

21 November 2024

2024 AGM Chairperson's Address

Please find attached below the Chairmans Address for the 2024 Matrix AGM.

Good morning ladies and gentlemen, and welcome to the 2024 Annual General Meeting of Matrix Composites & Engineering. Before moving into the formal business of today's meeting I'd like to make some brief key observations of the Company's performance in the 2024 financial year.

Matrix's FY24 performance was in line with our expectations, showing strong growth and building on the positive momentum achieved since 2021.

Revenue increased 80% to \$85.0 million, including a very strong performance in the second half of the year, and the business delivered solid Net Profit After Tax of \$3.6 million.

Subsea work in the oil & gas sector remained the key pillar of activity during the year comprising over 70% of total revenue, with particularly strong growth in the SURF market. Corrosion Technologies and Advanced Materials also continue to be positive contributors for the Company including diversified and recurring revenue, with future growth opportunities.

Matrix entered FY2025 with increased cash on hand at a healthy \$23.3 million, and with a net cash position and strong base of secured revenue for FY25 already in place, the Company is well positioned financially to support continued growth.

Matrix's Chief Executive Officer Aaron Begley will provide more detail about the Company's performance in the 2024 financial year, our operations and outlook at the conclusion of the formal business of today's meeting.

Before turning to the first item of business, I would also like to acknowledge some important changes to the Matrix Board during FY24. Firstly, Craig Duncan retired, having been an inaugural Board member when Matrix listed on the ASX in 2009, and was fundamental to the Company's development and transformation for over 14 years. On behalf of the Board, I would again like to extend my gratitude to Craig for his significant contribution to Matrix over his extensive time with the Company.

Secondly, we welcomed Alison Terry as a Non-Executive Director, and Brendan Cocks as an Executive Director. Alison joined us as an experienced executive and non-executive director with over two decades of experience across governance, corporate affairs, and sustainability, which will complement the Board. Brendan needs no introduction to shareholders. He has been Matrix's Chief Financial Officer since joining the Company in 2016 and will continue in that role.

I would like to conclude with expressing the Matrix Board's gratitude to everyone at Matrix for their individual and collective contribution in making 2024 another successful year for the Company, and especially a safe year. To our customers and shareholders, thank you for your continued



support and trust in our mission to deliver long-term value. Thank you also to Aaron and the senior management team for their dedication and professionalism.

With a positive outlook, a strong financial position, and a talented team of people, Matrix is well positioned for another year of growth in the 2025 financial year, and I look forward to our team continuing to deliver safely and successfully.

Peter Hood AO

Chairperson

This announcement was authorised for release by Brendan Cocks, 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.



ANNUAL GENERAL MEETING

21 November 2024

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THE POWER OF ADVANCED MATERIALS

MATRIX – A GROWTH BUSINESS

Matrix designs, engineers, 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**



CORE TRADITIONAL



SUBSEA

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

EMERGING



CORROSION TECHNOLOGIES

Growing anti-corrosion coating, application equipment and technical services



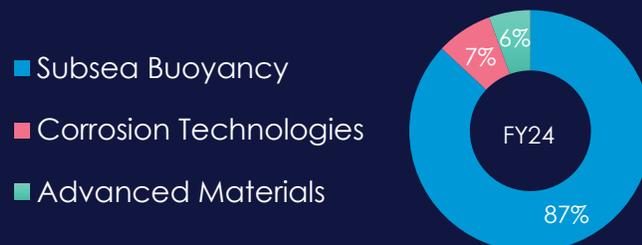
ADVANCED MATERIALS

Advanced composite material solutions for Renewables / Defence / Resources

FY24 – CONTINUES STRONG MOMENTUM



Revenue Contribution



FY24 RESULTS

Revenue

\$85.0m ▲ 80%

Underlying EBITDA ¹

\$11.0m ▲ from \$0.2m

Underlying EBITDA Margin

12.9% ▲ from 0.2%
 18.0% margin 2H FY24

Net Profit After Tax

\$3.6m ▼ from \$8.7m ²

Operating Cash Flow

\$10.9m ▲ from (\$9.1m)

Net Cash

\$14.4m ▲ 29%

1. Underlying EBITDA FY24 excludes FX loss \$0.7m and non-cash fair value (FV) accounting gain of \$0.6m. FY23 excludes FX loss \$0.4m, non-cash FV accounting loss \$1.3m and impairment reversal of \$15.8m.
2. FY23 boosted by \$15.8m reversal of prior period asset impairments from uplifted market outlook.

MOMENTUM BUILDING SUBSEA PRODUCTION (SURF)

STRONG SURF MARKET PENETRATION

- FY23 turning point for Matrix presence in global SURF Market
- \$100m secured across 3 projects in recent years, including \$5m of variations this year
- In negotiations for further projects of similar scale being pursued for FY25 production and future growth.
- Further Growth and another record year expected in FY25 for SURF



MOMENTUM BUILDING SUBSEA PRODUCTION (SURF)

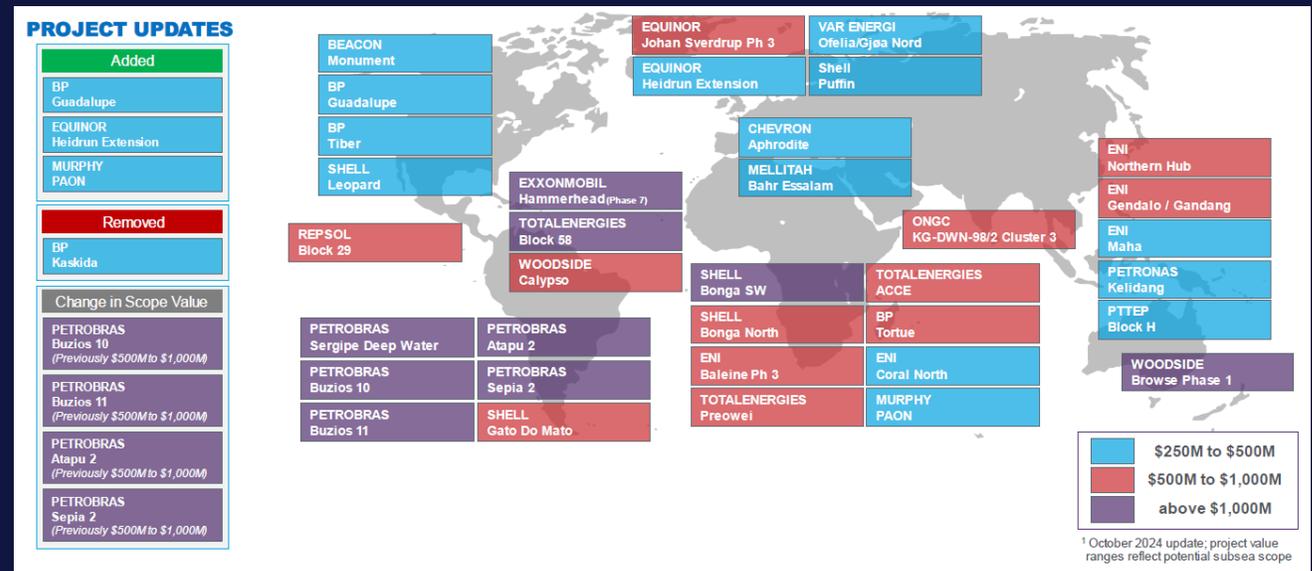
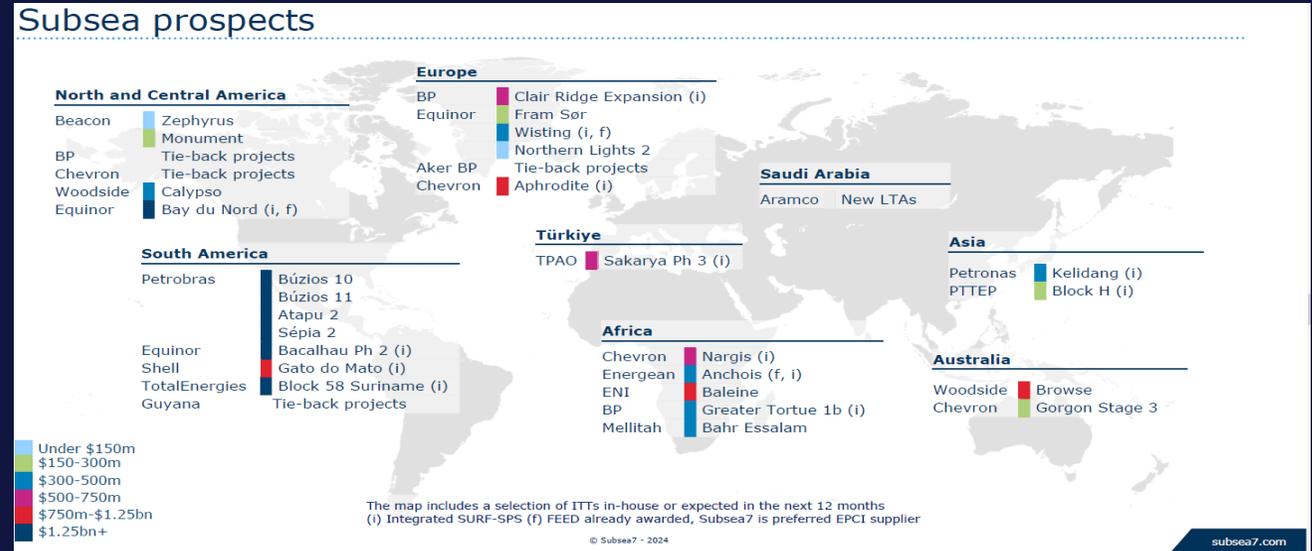
SUSTAINED INDUSTRY ACTIVITY

- Strong tailwinds in SURF. Key Customers expecting busy conditions for foreseeable future.

MATRIX STRONG QUOTATION PIPELINE

- ~\$300m of competitive quotations submitted, yet to be awarded.
- 5 to 7 material projects with a value of \$100m to \$160m expected to be awarded before the end of the financial year, including 1 near term project that will underpin H2 FY24 revenue.
- +\$200m of upcoming projects identified with existing clients, not yet quoted.
- Building track record which will open up new contractors and operators, building accessible market.

Source:
Top Right – Subsea 7 2Q 2024 Investor Presentation.
Bottom Right – Technip FMC Investor Presentation October 2024.



INDUSTRY RECOVERY IS BUILDING DRILLING MARKET

INDUSTRY LEADER

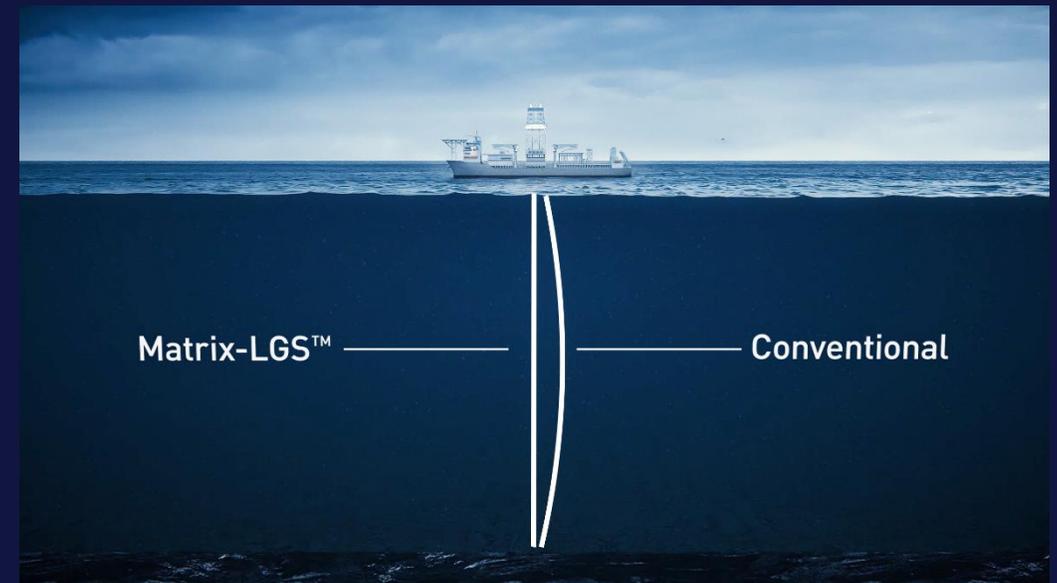
- +\$1B of syntactic foam buoyancy delivered by Matrix to the drilling sector in last 15 years.
- Global fleet of ~200 Rigs and Drill ships, with ~\$2B of Buoyancy.
- Significantly improved market conditions for drillers should lead to demand for replacements and upgrades.

STRENGTHENING DRILL RIG MARKET

- Strong recovery to drilling sector in recent years.
- [Opportunities pipeline increasing](#), ~\$130m of competitive outstanding quotes to the drilling sector.
- 2 x potential project awards identified for +\$10m for production during 2025.
- Increase in LGS quotes for South American activity.

LGS® - TECHNOLOGY DIFFERENTIATION

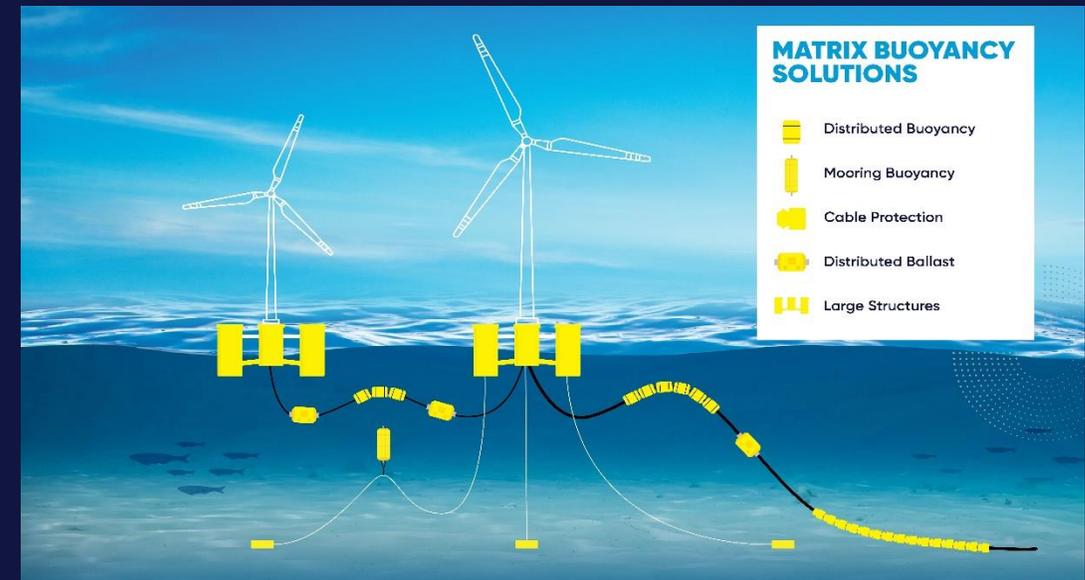
- Patented VIV and drag reduction technology to enhance production in strong currents.
- Significant value proposition to drillers when operating in high currents – ability to drill for longer.



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PRODUCT GROWTH OPPORTUNITIES

OTHER SUBSEA BUOYANCY



DEEP SEA MINING EQUIPMENT

- Recently completed riser buoyancy system using syntactic foam technology for a deep-sea research vessel.
- \$13m order delivered in July 24.
- More opportunities identified and quoted.

OFFSHORE FLOATING WIND

- 26.5 GW of new floating wind capacity to be added by 2030.
- Rapid escalation of floating wind capacity expected from 2030 as suitable seabed areas are exhausted by the fixed wind market.
- Active participation in quotes for local Asian markets. First projects scheduled to commence 2026, +\$60m currently bid.

EXTENDING INTO ENERGY AND RESOURCES MARKETS

CORROSION TECHNOLOGIES

TECHNOLOGY SOLUTIONS

- Humidur® Coatings
- Composite repairs
- Equipment hire
- Rotolining: Thermoplastic lining

LOCAL RESOURCES SECTOR

- LNG
- Brownfield developments
- Operational maintenance

PROGRESS

- Converting and growing local major companies.
- Growing base products, with hire and training revenue moderating as cornerstone client's requirements mature.



EMERGING MARKET SPACE

ADVANCED MATERIALS

TECHNOLOGY SOLUTIONS

- Syntactic foam for Unmanned Underwater Vehicles (UUV)
- Steel replacement and advanced composites applications
- Design and Manufacture of Engineered Polymers

AUSTRALIAN INDUSTRY SECTORS

- Defence
- Resources: Iron ore, LNG, Gold
- Energy Transition: Hydrogen, Solar, Wind
- Civil

DEMONSTRATED PROGRESS

- Advanced materials revenue up 80% in FY24 to \$4.7m
- Centraliser opportunities growing
 - Aramco qualification and first order ~\$1m
 - New US Distributer growing US share
 - Other Middle East opportunities identified
- Rio Tinto structural product designed and tested. Ready for field testing
- Defence continues to advance
 - Supply into Australian UUV Market. Scale opportunities being pursued
 - Supporting Australian and US Sustainment. New orders received

THE POWER OF ADVANCED MATERIALS

FY25 GROWTH OUTLOOK

- Strong base of ~\$48m secured revenue for FY25 already in place.
- Near term subsea market opportunities remain:
 - New awards under current negotiation to significantly add to FY25 order book.
 - Another record year expected for SURF in FY25.
- Expected recurring revenue from Corrosion Technologies and Advanced Materials of at least \$10m p.a. with opportunities to grow.
- Advanced materials clean energy work continuing to emerge.
- Defence opportunities building momentum.
- Floating wind opportunities add to prospective pipeline, but likely from 2026.
- **Targeting continued growth from strengthening Subsea market, and capturing opportunities in Advanced Materials.**





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