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ASX ANNOUNCEMENT

SUCCESSFUL COMPLETION OF INSTITUTIONAL PLACEMENT AND INSTITUTIONAL ENTITLEMENT OFFER

3 MARCH 2023

OVERVIEW

- Matrix has successfully completed the institutional component of its fully underwritten \$20.2 million Equity Raising at \$0.28 per New Share.
- Approximately \$6.3 million was raised through the Institutional Placement, supported by both new and existing investors.
- Approximately \$5.9 million was raised in the Institutional Entitlement Offer, with a take up rate of approximately 52.6% by eligible institutional shareholders.
- The Retail Entitlement Offer opens at 7:00am (AWST) on Wednesday, 8 March 2023 and is expected to raise an additional \$7.96 million at the same price per New Share as the Institutional Offer.
- Proceeds from the Equity Raising strengthens Matrix's capability to win and execute on its current project pipeline and expected future opportunities.

Matrix Composites & Engineering Ltd (ASX: MCE, "**Matrix**" or the "**Company**") is pleased to announce the successful completion of the fully underwritten¹ institutional component of its recently announced \$20.2 million Equity Raising (see ASX announcement dated 1 March 2023). The Institutional Offer and the Retail Entitlement Offer, defined below, are together known as the "**Equity Raising**".

A total of approximately \$12.2 million was raised from institutional and sophisticated investors ("**Institutional Offer**"). The Institutional Offer comprised an Institutional Placement that raised approximately \$6.3 million and an Institutional Entitlement Offer that raised approximately \$5.9 million, with a take-up rate of approximately 52.6% by eligible institutional shareholders.

Matrix Chief Executive Officer, Aaron Begley, said the strong reception received from new and existing investors reflected the significant progress the Company has made in growing its revenue base and orderbook, with the incoming capital to support the next phase of growth for the Company.

"Matrix is very appreciative of the strong support we have received since the Offer was announced. It has been well supported by our existing shareholders and the Company is also pleased to welcome new investors via the Institutional Placement." Mr Begley said.

"The additional equity enables us to deliver on our strong subsea orderbook, capitalise on the resurgence in demand for our traditional oil and gas products, and continue to build a diversified

¹ Refer to slides 37-41 of the investor presentation dated Wednesday, 1 March 2023 for a description of the terms and conditions of the underwriting arrangement.

business that is also increasing its footprint across the renewable energy, mining, and mineral processing sectors."

The Institutional Offer will result in approximately 22.6 million New Shares being issued to institutional investors via the Institutional Placement raising approximately \$6.3 million and 21.1 million New Shares being issued through the 1 for 2.95 pro-rata accelerated non-renounceable entitlement offer ("**Institutional Entitlement Offer**"), raising approximately \$5.9 million. The Institutional Offer of New Shares was made at \$0.28 per New Share ("**Offer Price**"), representing a 16.4% discount to the last traded price of \$0.335 per Share on Tuesday, 28 February 2023 and an 11.6% discount to the theoretical ex-rights price ("**TERP**")².

New Shares offered under the Institutional Offer and New Shares equivalent to the entitlements not taken up by institutional shareholders were offered via an institutional bookbuild process ("**Institutional Bookbuild**").

Approximately 43.64 million New Shares are expected to be issued under the Institutional Offer (comprising approximately 29.9% of Matrix's existing issued capital). New Shares will rank equally in all respects with existing shares in Matrix. Settlement of the Institutional Offer is scheduled for Thursday, 9 March 2023, with New Shares expected to be allotted on Friday, 10 March 2023 and trading expected to commence on a normal settlement basis on the Australian Securities Exchange ("**ASX**") on the same day.

Commencement of the Retail Entitlement Offer

The retail component of the Entitlement Offer is expected to raise the balance of the Equity Raising of approximately \$7.96 million ("**Retail Entitlement Offer**"). The Retail Entitlement Offer is fully underwritten by Bell Potter Securities Limited ("**Bell Potter**", "**Underwriter**", or the "**Lead Manager**").³

Eligible retail shareholders with a registered address in Australia or New Zealand as at 4:00pm (AWST) on Friday, 3 March 2023 ("**Eligible Retail Shareholders**") will be invited to participate in the Retail Entitlement Offer at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open at 7:00am (AWST) on Wednesday, 8 March, 2023 and close at 2:00pm (AWST) on Wednesday, 22 March 2023.

In addition to each Eligible Retail Shareholder's Entitlement under the Retail Entitlement Offer, Eligible Retail Shareholders will be offered the opportunity to apply for additional New Shares (up to 50% of their Entitlement) under a "top-up" facility ("**Top-Up Facility**"). Eligible Retail Shareholders are not assured of being allocated any New Shares in excess of their Entitlement under the Top-Up Facility. New Shares allocated under the Top-Up Facility will be allocated in accordance with the allocation policy outlined in the Retail Offer Booklet. The Lead Manager retains absolute discretion regarding allocation under the Top-Up Facility.

If Eligible Retail Shareholders take no action, they will not be allocated New Shares and their Entitlements will lapse. Eligible Retail Shareholders who do not take up their Entitlements in full under the Retail Entitlement Offer will not receive any value or payment for those entitlements they do not

² The Theoretical Ex Rights Price ("**TERP**") of \$0.317 per Share is calculated by reference to Matrix's closing price on Tuesday, 28 February 2023, being the last trading date prior to the announcement of the Equity Raising. TERP is a theoretical calculation only and the actual price at which Matrix's Shares trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not approximate TERP. TERP includes the New Shares under the Placement.

³ Refer to slides 37-41 of the investor presentation dated Wednesday, 1 March 2023 for a description of the terms and conditions of the underwriting arrangement.

take up. The Retail Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred.

The terms and conditions under which Eligible Retail Shareholders may participate in the Retail Entitlement Offer will be outlined in the Retail Offer Booklet, which is expected to be available to Eligible Retail Shareholders on Wednesday, 8 March 2023. The Retail Offer Booklet is expected to be available on the ASX website beginning Wednesday, 8 March 2023.

Existing retail shareholders with a registered address outside Australia or New Zealand on the Record Date or who are acting for the account or benefit of persons in the United States will be ineligible to participate in the Retail Entitlement Offer. Determination of eligibility of investors for the purposes of the Retail Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Matrix and the Lead Manager.

Indicative Timetable⁴

Event	Time and Date
Trading halt lifted – Securities recommence trading on ASX on an “ex-entitlement” basis	Friday, 3 March 2023
Record Date for determining entitlement to subscribe for New Securities	4:00pm (AWST), Friday, 3 March 2023
Retail Offer Booklet dispatched and Retail Entitlement Offer opens	7:00am (AWST), Wednesday, 8 March 2023
Settlement of Institutional Offer	Thursday, 9 March 2023
Allotment and normal settlement trading of New Securities issued under the Institutional Offer on ASX	Friday, 10 March 2023
Retail Entitlement Offer closes	2:00pm (AWST), Wednesday, 22 March 2023
Notification of shortfall and allocation to sub-underwriter(s)	Friday, 24 March 2023
Settlement of the Retail Entitlement Offer	Tuesday, 28 March 2023
Allotment of New Securities under the Retail Entitlement Offer	Wednesday, 29 March 2023
New Securities issued under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Thursday, 30 March 2023
Holding statements in respect of New Shares issued under the Retail Entitlement Offer are dispatched	Friday, 31 March 2023

This timetable is indicative only and may be subject to change without notice to, or consultation with, you. Matrix reserves the right to amend any or all of these dates and times subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. In particular, Matrix reserves the right to extend the closing date for the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw the Retail Entitlement Offer without prior notice. Any extension of the closing date for the Retail Entitlement Offer will have a consequential effect on the allotment date of New Shares.

⁴ The timetable for the Equity Raising is indicative and remains subject to change at the Company's discretion, subject to compliance with applicable laws and ASX Listing Rules. Any changes will be advised to ASX.

Matrix also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the relevant New Shares. In that event, the relevant application monies (without interest) must be returned in full to applicants.

Enquiries

If shareholders have any questions about the Entitlement Offer please contact the Matrix Offer Information Line on 1300 494 861 (within Australia) or +61 1300 494 861 (outside Australia) between 8:30am and 5:30pm (AEDT), Monday to Friday during the Retail Offer Period. For all other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

Following release of this announcement, the Company has requested of the Australian Securities Exchange that trading of its shares be reinstated.

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This announcement was authorised for release by the Managing Director and CEO of Matrix. All dollar amounts are in Australian dollars unless otherwise indicated.

FOR FURTHER INFORMATION PLEASE CONTACT:

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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.

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Important Notices

Forward looking statements

This announcement contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Matrix, its directors and management. This includes statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of Matrix's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of Matrix, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to Matrix as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of Matrix, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

Not an offer in the United States

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be illegal. Any securities described in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**") or the securities laws of any state or jurisdiction of the United States. Accordingly, the securities described in this announcement may not be offered or sold, directly or indirectly, to persons in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

Own enquiries

Investors should make and rely upon their own enquiries before deciding to acquire or deal in Matrix's securities.

Involvement of the Lead Manager

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Neither the Lead Manager nor its related bodies corporate and affiliates, and each of its respective officers, directors, partners, employees, consultants, contractors, agents and advisers ("**Beneficiaries**"), have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this announcement and nor do they make any recommendation as to whether any potential investor should participate in the Equity Raising. There is no statement in this announcement which is based on any statement made by the Lead Manager or any other Beneficiary. To the maximum extent permitted by law, the Lead Manager and the Beneficiaries expressly disclaim all liabilities (including for fault, negligence, or negligent misstatement) in respect of, and take no responsibility for, any part of this announcement, and make no representation or warranty (whether express or implied) regarding any part of this announcement, including as to the fairness, currency, accuracy, timeliness, reliability or completeness of any information in this announcement (including the accuracy, likelihood of achievement or reasonableness of any forecast returns, yields, future income or other statements in relation to future matters nor that the Information or this website contains all material information about Matrix or which a prospective investor may require in evaluating a possible investment in Matrix).

Neither the Lead Manager nor the Beneficiaries make any recommendation as to whether any potential investor should participate in the Equity Raising. Further, neither the Lead Manager or the Beneficiaries accept any fiduciary obligations to or duty of care to or relationship with any investor or potential investor in connection with the Equity Raising or otherwise, and by accessing this announcement each recipient expressly disclaims any such fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Equity Raising and any other transaction or other matter arising in connection with this announcement.

The Lead Manager and the Beneficiaries may, from time to time, have interests in the new securities under the Institutional Placement or other securities of Matrix, including providing corporate advisory or other financial advisory services to Matrix and/or managing the offering of such New Shares under the Equity Raising. Further, they may have long or short positions in, act as market maker or buy or sell those securities or associated derivatives as principal or agent. Such persons may receive fees or other benefits for engaging in these activities. A Beneficiary may act as a lender and/or counterparty to Matrix or its affiliates and may or now in the future provide financial accommodation or services to Matrix or its affiliates.

Determination of eligibility of investors

The eligibility of investors to participate in the Equity Raising is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Matrix and/or the Lead Manager. To the maximum extent permitted by law, Matrix, the Lead Manager, and the Beneficiaries each disclaim any duty or liability (including, without limitation, any liability arising from fault, negligence or negligent misstatement) in respect of the exercise of that discretion or otherwise. The Lead Manager may rely on information provided by or on behalf of institutional investors in connection with managing, conducting or underwriting the Equity Raising without the Lead Manager or the Beneficiaries having independently verified that information and the Lead Manager and the Beneficiaries do not assume responsibility for the fairness, currency, accuracy, timeliness, reliability or completeness of the information (including the accuracy, likelihood of achievement or reasonableness of any forecast returns, yields, future income or other statements in relation to future matters nor that the Information or this website contains all material information about Matrix or which a prospective investor may require in evaluating a possible investment in Matrix).

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