VEEM LTD

INVESTOR PRESENTATION

NWR VIRTUAL SMALL CAP INVESTOR CONFERENCE

26 MARCH 2020

Princess Yachts

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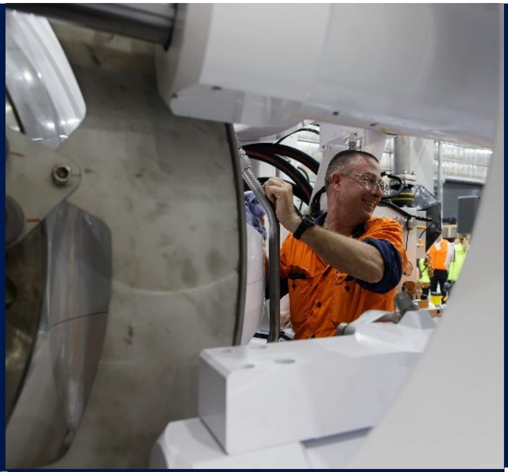
VEEM Introduction

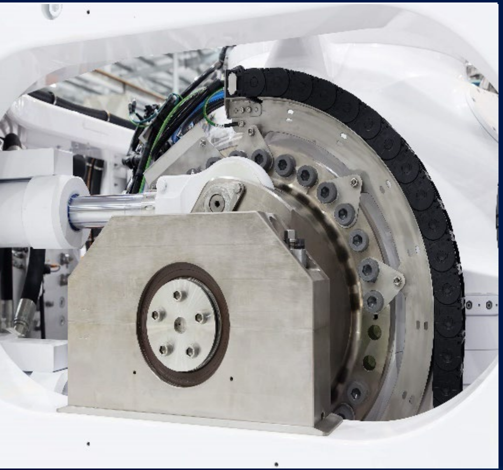
PRECISION MARINE TECHNOLOGY DISRUPTOR WITH 50+ YEARS EXPERIENCE & WORLD-CLASS WA-BASED MANUFACTURING FACILITIES

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. New $9m order for submarine components from ASC

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

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.

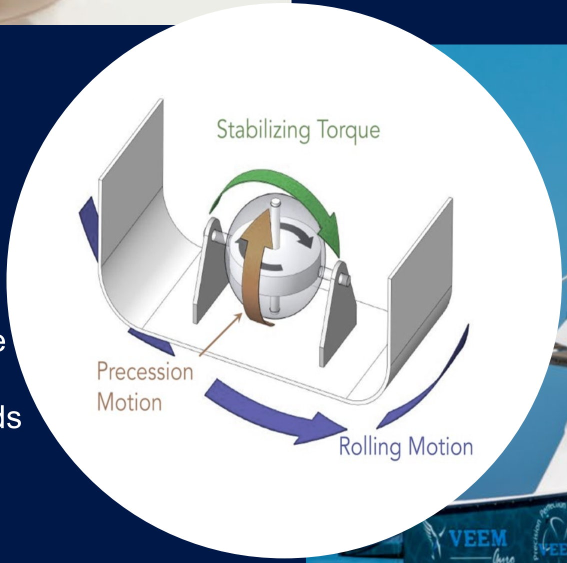
Propellers are now a precision machined part, not a hand finished approximation of the design. Side to side, boat to boat, year to year, they are identical.

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 Gyros are replacing outdated zero speed fins as they operate at all speeds and are smoother, safer and more efficient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.

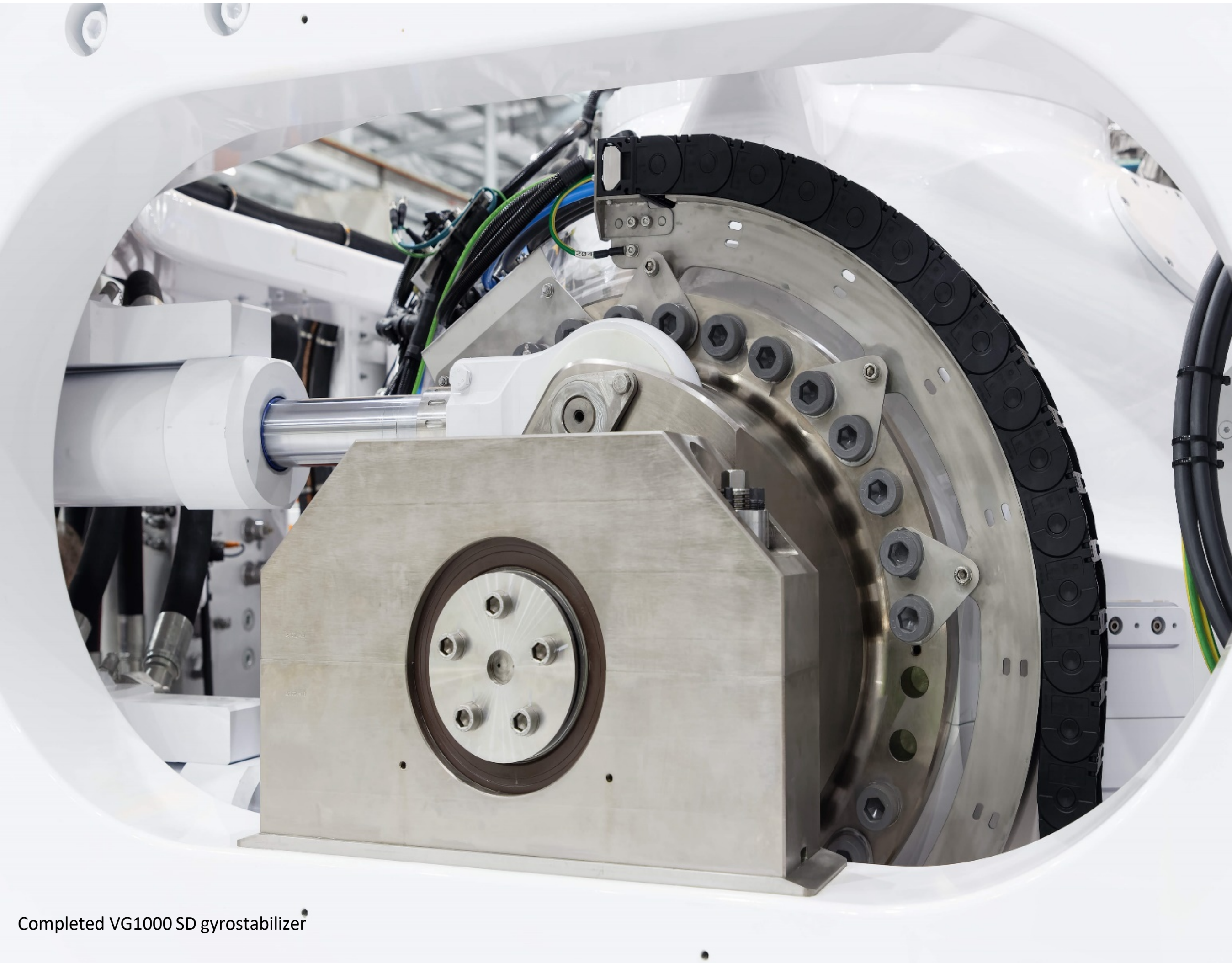
Damen builds more than 175 vessels annually and is active across the entire spectrum of maritime industries.

VEEM Gryo Stabilizers were extensively trialed by Damen, after which VEEM secured an order for the VG1000SD in early 2019.

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, def ence & 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

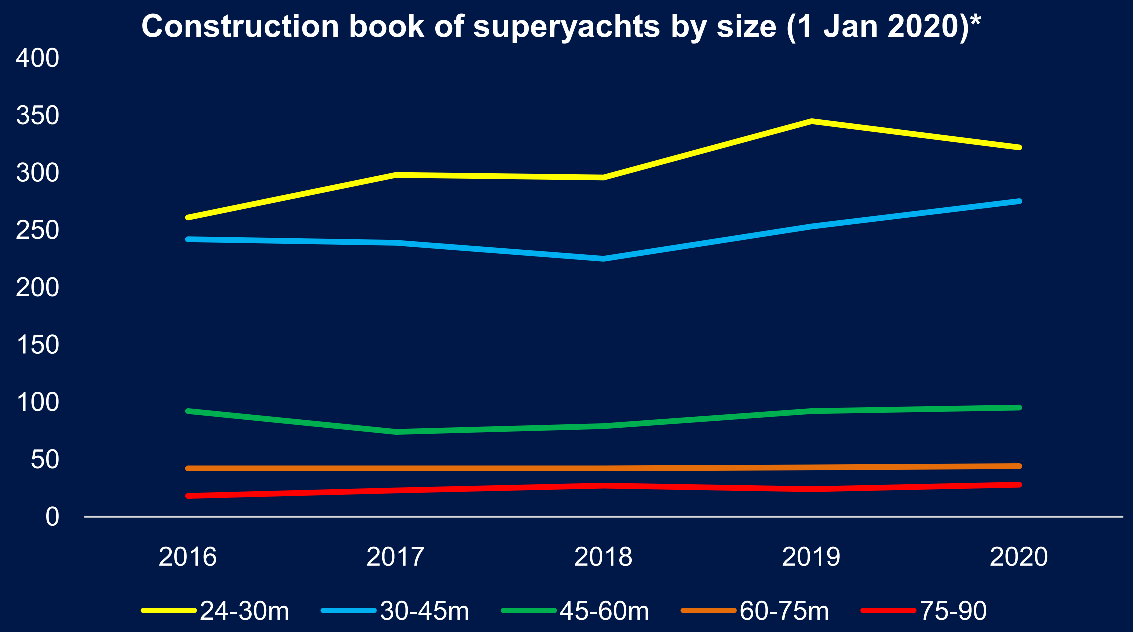
Currently, VEEM is the only player operating in the large gyro market, with primary competition coming from lesser stabilization alternatives such as fins

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.

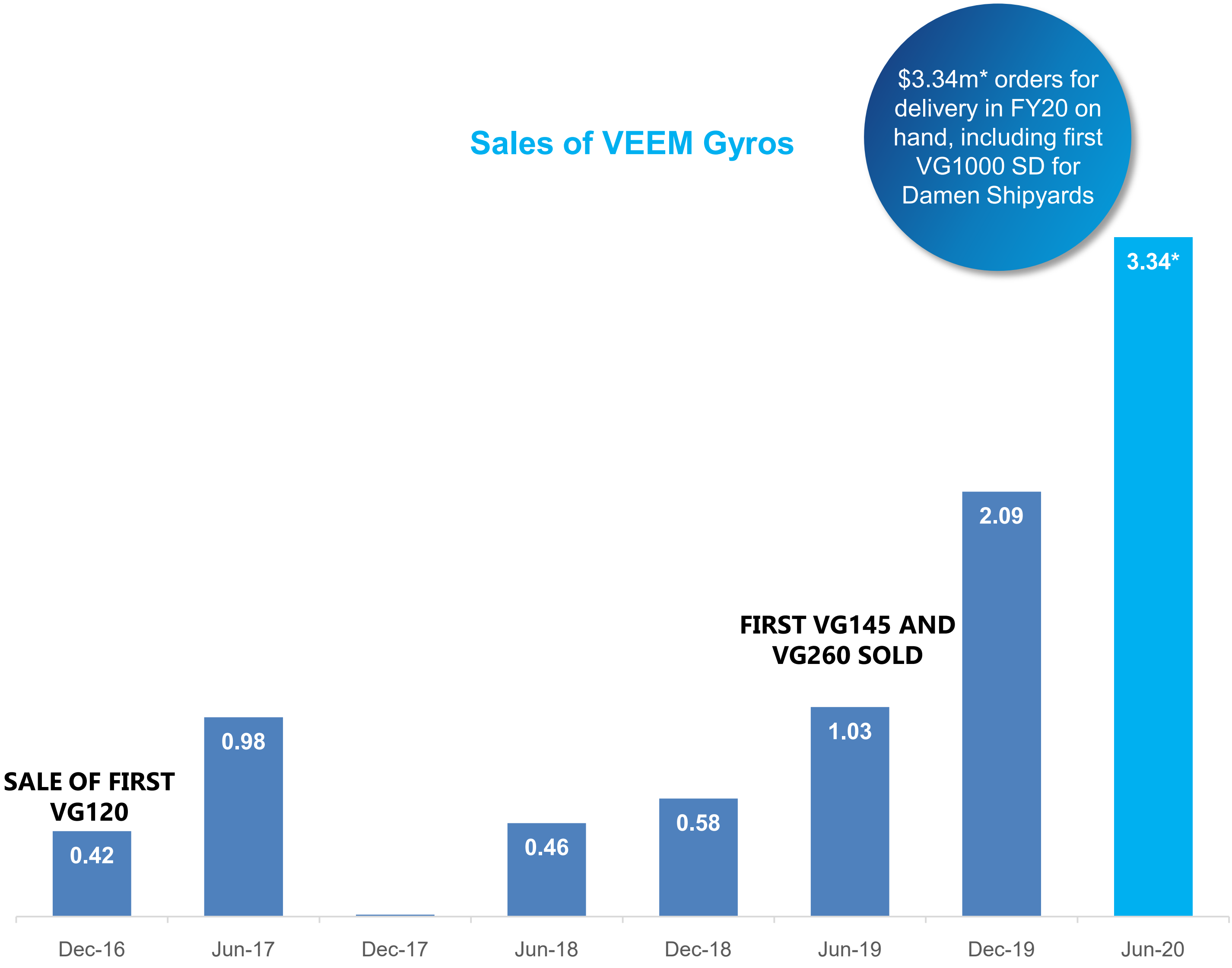


Vessel Size (length)	Operating Fleet Total Vessels*	Order Book# 1 Jan 2020	VEEM Gyro Model**
24 - 30m	4,905	322	VG120 SD
30 - 45m	3,181	275	VG145 SD
45 - 60m	699	95	VG260 SD
60 - 75m	213	44	VG1000 SD
75 - 90m	83	28	VG1000 SD (multiple)

**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



* Note may vary due to fluctuations in the AUD:USD exchange rate as all sales are denominated in USD. The $3.34m is based on an exchange rate of 0.59.

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

$9M Submarine Component Contract with ASC

VEEM has secured a $9 million order from ASC for specialised submarine components as part of the maintenance program for the Collins Class submarines.

Award of the contract demonstrates the strong base of recurring demand for VEEM's highly specialised defence engineering.

Work has commenced at VEEM's Canning Vale facility in WA, with first deliveries expected in late 2020.

VEEM has a significant track record of successfully completed contract work for the ASC.

The contract highlights the VEEM's ability to meet the stringent standards required for defence contracts.

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

COVID-19 Impact

Defence work remains on track

New $9 million contract with ASC for specialised submarine components

Revenue and earnings guidance withdrawn

Currently performing well, withdrawn due to general uncertainty

All facilities remain fully operational

Best practice hygiene and safety measures are in place. Expected to remain open.

Order book currently full

Only a small number of orders impacted to date

Minimal impact on supply chain

Suppliers are operational, freight moving

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

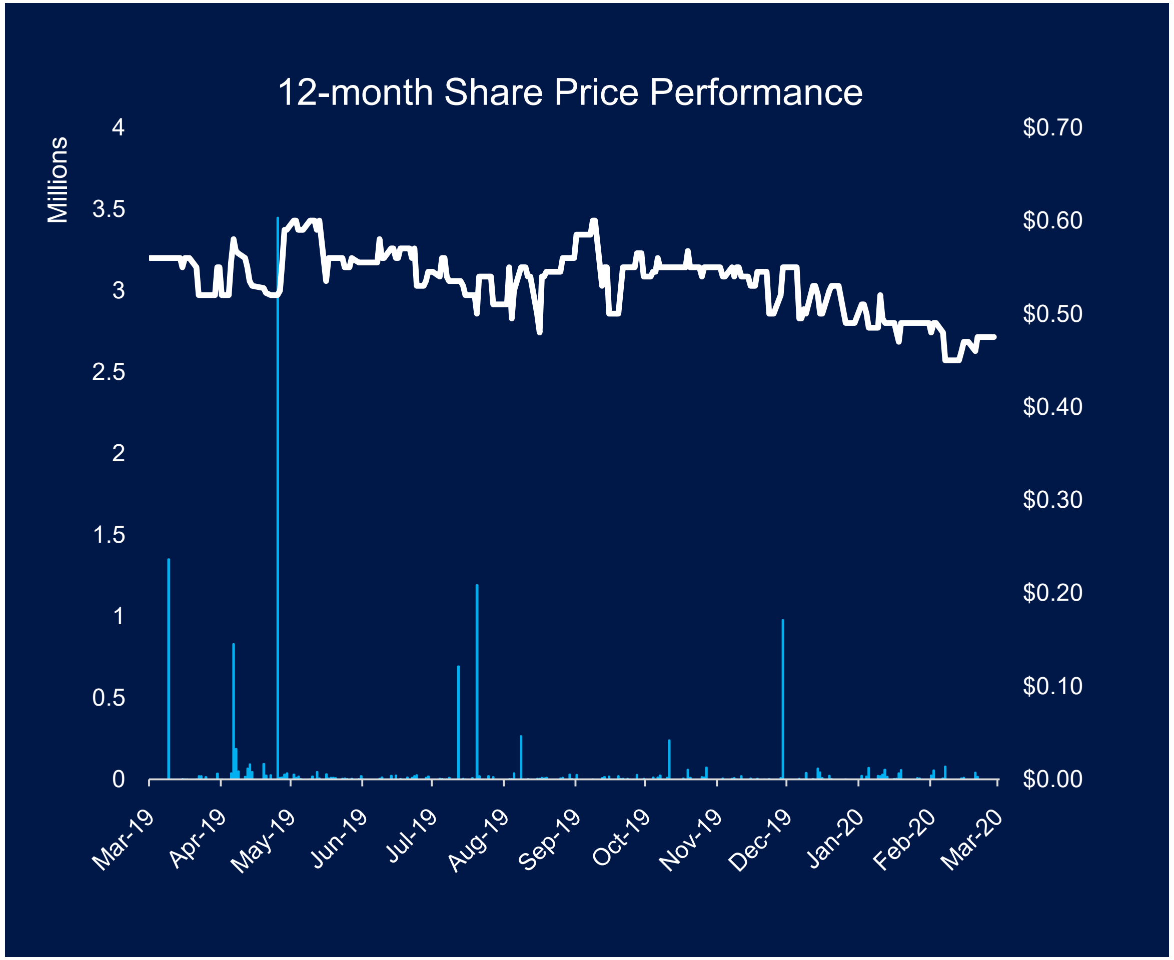
Product development is focused on a systematic, long-term view eg. smaller gyros, shaftlines, forever pipe. Continuous development of manufacturing processes.

Precision engineering, defence and propulsion work will continue to underpin VEEM's operations, with defence work continuing for several key customers – new $9m ASC contract

Corporate Overview

Corporate Snapshot (24 March 2020)	
ASX Code	VEE
Share Price	$0.445
Market Capitalisation	$58m
Shares on Issue	130m

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



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