Princess Yachts

VEEM LTD

INVESTOR PRESENTATION

EUROZ ROTTNEST ISLAND CONFERENCE

MARCH 2020

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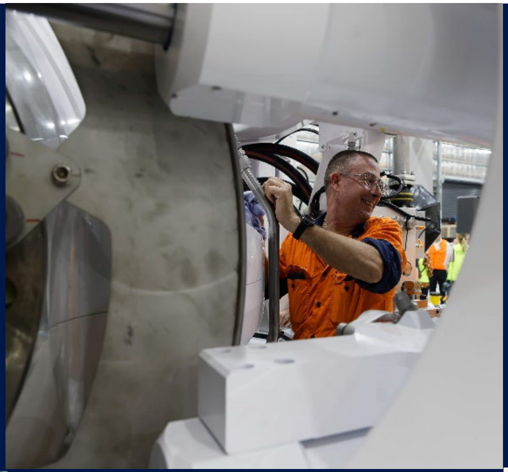
VEEM Introduction

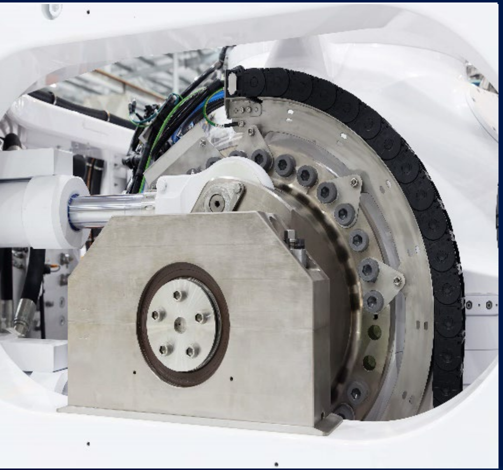
PRECISION MARINE TECHNOLOGY DISRUPTOR WITH 50+ YEARS EXPERIENCE & WORLD-CLASS WA-BASED MANUFACTURING FACILITIES

VEEM develops and manufactures marine gyrostabilizer and propulsion systems

Significant cross-selling potential of gyro tech to existing defence and propulsion customers



Track record of disrupting niche marine markets and consistent R&D investment to drive innovation



Robust precision engineering business underpins the gyro and propulsion growth opportunities

Stabilization tech is a large addressable market in which VEEM is a leading player

1H FY20 Financial Highlights

Steady financial performance

Profit after
tax of $0.9m
despite challenges

$4.6M

GYRO ORDERS

on hand, with $3.4m to
be delivered in
2H FY20

3%

INCREASE

in revenue
to $20.9m
(on PCP)

Transition for range of large VEEM Gyros from design to manufacturing complete.

261%

GYRO SALES

Gyro sales up to $2.1m
(on PCP)

Stabilization and propulsion

Propulsion

Fully CNC (computer numerical control) machined over every sq mm of the surfaces, ensuring faster, smoother and quieter performance. The only commercially available propellers manufactured in this manner.

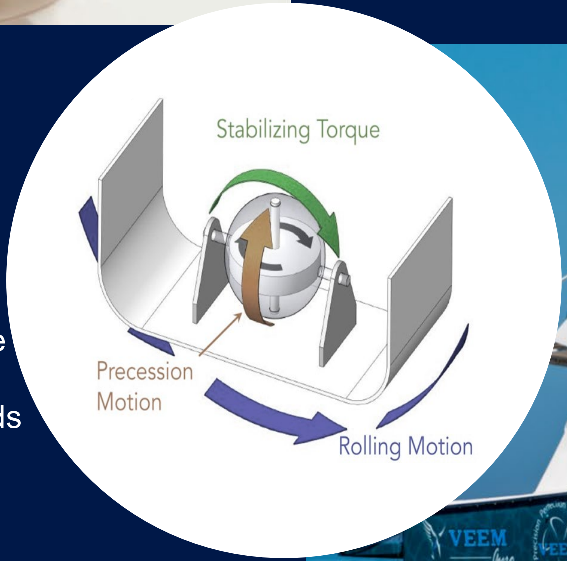
Propellers are now a precision machined part, not a hand finished approximation of the design. Side to side, boat to boat, year to year, they are identical.

VEEM's innovative pattern-less molding techniques are able to deliver precise bespoke propeller designs with industry leading performance at no extra cost

Gyroscopic Stabilization

Marine gyrostabilizers (gyros) are used to reduce the rolling of boats and ships in waves

Gyros work by generating large torques which directly oppose the dynamic rolling motion caused by waves. Gyros are replacing outdated zero speed fins as they operate at all speeds and are smoother, safer and more efficient



Successful Sale of World's Largest Gyro for Damen Shipyards

VEEM has just completed the world's largest gyrostabilizer for Europe's second largest ship builder, Damen Shipyards.

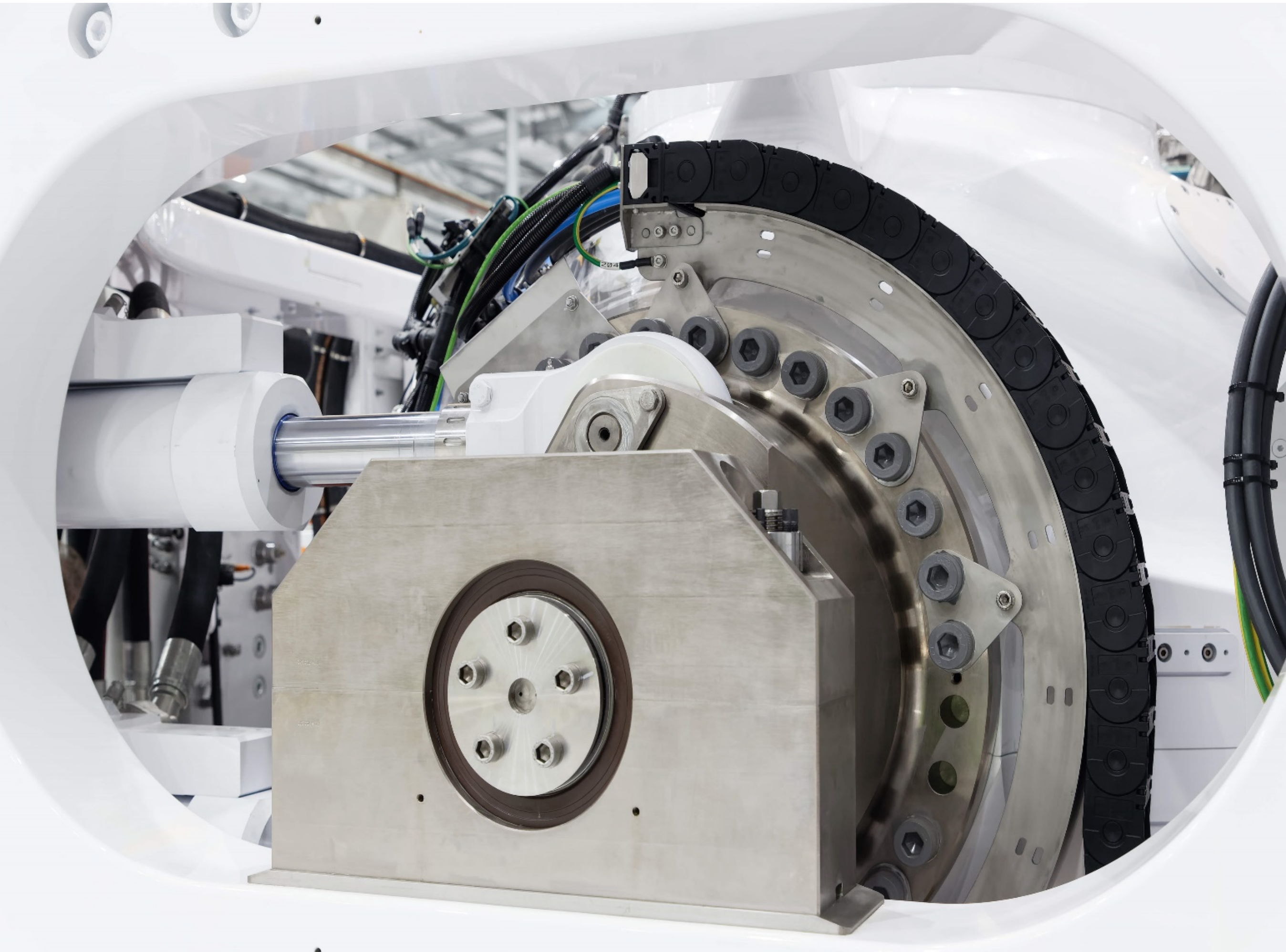
Damen builds more than 175 vessels annually and is active across the entire spectrum of maritime industries.

The VG1000 SD was extensively trialed by Damen, after which VEEM secured an order for the product in mid-2018.

The 20 metric tonne gyro will be installed into Damen's new Fast Crew Supplier, FCS 7011, which is currently under construction.

Completion of the VG1000 SD validates the use of gyros in large vessels and is proof of market acceptance.

The VG1000 SD was launched on 6 March 2020 in conjunction with the opening of VEEM's new gyro facility in Canning Vale.



Completed VG1000 SD gyrostabilizer

Significant addressable market – awareness increased, uptake expected following successful VG1000 SD sale to Damen Shipyards

VEEM's gyro stabilizers are designed for medium sized vessels including superyachts, ferries, defence & commercial vessels

Significant opportunity to use developed technology for smaller vessels.

Fins have historically been the main stabilizing technology used for sea vessels but don't work at all speeds,are inefficient, unsafe and expensive to maintain

Currently, VEEM is the only player operating in the large gyro market, with primary competition coming from lesser stabilization alternatives such as fins

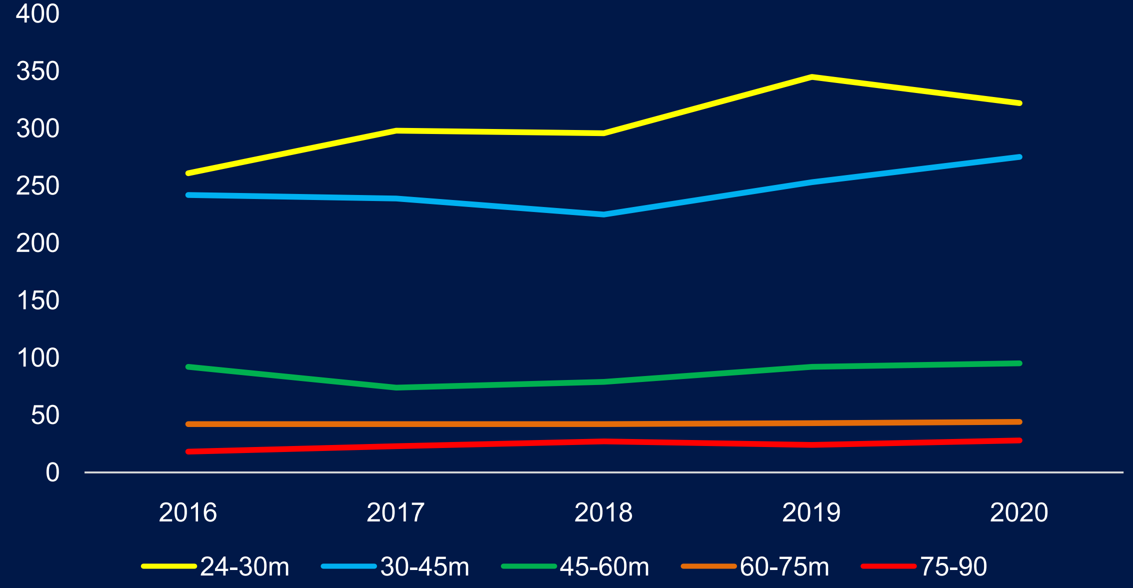
Superyacht Market Snapshot

Data source: SuperYacht Times

Current order book of 737 vessels# represents a target market of over US$273M for Gyro Sales . Expected fleet growth of 2.5% (CAGR) next five years.

Current addressable superyacht operating fleet* of 9,081 vessels provides a large retrofit market.

Construction book of superyachts by size (1 Jan 2020)*



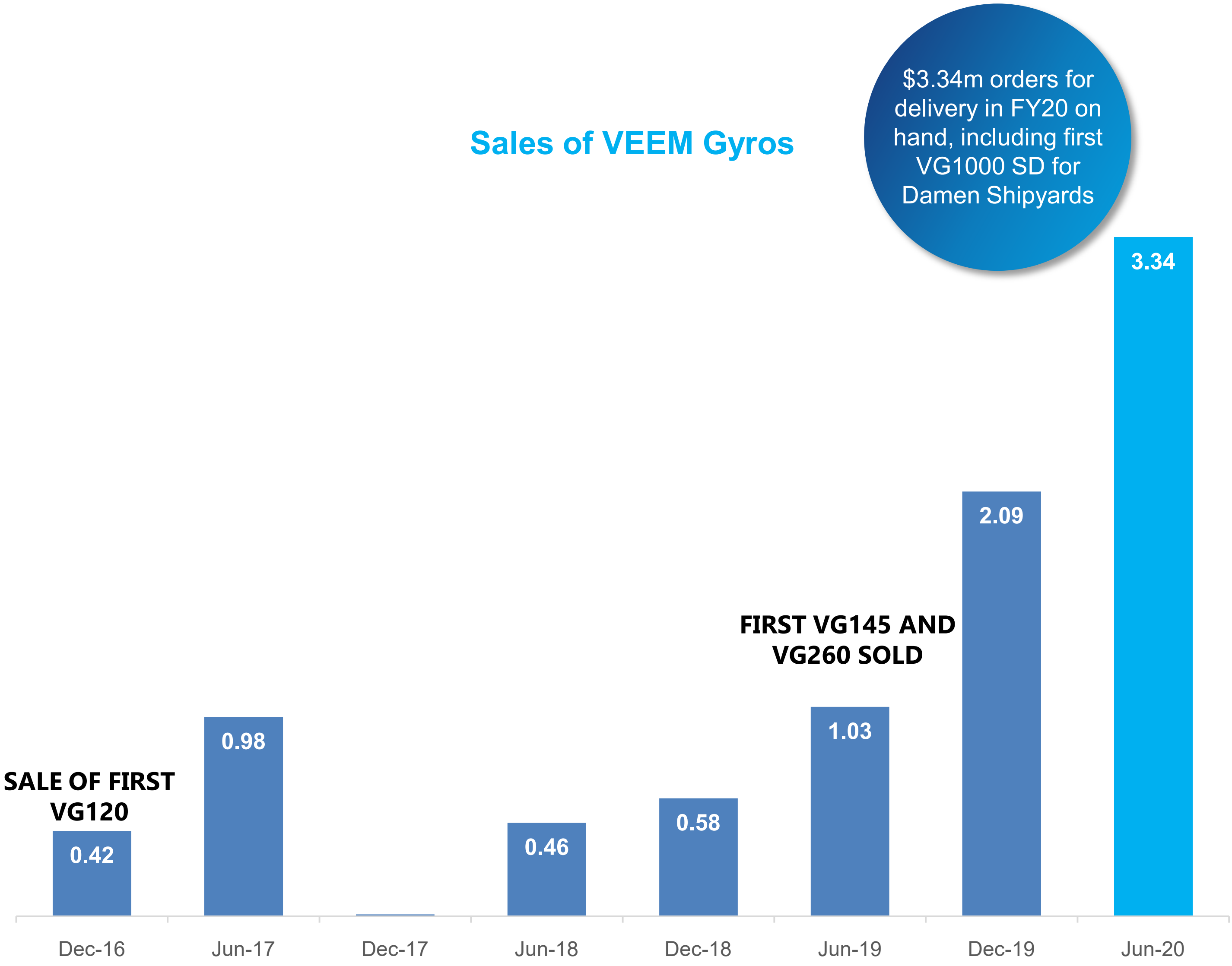
Vessel Size (length)	Operating Fleet Total Vessels*	Order Book# 1 Jan 2020	VEEM Gyro Model**
24 - 30m	4,905	322	VG120 SD
30 - 45m	3,181	275	VG145 SD
45 - 60m	699	95	VG260 SD
60 - 75m	213	44	VG1000 SD
75 - 90m	83	28	VG1000 SD (multiple)

**This table groups vessels in to sizes that would typically be suited to a particular Gyro model. This is for guidance only and it should be noted that optimal Gyro sizing can depend on many vessel factors, including hull shape, stability characteristics, displacement, available space and intended usage profile.

*Motor yachts 24-90m as at 1 January 2020. Data for 30 – 90m excludes multi hull and sailing vessels. Data for 24 – 30m includes multi-hull vessels as data not available.

#Orders for 30 – 90m are motor yachts only. Data for 24 – 30m includes sailing vessels. Multi-hull vessels are included in orders as data not available.

Gyro’s expected to be the driving force



VEEM – a global leader in the propulsion market

A recognised global market leader in marine propulsion

Despite being a key component in boats and ships, *outside of VEEM* the industry has lacked innovation and continues to adhere to restrictive 'off-the-shelf' pattern molding manufacturing

VEEM has a global patent on the Interceptor pitch adjustment system. VEEM maintains its global leading position through its fully CNC machined manufacturing techniques and automated robotic technology

As an innovative propeller manufacturer, VEEM has the opportunity to take more market share through improved manufacturing processes and designs

VEEM utilises patented pattern-less molding and manufacturing techniques which can cast any propeller shape, providing bespoke propellers to its customers at no extra cost

Fully CNC machined VEEMStar propeller with Patented Interceptor pitch adjustment system

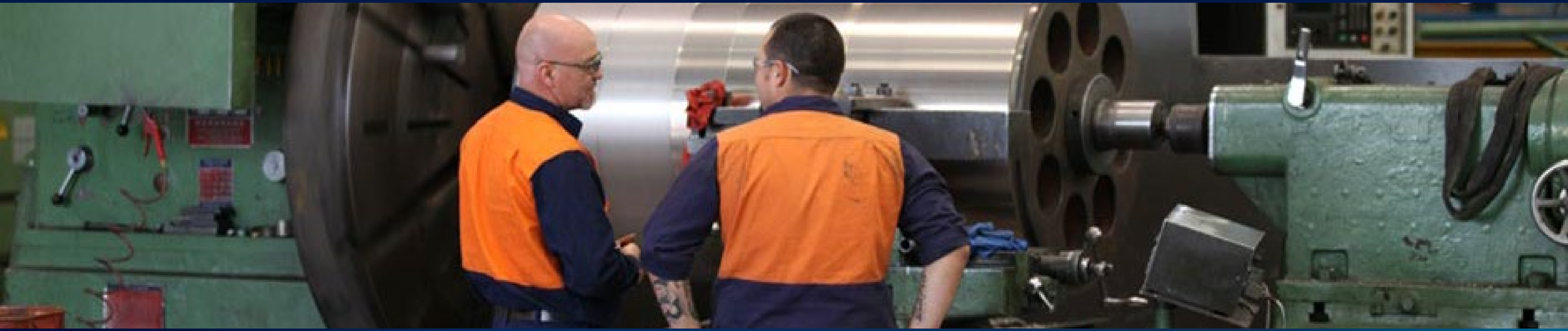
Robust precision engineering business provides platform for growth

Underpinning VEEM's high-growth gyros and propulsion products is a robust, high-end precision engineering business that has developed and innovated for more than 50 years

Core engineering business is profitable, with long-term agreements and relationships with customers delivering recurring income

We have built a specialised business that provides a strong platform for growth with a diverse customer base including defence, marine and resources clients

Solid year-on-year financial performance over the past 51 years



VEEM is building on over 50 years' history at the cutting edge of precision marine technology

- **1968** – Operations Commence
- **1982** – Miocevich brothers assume control of the business
- **1987** – Quality System accreditation and implementation of ERP System
- **1989** – Acquired SS Engineering
- **1994** – ABE framework adopted
- **1995** – Integrated SS Foundry and VEEM Corp
- **2000** – Propeller Export commenced
- **2001** – IPS workshops acquired
- **2002** – Timcast acquired
- **2005/06** – New workshops combining Osborne Park into Canning Vale
- **2006/07** – Interceptor style propeller released, an d patents obtained
- **2008** – VEEM Ltd established
- **2012** – Fast loop manufacturing process implemented and four year $30m LCS contract with Austal Ships
- **2015** – Gyro released
- **2016** – Conquest Propellers released
- **2016** – VEEM lists on the ASX
- **2017** – VEEM pays first dividend as a public company
- **2018** – Successful sea trials with Damen Shipyards
- **2020** – Completion of VG1000 SD for Damen Shipyards

World-class manufacturing facilities

VEEM's purpose-built workshops are state-of-the-art and cover approximately 14,500m^2 (including the new gyro facility officially opened 6 March 2020)

The company's plant and equipment is sophisticated and heavily utilizes CNC and robotic technology.

Key facilities and units include:

- Dynamic balancing, fabrication/ welding, drive shafts
- CNC and manual machining
- Foundry sand casting/patternmaking
- Industrial fitting
- Foundry metal melting/laboratory services
- Research and Development
- Centrifugal casting
- Propeller machining and finishing

Board & Management

Mark Miocevich – Managing Director

Mark Miocevich is responsible for the overall performance of the Company and for the leadership of the management team in achieving the objectives of the Board. He has a Bachelor of Applied Science (Mechanical Engineering), is a Fellow of the Institute of Engineers Australia and has had extensive experience in engineering and manufacturing. Mark has been involved in management and operations with the Company since 1982.

Brad Miocevich – Non-Executive Chairman

Brad Miocevich was responsible for propeller design and manufacturing technology and marketing. He now acts in an advisory capacity providing important strategic input and has been involved both operationally and in a management capacity with the Company since 1982. Brad holds a Bachelor of Commerce.

David Rich – Chief Financial Officer and Joint Company Secretary

David is an experienced public company CFO and Company Secretary with over 30 years commercial experience including the last 22 years as CFO of ASX listed companies. Over his career David has worked in senior management for companies within the technology, manufacturing and oil and gas industries involving international interests and operations including in Australia, Europe, Asia, Africa and the USA.

Board & Management

Ian Barsden – Non-Executive Director

Ian is a member of Chartered Accountants Australia and New Zealand and is a former partner of HLB Mann Judd Accountants, Business and Financial Advisers (Perth division). He brings over 30 years' experience in the accounting profession advising and consulting to a wide variety of businesses and industries as to business structuring, taxation and financial management.

Peter Torre – Independent Non-Executive Director

Peter has 20 years of corporate advisory experience. He holds a Bachelor of Business, is a Chartered Accountant, a Chartered Secretary and a Member of the Australian Institute of Company Directors. Peter is currently a Non-Executive Director and company secretary for several ASX listed companies. He was a partner of an internationally affiliated firm of chartered accountants, working within its corporate services division for over nine years.

Mike Bailey – Independent Non-Executive Director

Mr Bailey is best known as a Director of AMC Management since 2001. AMC Management oversaw the operational management, business development and infrastructure expansions of the Common User Facility within the Australian Marine Complex at Henderson, south of Fremantle in Perth, Western Australia on behalf of the Government of Western Australia.

VEEM – reaching its inflection point

VEEM will continue to cement itself as the market leader in the production of large gyros. Sales and enquiries are expected to continue to grow at an accelerating rate.

Market acceptance of the VEEM gyro range has accelerated through a period of sea trials and demonstration, highlighted by the VG1000 SD sale to Damen Shipyards

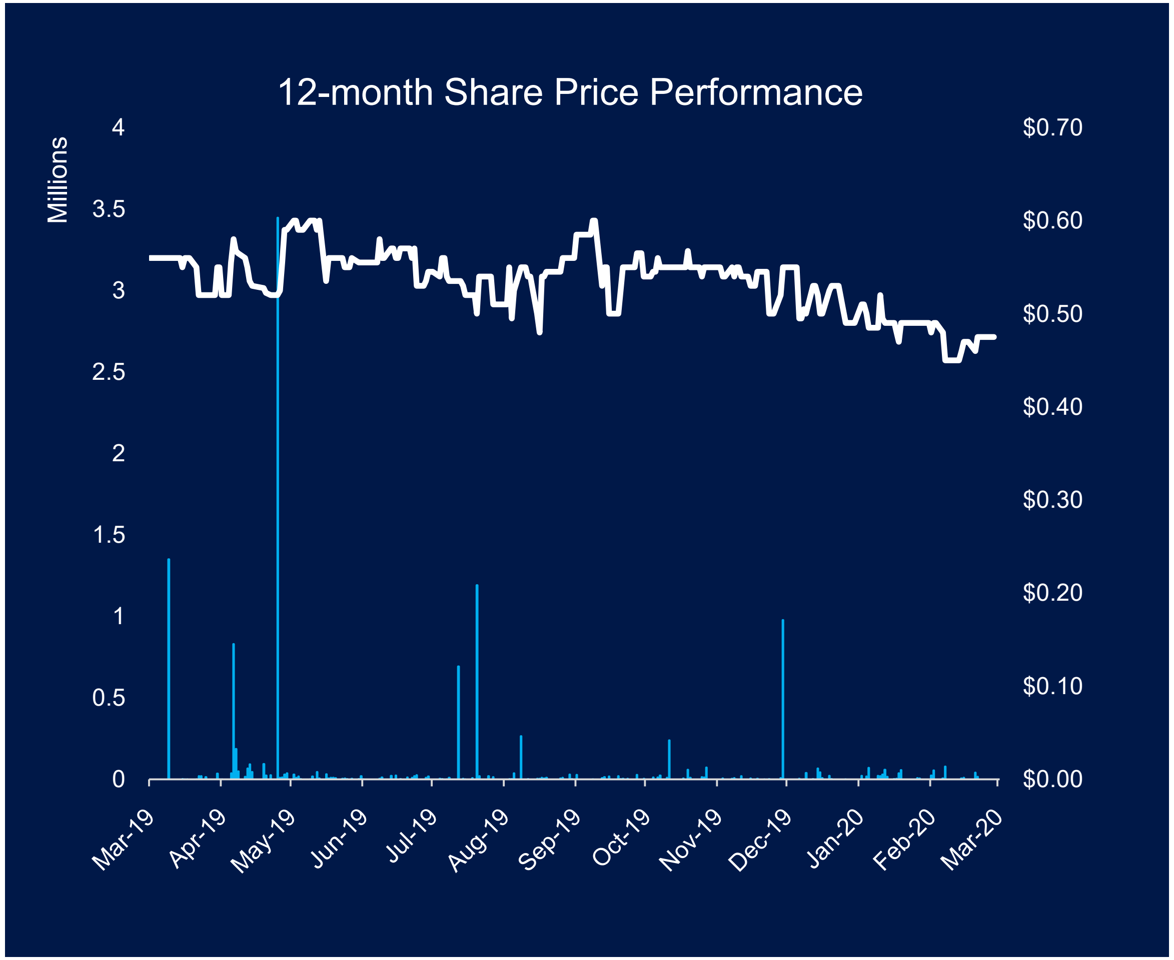
Product development is focused on a systematic, long-term view eg. smaller gyros, shaftlines, forever pipe. Continuous development of manufacturing processes.

Precision engineering, defence and propulsion work will continue to underpin VEEM's operations, with defence work continuing for several key customers

Corporate Overview

Corporate Snapshot	
ASX Code	VEE
Share Price	$0.50
Market Capitalisation	$65m
Shares on Issue	130m

Substantial Shareholders	
Miocevich Family	61.54%
Perennial Value Management	13.43%
Celeste Funds Management	5.72%



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