.5m)
 - Production order book of up to six months for our main product lines
 - \$1.5m revenue for Q1 23 from Orbis Mining lab crushers product line
- **Precious Metals:**
 - Sales \$4.7m for Q1 23 (Q1 22: \$4.5m)
 - We are seeing a high level of platinum labware remanufacturing orders, as well as new product sales related to new machine purchases
- We expect the December 2022 quarter to be a positive period, with high levels of activity occurring in the mining industry and new product developments being progressed

Contact Information

Tel: (08) 9244 0600

86 Guthrie Street, Osborne Park WA

Vance Stazzonelli – CEO

vance@xrfscientific.com

Disclaimer

No responsibility for contents of Investor Presentation

- To the maximum extent permitted by law, XRF Scientific Limited and representatives:
- make no representation, warranty or undertaking, express or implied, as to the adequacy, accuracy, completeness or reasonableness of this Investor Presentation or any other written or verbal communication transmitted or made available to any recipient;
- accept no responsibility or liability as to the adequacy, accuracy, completeness or reasonableness of this Investor Presentation or any other written or verbal communication transmitted or made available to any recipient; and
- accept no responsibility for any errors or omissions from this Investor Presentation whether arising out of negligence or otherwise.

Accuracy of projections and forecasts

- This Investor Presentation includes certain statements, opinions, estimates, projections and forward-looking statements with respect to the expected future performance of XRF Scientific Limited. These statements are based on, and are made subject to, certain assumptions which may not prove to be correct or appropriate. Actual results may be materially affected by changes in economic and other circumstances which may be beyond the control of XRF Scientific Limited. Except to the extent implied by law, no representations or warranties are made by XRF Scientific Limited, its advisers or representatives as to the validity, certainty or completeness of any of the assumptions or the accuracy or completeness of the forward-looking statements or that any such statement should or will be achieved. The forward-looking statements should not be relied on as an indication of future value or for any other purpose.

No offer to sell or invitation to buy

- This Investor Presentation does not, and should not be considered to, constitute or form part of any offer to sell, or solicitation of an offer to buy, any shares in XRF Scientific Limited, and no part of this Investor Presentation forms the basis of any contract or commitment whatsoever with any person.

This Investor Presentation does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not permitted under applicable law. Distribution of this Investor Presentation in or from certain jurisdictions may be restricted or prohibited by law.

Recipients must inform themselves of and comply with all restrictions or prohibitions in such jurisdictions. Neither XRF Scientific Limited, its advisers or representatives accept any liability to any person in relation to the distribution or possession of this Investor Presentation from or in any jurisdiction.