

29 November 2021

Matrix successfully completes \$7 million capital raise to support growth amid resurgent oil & gas market

Highlights

- Matrix receives firm commitments to raise \$7 million via a two-tranche institutional placement at \$0.16 per share
- Placement funds will bolster Matrix's balance sheet and support emerging opportunities, particularly in subsea buoyancy and expansion of Matrix's Corrosion Technology business
- Over-bid placement was well supported by existing and new institutional and sophisticated investors and will be completed in two tranches:
 - Tranche One, issued under Matrix's ASX Listing Rule 7.1 placement capacity, to raise \$2.5 million
 - Tranche Two, which is subject to Matrix shareholder approval, to raise \$4.5 million

Matrix Composites & Engineering Ltd (ASX: MCE, "Matrix" or the "Company") is pleased to announce it has received firm commitments from both existing and new institutional and sophisticated investors to raise \$7 million via a two-tranche share placement at \$0.16 per share (**Placement**).

The Placement was strongly supported, reflecting Matrix's positive outlook and current pipeline of tender opportunities. Matrix initially sought to raise \$6 million, however elected to upsize the raise to \$7 million following the support received. Funds raised will provide flexibility to fund new projects in the recovering oil and gas market and facilitate the expansion of Matrix's Corrosion Technology business amid growing demand.

The Placement will also support new opportunities emerging for high tech composite material solutions the Company is pursuing in the local resources sector.

Matrix Chief Executive Officer, Aaron Begley, said the revival in the oil and gas market, as a result of the strong price environment, is producing a step up in subsea spend and is leading to a substantial increase in the number of drilling rigs, nearing a level not seen since 2016.

"The support the Company has received through the Placement bodes very well for our subsea buoyancy products, and a reinforced balance sheet will ensure we are well placed to capture growth as opportunities continue to emerge", Mr Begley said.

"Our Corrosion Technology business has delivered approximately \$6 million in revenue over the past 6 months, and we continue to experience increasing demand.

The new funds will facilitate an expansion of this business to meet the demand, as well as allowing us to deliver on new high tech composite material solutions across the resources sector, which together can underpin sustained long-term revenue growth."

Tranche One Placement

Under the first tranche of the Placement, Matrix will issue approximately 15.3 million new fully paid ordinary shares in the Company at \$0.16 per share (**New Shares**), to raise approximately \$2.5 million before costs, to institutional and sophisticated investors (**Tranche One Placement**).

The issue price of \$0.16 per share represents a:

- 11.1% discount to the last closing price of \$0.18 on 24 November 2021; and
- 15.8% discount to the 10-day volume weighted average price of \$0.19 per share.

The New Shares to be issued under the Tranche One Placement will be issued under the Company's existing placement capacity under ASX Listing Rule 7.1.

Tranche Two Placement

Matrix is seeking to issue a further 28.4 million New Shares via a second tranche, also at a price of \$0.16 per share, to raise a further \$4.5 million before costs (**Tranche Two Placement**). Completion of the Tranche Two Placement is subject to Matrix shareholder approval, to be sought at an Extraordinary General Meeting in Mid-January 2022.

The New Shares to be issued under the Tranche Two Placement are expected to be issued as soon as practicable following the shareholder meeting.

Directors of Matrix who participate in the Placement will be allocated shares in the second tranche, subject to shareholder approval in accordance with ASX Listing Rule 10.11.

Indicative Timetable¹

Event	Date
Announcement of Placement	Monday, 29 November 2021
Settlement of Tranche One Placement	Monday, 6 December 2021
Expected date of ASX Quotation of Tranche One Placement Shares	Tuesday, 7 December 2021
Shareholder meeting to approve Tranche Two Placement	Mid-January 2022
Settlement and ASX Quotation of Tranche Two Placement Shares	Mid-January 2022

Argonaut Securities Pty Ltd and Bell Potter Securities Limited acted as Joint Lead Managers and bookrunners to the Placement.

This announcement was authorised for release by the Managing Director and CEO of Matrix.

-ends-

¹ These dates are indicative only. Matrix reserves the right to vary the dates in its absolute discretion and without notice, subject to the ASX Listing Rules, the Corporations Act, and other applicable laws. The commencement of quotation of all New Shares is subject to confirmation from ASX.

For further information, please contact:

Investors

Aaron Begley
Chief Executive Officer
Ph: +61 8 9412 1200
Email: aaron.begley@matrixengineered.com

Brendan Cocks
Chief Financial Officer
Ph: +61 8 9412 1200
Email: brendan.cocks@matrixengineered.com

Media

Adrian Rauso
FTI Consulting
Ph: +61 8 9321 8533
Email: adrian.rauso@fticonsulting.com

About Matrix Composites & Engineering

Matrix Composites & Engineering specialises in the design, engineering, and manufacture of composite and advanced material technology solutions for the oil and gas, civil and infrastructure, resources, defence, and transportation industries. With more than 20 years' experience, Matrix has gained a reputation as an industry leader and has become a major exporter of Australian goods and services with customers located all over the world. From its award-winning head office in Australia and offices in the United States, and a global network, Matrix is uniquely positioned to deliver complete turnkey solutions offerings with localised customer support.

More information can be found at www.matrixengineered.com.

NOT AN OFFER OF NEW SHARES

This announcement is not an offer to sell, nor a solicitation of an offer to purchase, any securities in Matrix and, further, the distribution of this announcement does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful. In particular, this announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to a 'US Person' as defined in Rule 902(k) of Regulation S of the United States Securities Act of 1933, as amended (**US Securities Act**). New shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States or to 'US Persons' except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.