

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS**

8 March 2023

Dear Shareholder,

**\$20.2 million accelerated non-renounceable entitlement offer and institutional placement**

On Wednesday, 1 March 2023, Matrix Composites & Engineering Limited (ASX: MCE) ("**Matrix**" or the "**Company**") announced the launch of a fully underwritten<sup>1</sup> equity raising of approximately \$20.2 million (before costs) of new fully paid ordinary shares in Matrix ("**New Shares**") at an offer price of \$0.28 per New Share ("**Offer Price**").

The Equity Raising (defined below) is comprised of:

- an institutional placement of New Shares to raise approximately \$6.3 million (before costs) (utilising ASX Listing Rule 7.1 and Listing Rule 7.1A capacity) ("**Institutional Placement**"); and
- a 1 for 2.95 pro-rata accelerated non-renounceable entitlement offer of New Shares to raise approximately \$13.9 million (before costs) ("**Entitlement Offer**"),

(together, the "**Equity Raising**").

The Equity Raising is fully underwritten by Bell Potter Securities Limited (ABN 25 006 390 772) ("**Bell Potter**", "**Underwriter**", or the "**Lead Manager**").<sup>1</sup>

Capitalised terms used but not defined in this letter have the same meaning given to them in the Retail Offer Booklet released to ASX today.

**Entitlement Offer and Use of Proceeds**

The Equity Raising will strengthen Matrix's capability to win and execute on its current project pipeline and expected future opportunities. The proceeds of the Equity Raising will be used to fund the Company's:

- performance/warranty bond facility;
- new markets and innovation (floating wind and hydrogen);
- capital expenditure for plant expansion;
- coatings working capital support;

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<sup>1</sup> Refer to slides 37 – 41 of the investor presentation dated 1 March 2023 for a description of the terms and conditions of the underwriting arrangement.

- working capital to support increase in order book for FY23 and FY24;
- working capital to support new short-term opportunities; and
- costs associated with the Offer.

The Entitlement Offer comprises an accelerated non-renounceable institutional offer ("**Institutional Entitlement Offer**") and an offer to Eligible Retail Shareholders (as described below) to participate at the same Offer Price and offer ratio ("**Retail Entitlement Offer**"). The Entitlement Offer is being made by Matrix without a prospectus or other disclosure document in accordance with section 708AA of the *Corporations Act 2001* (Cth) ("**Corporations Act**") (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73).

The Institutional Entitlement Offer and Institutional Placement completed on Friday, 3 March 2023. Further details of the results of the Institutional Entitlement Offer and Institutional Placement are set out in the ASX announcement dated Friday, 3 March 2023.

As an Eligible Retail Shareholder, you are able to subscribe for 1 New Share for every 2.95 existing fully paid ordinary shares held on the Record Date as at 4:00pm (AWST) on Friday, 3 March 2023 ("**Retail Entitlement**"). The Offer Price is \$0.28 per New Share. Fractional entitlements will be rounded up to the nearest whole number of New Shares. New Shares issued under the Entitlement Offer will be fully paid and rank equally with existing Shares from the date of issue.

**This letter is to notify you that the Retail Entitlement Offer is now open and provide you with instructions as to how to obtain a copy of the Retail Offer Booklet and your personalised Entitlement and Acceptance Form.**

### **How to obtain a copy of the Retail Offer Booklet and your personalised Entitlement and Acceptance Form**

1. **ONLINE** The Retail Offer Booklet and your personalised Entitlement and Acceptance Form are available to view online at <https://events.miraqle.com/mce-anreo>. To access this website, you will need your SRN or HIN, which is displayed at the top of this letter.
2. **PAPER** You can request a paper copy of the Retail Offer Booklet and your personalised Entitlement and Acceptance Form by contacting 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) on Monday to Friday.

**The Retail Entitlement Offer is scheduled to close at 2:00pm (AWST) on Wednesday, 22 March 2023. Payment must be received before this time.**

You should read the Retail Offer Booklet carefully and in its entirety before deciding whether to participate in the Retail Entitlement Offer.

## Eligible Retail Shareholders

Eligible Retail Shareholders are registered holders of existing Shares in the capital of Matrix as at 4:00pm (AWST) on the Record Date, being Friday, 3 March 2023 who:

1. as at the Record Date, have a registered address in Australia or New Zealand as recorded on Matrix's share register or are persons that Matrix has otherwise determined are eligible to participate in the Retail Entitlement Offer;
2. are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent they are holding Shares for the account or benefit of such person in the United States);
3. are not Eligible Institutional Shareholders and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
4. are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus, product disclosure statement or offer document to be lodged or registered,

*provided that, if a shareholder (including a nominee, trustee or custodian) is acting for the account or benefit of a person in the United States, it may not participate in the Retail Entitlement Offer on behalf of such a person.*

## Action required by Eligible Retail Shareholders

### 1. Take up all of your Retail Entitlement

Eligible Retail Shareholders who wish to take up all of their Retail Entitlements are required to make payment using BPAY®. Alternative EFT payment arrangements will also be provided for Eligible Retail Shareholders in New Zealand. Payment must be received before 2:00pm (AWST) on Wednesday, 22 March 2023. You can access your personalised payment instructions online at <https://events.miraqle.com/mce-anreo> from 7:00am (AWST) on Wednesday, 8 March 2023.

Cash payments and payments by cheque, bank draft or money order will not be accepted.

The percentage holding of such Eligible Retail Shareholders in Matrix may also be diluted as a result of the Institutional Placement.

### 2. Take up all of your Retail Entitlement and apply for additional New Shares

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.

**3. Take up part of your Retail Entitlement**

Eligible Retail Shareholders who wish to take up only part of their Retail Entitlement are required to make payment using BPAY®. Alternative EFT payment arrangements will also be provided for Eligible Retail Shareholders in New Zealand. Payment must be received before 2:00pm (AWST) on Wednesday, 22 March 2023. You can access your personalised payment instructions online at <https://events.miraqle.com/mce-anreo> from 7:00am (AWST) on Wednesday, 8 March 2023.

The percentage holding of such Eligible Retail Shareholders in Matrix may also be diluted as a result of the Equity Raising.

Cash payments and payments by cheque, bank draft or money order will not be accepted.

**4. Do nothing and let your Retail Entitlement lapse**

To the extent Eligible Retail Shareholders do not take up their Retail Entitlement those Retail Entitlements will lapse.

The Entitlement Offer is non-renounceable and therefore your entitlement will not be tradeable on the ASX or any other exchange, cannot be sold and is not otherwise transferable. Eligible Retail Shareholders who do not take up their Retail Entitlement will not receive any value in connection with that Retail Entitlement. The percentage holding of such Eligible Retail Shareholders in Matrix will also be diluted as a result of the Equity Raising.

Your entitlements under the Retail Entitlement Offer may have value and it is important you determine whether to take up (in whole or in part) or do nothing in respect of your entitlement. The taxation implications of the Retail Entitlement Offer will vary depending upon your particular circumstances. Accordingly, you should seek and rely upon your own professional advice before concluding on the particular taxation treatment that will apply to you.

Nominees must not take up entitlements under the Retail Entitlement Offer on behalf of, or send any documents related to the Retail Entitlement Offer to, any person in the United States.

**Director and Key Management Participation**

Certain Matrix directors and senior management will participate in the Entitlement Offer. Matrix directors will not participate in the Placement.

**Indicative Timetable<sup>2</sup>**

Event	Time and Date
Record Date for determining entitlement to subscribe for New Shares	4:00pm (AWST), Friday, 3 March 2023
Retail Offer Booklet dispatched and Retail Entitlement Offer opens	7:00am (AWST), Wednesday, 8 March 2023

<sup>2</sup> 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

Settlement of Institutional Entitlement Offer and Institutional Placement	Thursday, 9 March 2023
Allotment and normal settlement trading of New Shares issued under the Institutional Entitlement Offer and Institutional Placement 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 Shares under the Retail Entitlement Offer	Wednesday, 29 March 2023
New Shares 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, 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 will have a consequential effect on the allotment date of New Shares. Matrix also reserves the right not to proceed with the Entitlement Offer or the Institutional Placement 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 you have any questions about the Entitlement Offer, please visit Matrix's website at <https://matrixengineered.com/> or the ASX at <https://www2.asx.com.au/>, or 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 before the Retail Entitlement Offer closes at 2:00pm (AWST) on Wednesday, 22 March 2023. For all other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

Yours sincerely



**Aaron Begley**  
**Chief Executive Officer**

## **Important information**

This letter is issued by Matrix. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any New Shares in Matrix in any jurisdiction. This letter does not constitute financial product advice and has been prepared without taking into account the investment objectives, financial situation or needs of any particular investor. This letter does not and will not form part of any contract for the acquisition of New Shares.

Nothing contained in this document constitutes investment, legal, tax or other advice. The information in this letter is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Any investment decision should be made solely on the basis of your own enquiries. Please read the Retail Offer Booklet, and if you are unsure of your position, please seek professional advice from your stockbroker, solicitor, accountant or other professional adviser.

## **Forward-looking statements**

This letter may contain 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 letter 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 letter. 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.

## **No offers in breach of foreign securities law**

This letter 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

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letter 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 letter 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.

### **Determination of eligibility of investors**

Determination of eligibility of investors for the purposes of 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 their related bodies corporate and affiliates, and each of their respective officers, directors, partners, employees, consultants, contractors, agents and advisers ("**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 retail 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).