

17 November 2022

AGM Chairman's Address and CEO's Presentation

The 2022 Annual General Meeting (**AGM**) of Matrix Composites & Engineering Ltd (ASX: MCE) will be held today at 10:00am (WST).

In accordance with ASX Listing Rule 3.13.3, copies of the Chairman's address and CEO's presentation that will be delivered at the AGM are attached.

This announcement was authorised for release by Paul Hardie, Joint Company Secretary.

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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.

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

17 November 2022

Chairman's Address to Shareholders 2022 Annual General Meeting

Welcome ladies and gentlemen. Before commencing the formal business of today's meeting, I would like to give you an overview of Matrix's performance and developments over the past year and our strategic direction.

Matrix's Chief Executive Officer, Aaron Begley, will then provide a more comprehensive presentation on our operations and outlook at the end of the meeting, following the formal proceedings.

The impacts of COVID-19 on our operations and the broader industry continued to linger during the 2022 financial year, but despite these challenges Matrix delivered on its strategic growth initiative, which was an initiative I spoke to during last year's AGM.

We have strong momentum and are in this position as activity across our traditional energy products continue to rebound, enhanced opportunities across the resources sector and renewable energy market emerge, and as the Company's revenue base evolves to be increasingly diversified and sustainable.

We capitalised on our prudent decision to maintain capability across our traditional product lines as demand begins to recover. For FY22, we generated a 50% rise in revenue across our subsea products to reach \$16.6 million.

Additionally, in FY22 we continued to grow our OPEX-focused Corrosion Technology business, which generated revenue of \$10.4 million for the fiscal year, compared to \$5.8 million for FY21. The business is expanding across the local energy and resources sectors, and increasingly provides Matrix with exposure to a major source of stable, recurring revenue.

As a result, we delivered Group revenue of \$28.6 million for FY22, an increase of over 60% on the FY21 result, and we significantly narrowed our net loss after tax to \$4.8 million from \$27.9 million in the prior corresponding period.

Pleasingly, this positive momentum has accelerated in FY23, including the award of two significant buoyancy orders since June totalling approximately \$30 million. We are on track to deliver significant growth again this year, with our four months year-to-date revenue plus secured orders for the year, currently totalling around \$43 million, substantially higher than last year's full year revenue of \$28.6m, with further FY23 orders being pursued.

As FY23 progresses, Matrix will have a key focus on capturing further opportunities in the subsea space, and as I noted in our 2022 Annual Report, we are well positioned to capitalise on the numerous competitive major buoyancy tenders currently in play across the subsea and SURF markets.

Another key focus for Matrix will be to ensure our advanced materials offerings continue to evolve, with further traction into the resources sector and broadening into fast emerging opportunities in renewables and clean energy.

We are making tangible strides in delivering on this initiative, evidenced by the announcement in September that we had entered into a Joint Development Agreement with Rio Tinto to develop, manufacture, and trial a replacement product for structural steel components at its iron ore operations in Western Australia.

The trial at Rio Tinto's operations, which has the potential to lead to a mass-produced solution across numerous commodities, leverages our advanced composites technology expertise to create a product that is substantially lighter than steel and 100% recyclable.

This trial complements other eco-efficient advanced materials projects we will progress throughout FY23, including a services contract signed during FY22 with Fortescue Future Industries to develop equipment and materials technologies for FFI's green hydrogen objectives.

Matrix is also actively discussing broader clean energy opportunities including new technological developments in hydrogen and wind.

We are now better placed than ever to capture these long-term renewable energy opportunities, following our award post-FY22 of the ISO 14001 certification, a key ESG accreditation.

On behalf of the Matrix Board, I would like to thank our senior management and employees for their commitment and hard work during the year, which has underpinned our rebound.

Finally, I would once again like to sincerely thank you, our shareholders, for your patience and loyalty during the challenging COVID-impacted period that we are now beginning to emerge from.

Matrix has methodically built the operational capability and diversity to continue to grow our revenue base sustainably with an increasing exposure to the renewable energy transition. We are advancing with considerable positive momentum and a robust platform to deliver long-term value for our shareholders.

Peter Hood AO
Chairman



ANNUAL GENERAL MEETING

17 November 2022

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THE POWER OF ADVANCED MATERIALS **OUR BUSINESS**

Matrix Composites & Engineering designs, engineers and manufactures composite and advanced materials to:

- Deliver **subsea buoyancy solutions** to the world
- Support growth of the **renewable energy** sector
- Protect key infrastructure with **corrosion resistant coatings**
- Deliver alternative high tech **advanced materials technologies**



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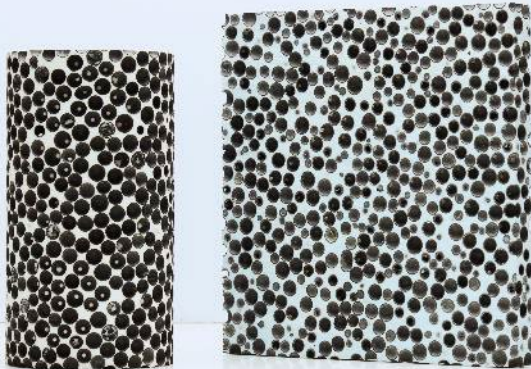
THE POWER OF ADVANCED MATERIALS

SYNTACTIC FOAM. OUR SPECIALITY.

WORLD'S LARGEST MANUFACTURER OF SYNTACTIC FOAM

- Advanced material made of hollow spheres (100% carbon spheres) bound together
- Forms a structure which is super light and super strong
- Varying shapes and sizes
- Non corrosive and long lasting
- Alternative to traditional materials including steel, concrete and wood

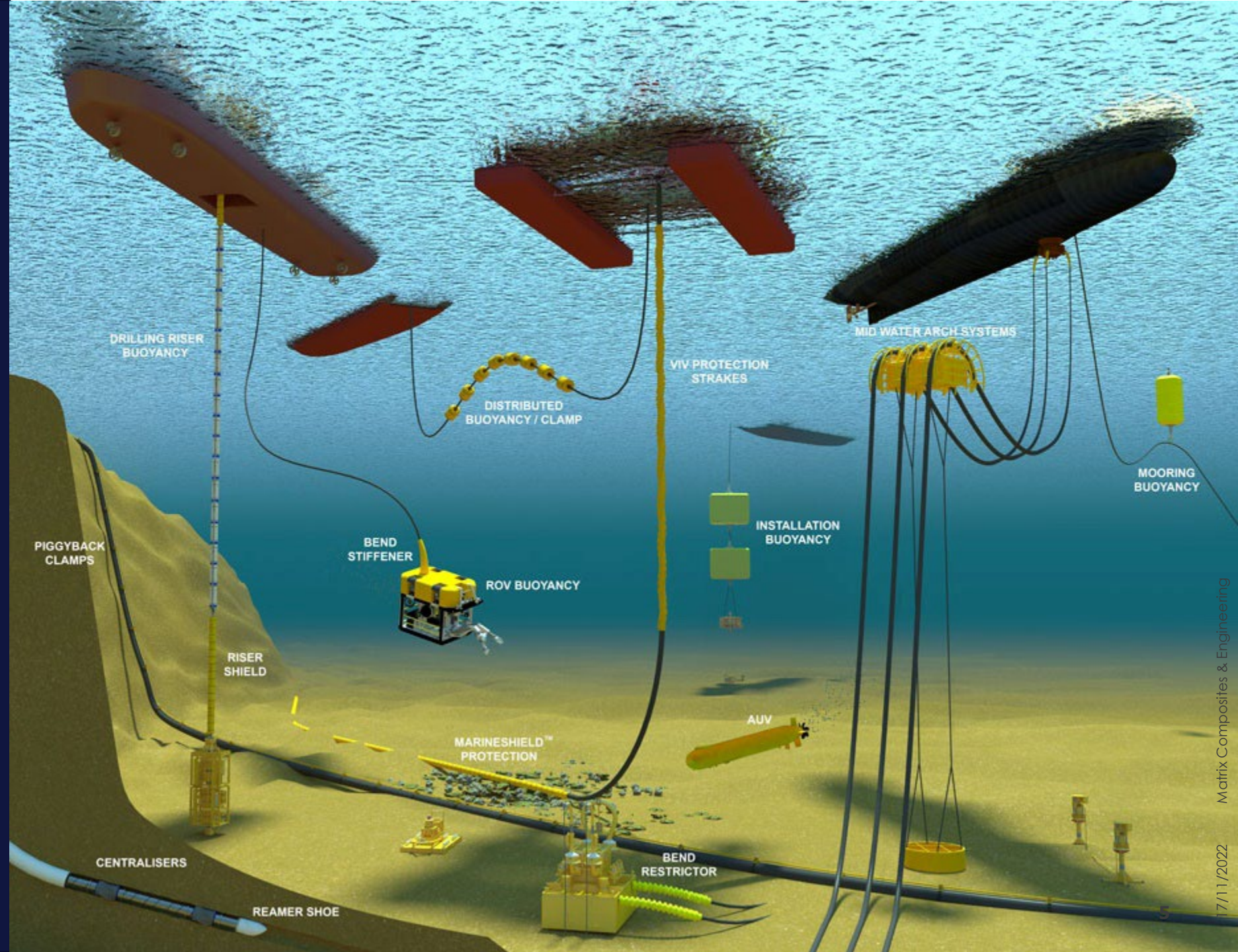
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SYNTACTIC FOAM WHAT IS IT USED FOR?

Core product in our
traditional markets

- Matrix has delivered > \$1B of syntactic foam products
- Superior performance to steel



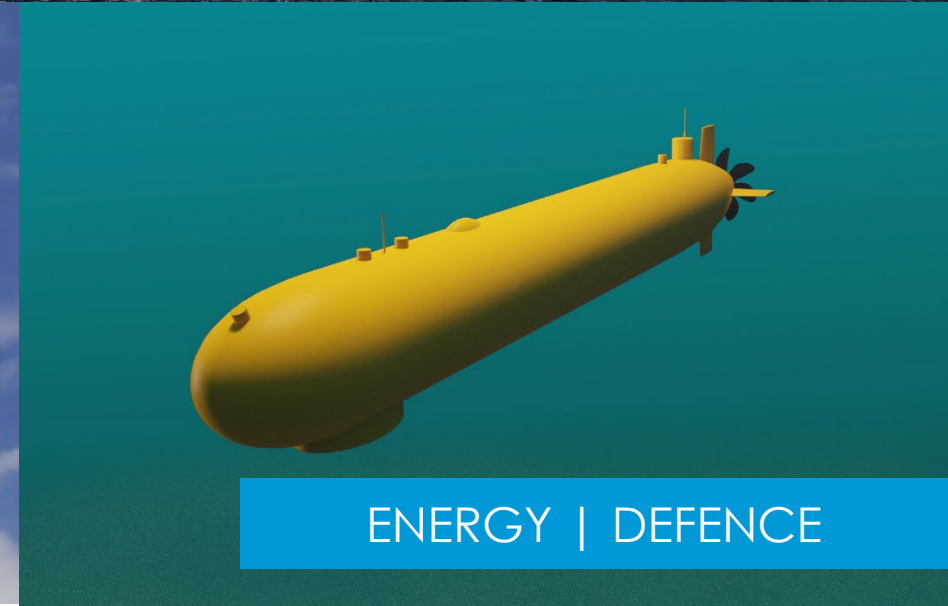
SYNTACTIC FOAM

WHAT IS IT USED FOR?

EXPANDING ENERGY AND DEFENCE MARKETS

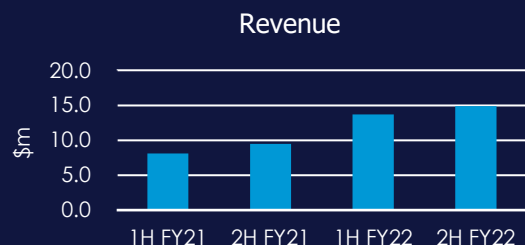
- Replacing steel and concrete
- Market potential > \$1 billion
 - 28.7 GW of new floating wind capacity will be added between 2022 and 2031*
 - > 50 hydrogen projects Australia wide**
 - >10,000 AUV/UUVs for the Royal Australian Navy

Data courtesy of: *GWEC Market Intelligence; **AEMC



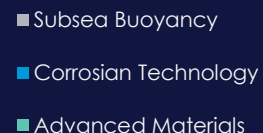
ENERGY | DEFENCE

FY22 GROWTH TRAJECTORY



- Revenue \$28.6m (FY21: \$17.6m)
- Rebounding traditional energy market, growing corrosion technologies and advanced materials
- Underlying FY22 EBITDA loss \$2.3m, down from \$4.4m in FY21
- Focused financial management with cash on hand \$7.6m (FY21: \$7.2m) and no trade or term debt

- Increasing diversification and sustainable revenue streams



- Subsea buoyancy up 51% on FY21
- Corrosion technologies 81% growth from FY21
- Key environmental accreditation with ISO 14001 certification

- Significant revenue growth FY23 - YTD revenue and secured orders currently at ~\$43m and will grow with further orders
- Emerging from challenging COVID-19 period with strong growth prospects
- Increasing activity in offshore oil & gas markets, ~\$33m in recent drilling riser buoyancy and SURF contracts
- Corrosion Technologies business pillar is increasing Matrix's exposure to stable, recurring revenue streams
- Advanced materials business broadening into renewables
- Offshore floating wind on radar ~\$50m of recent quotes

DELIVERING ON FY22 INITIATIVES



SUBSEA

- ✓ Capitalising on cyclical upswing post COVID oil prices recovery
- ✓ Increased presence in SURF and subsea market
- ✓ New deep water drilling riser buoyancy contracts
- ✓ Increased exposure to the floating offshore wind sector



CORROSION TECHNOLOGIES

- ✓ Business fully integrated into Matrix's operations
- ✓ Expansion of anti-corrosion coating, equipment, technical services into the local energy and resources sectors
- ✓ Continued building of sustainable revenue



ADVANCED MATERIALS

- ✓ Further exposure to resources sector
- ✓ New opportunities emerged, particularly in the renewables sector
- ✓ Momentum in Matrix's diversification strategy

THREE BUSINESS PILLARS



SUBSEA

SURF, deep water drilling and well construction. Energy transition opportunity with floating offshore wind



CORROSION TECHNOLOGIES

Growing anti corrosion coating, application equipment and technical services



ADVANCED MATERIALS

High tech composite material solutions across traditional & renewable energy and resources

CONTINUED TO LEVERAGE OUR MATERIALS SCIENCE & ADVANCED MANUFACTURING CAPABILITIES TO BUILD REVENUE ACROSS TRADITIONAL AND THE EXPANDING ENERGY, RESOURCES AND DEFENCE SECTORS

OPERATIONAL STRUCTURE ESTABLISHED TO UNDERPIN LONG-TERM SUSTAINABLE GROWTH ACROSS ALL BUSINESS PILLARS



APPLICATIONS ACROSS OIL & GAS AND RENEWABLES

SUBSEA

FOCUS

- Buoyancy (syntactic foam) for:
 - Deepwater drilling
 - Subsea umbilicals, risers and flowlines (SURF)
 - Offshore floating wind turbines and infrastructure
- Matrix LGS VIV and drag reduction buoyancy system

MOMENTUM IS BUILDING

- \$33 m worth of contracts received in recent months (FY23 projects)
- Increasing market share in the SURF market using the same processes and capacity as drilling riser buoyancy
 - Recently awarded API17L accreditation.
 - Positive qualification status with most major SURF contractors
- New opportunities for floating offshore wind

OUR GROWING QUOTATION PIPELINE



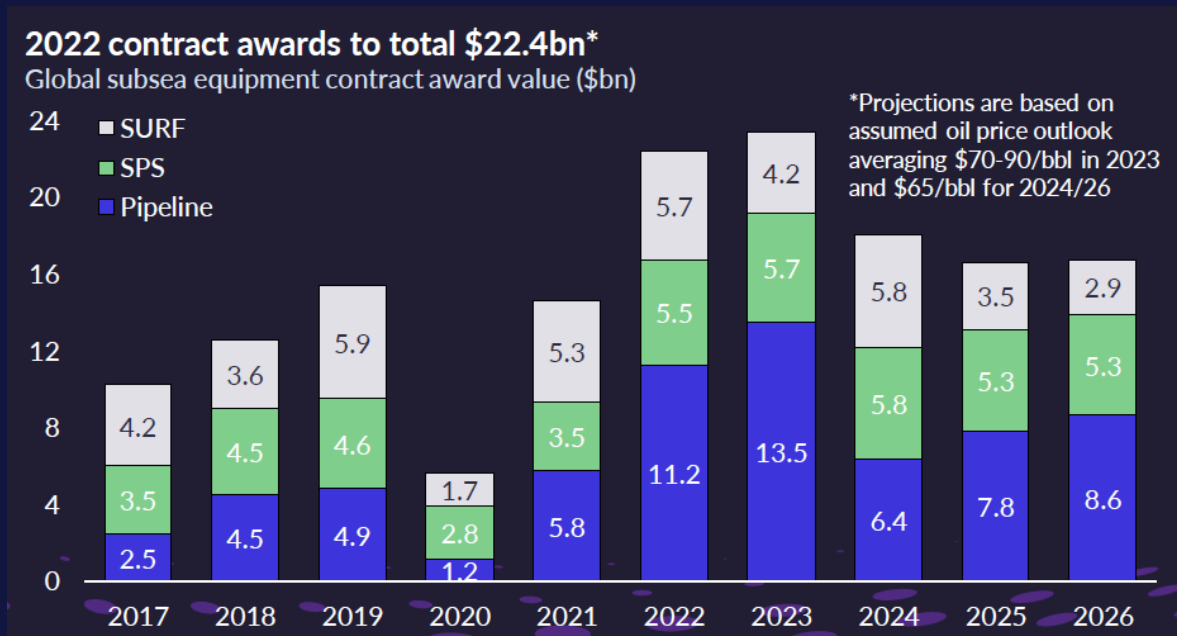
- Bulk of Bid to Contract opportunities to be decided during next 6 months
- Includes recently submitted floating wind bids of ~\$50m
- International projects: Petrobras deep water developments; Exxon South America; West Africa Deepwater
- Regional projects – Scarborough, Barossa & Dorado



APPLICATIONS ACROSS OIL & GAS AND RENEWABLES

SUBSEA

GLOBAL SUBSEA SPEND



Source: Westwood Analysis – SubseaLogix

- Global activity in SURF reflected in recent significant award win, with growing pipeline of opportunities and outstanding quotes.
- Matrix has improved its industry qualification status.
 - Now on approved vendor list for most large EPIC contractors.
 - Received API17L industry qualifications (one of 3 international vendors).
- Revenue and market share expected to grow over coming years.

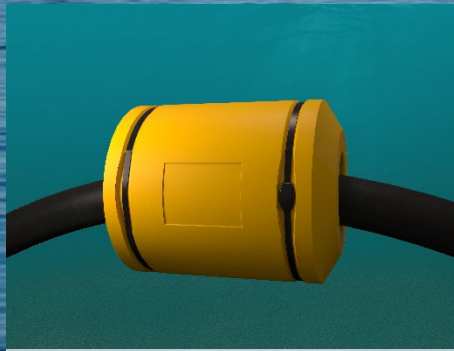
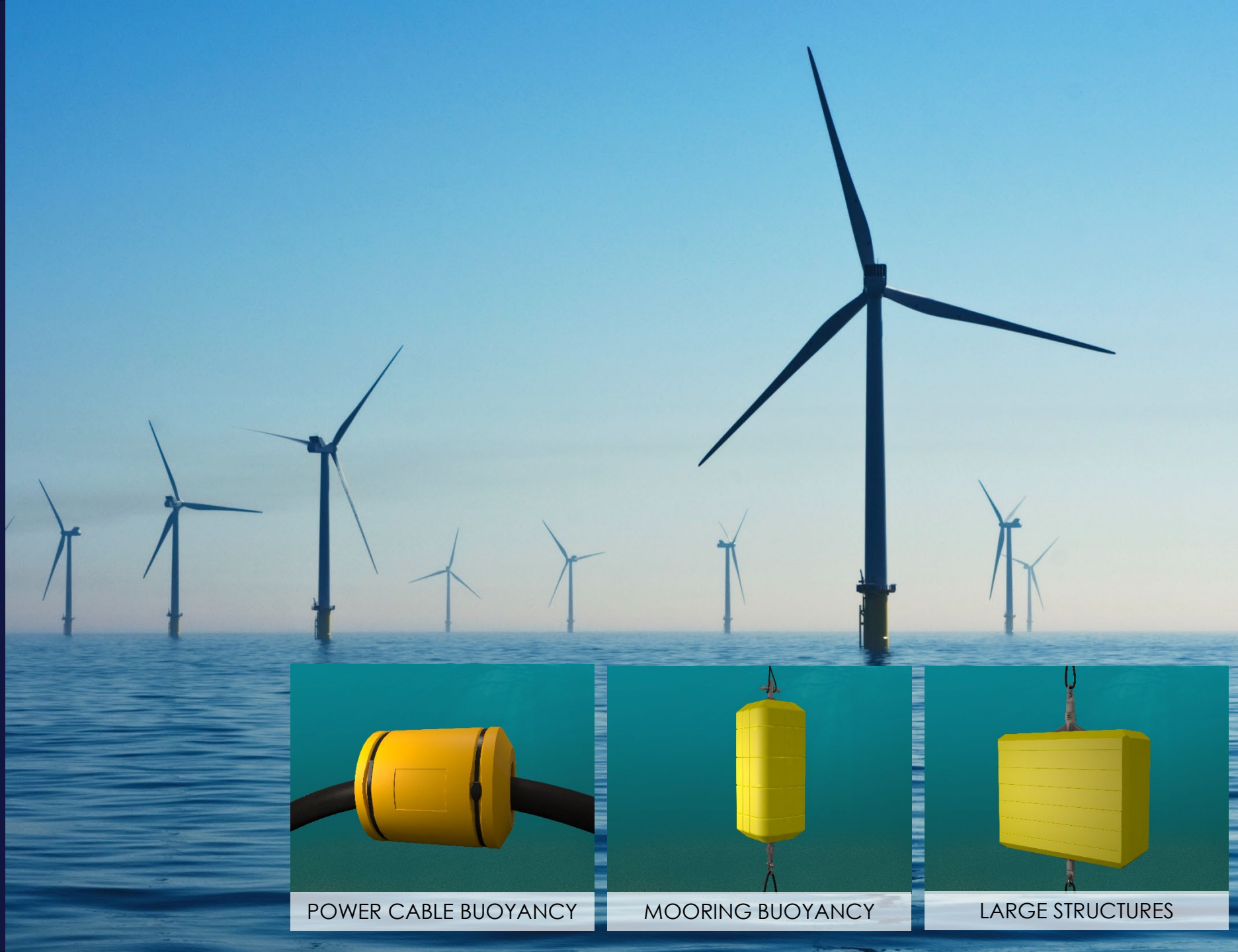
**SYNTACTIC FOAM: THE
FUTURE**

FLOATING OFFSHORE WIND

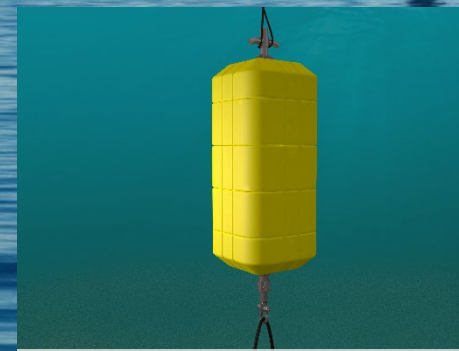
SUPPORTING ENERGY TRANSITION

- 28.7 GW of new floating wind capacity will be added between 2022 and 2031*
- Predicted to grow to > 264 GW in 2050**
- Growth in regional markets – Japan, Korea and Australia

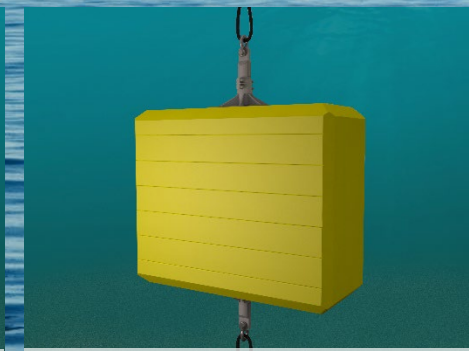
Data courtesy of: *GWEC Market Intelligence: ** DNV



POWER CABLE BUOYANCY



MOORING BUOYANCY



LARGE STRUCTURES



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CORROSION TECHNOLOGIES

LOCAL RESOURCES SECTOR

- LNG
- Brownfield developments
- Operational maintenance

KEY CLIENTS

- Woodside, Inpex, Alcoa, Santos, CSBP

TECHNOLOGY SOLUTIONS

- Humidur® coatings
- Composite repairs
- Equipment
- Rotolining: Thermoplastic lining





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ADVANCED MATERIALS

LOCAL RESOURCES SECTOR

- Iron ore, LNG, Gold
- Hydrogen, Renewables

KEY CLIENTS

- Fortescue Future Industries
- Woodside Energy
- Rio Tinto
- Active discussions with other major resource companies

TECHNOLOGY SOLUTIONS

- Steel replacement and advanced composite applications for
 - Mining – ore handling, extraction, processing
 - Renewable energy – high pressure green hydrogen systems, solar applications



STRONG GROWTH OUTLOOK

- Heading into FY23 with challenging COVID-19 induced period in rear view, and larger, more diversified pipeline of work evident
- Increasing activity in subsea markets, ~\$33m in recent drilling riser buoyancy, SURF contracts
- Floating wind opportunities being pursued – recent quotes total ~ \$50m
- Corrosion Technologies business growing, increasing Matrix's exposure to stable, recurring revenue streams
- Advanced materials business enhancing diversification in energy, resources and broadening into clean energy renewables
- **Significant revenue growth locked in for FY23, with further growth expected for the fiscal year. Year to date revenue and secured orders currently at ~\$43m (FY22: \$28.6m) with further FY23 orders being pursued**





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