VEEM LTD

VEEM GYROS PRESENTATION

EUROZ HARTLEYS ROTTNEST CONFERENCE

10 MARCH 2021

PRINCESS YACHTS

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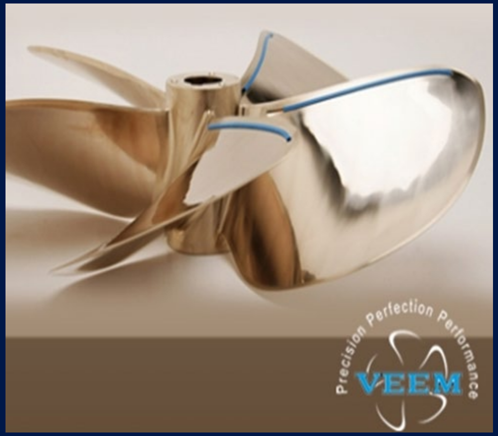
VEEM Core Businesses

Today's focus

Engineering Products and Services
VEEM's original core business still generates reliable profits and cashflow. Ongoing innovation has generated new products such as Forever Pipe which provide growth for this area of VEEM.

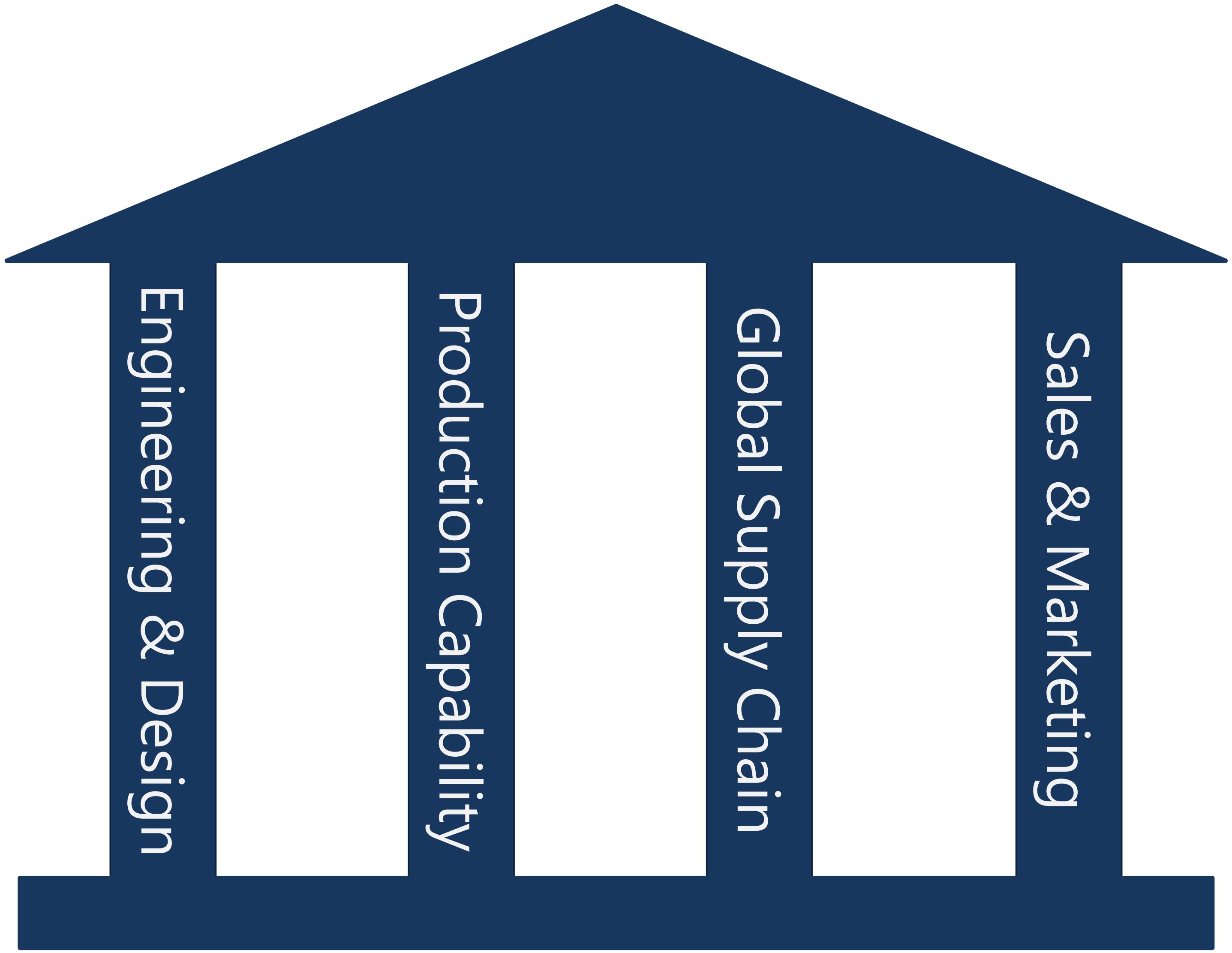
Defence
VEEM has a long history as a supplier to the defence industry and is currently a supplier to ASC, Austal, Thales and others.



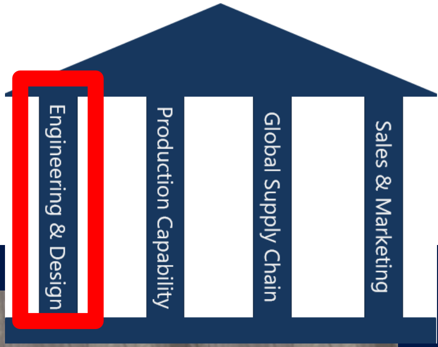
Propulsion
In simple terms VEEM manufactures the world's most advanced propellers. The fully-CNC machined propellers are sold to boat builders and users globally.

Gyrostabilizers
VEEM Gyros are the major growth business within VEEM. VEEM Gyros have disrupted the stabilization market, providing enhanced stabilization to large vessels (up to 90m) replacing traditional fin systems.

VEEM Gyros – The Four Pillars are in Place



Engineering & Design



Commenced in 2011 with the purchase of a local company Halcyon. The inventor Paul Steinmann is still with us today.

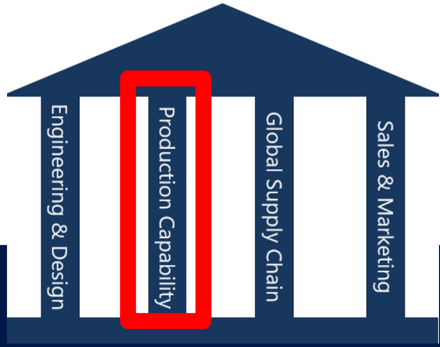
First gyro installed 2015 and fitted to a superyacht in Sydney

Six models designed over three frame sizes covering a range of monohull vessels from 70 tons to 3000 tons. Biggest one due mid 2021.

This team holds the product knowledge and construction know-how. VEEM has patent protection on the key aspects of the technology that make VEEM the only volume producer of industrial grade large gyros.

Strong technical input is key to ongoing troubleshooting and ensuring complete customer satisfaction with installations.

Next steps are to enhance the current models (eg digital integration), design new models and frame sizes and consider second generation of current models incorporating lessons learnt and new technology.



Production Capability

4,000m^2 dedicated gyro assembly hall that can handle up to $100m of gyros per annum. This includes large cranes, storage and a significant hydraulic driven gyro test rig for each frame size.

A dedicated team of experienced trades people has been assembled for the gyro program and their skills and experience are being used to improve processes and build times as volumes increase.

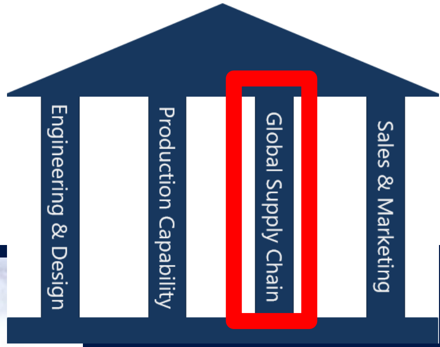
The gyro production and assembly function has a dedicated management team including purchasing, inventory management, product commissioning and after-sales customer service.

There is the ability to scale up beyond the capacity of the current facility when sales volumes warrant. This is not a major capital expense using a rented facility and could be replicated closer to markets or suppliers if justified.

VEEM's traditional engineering business, located close to the gyro facility, provides the gyro team with rapid-response precision engineering support if needed.

Now at a stage where we can and are building to a production plan rather than to order. This provides significant opportunities to increase efficiencies, thus reducing time and cost to build.

Global Supply Chain



Ability to source components at or around world's best pricing and quality.

Ability to have multiply supply sources to guarantee supply.

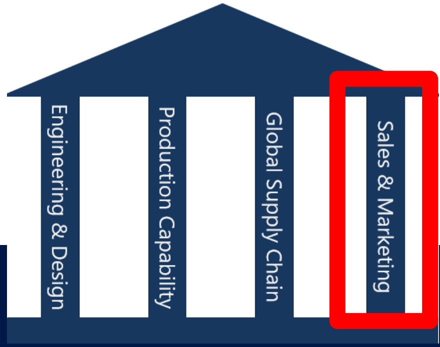
Natural hedge on ~55% of the costs of a gyro through purchases in USD. All sales in USD.

Dedicated procurement team in place with the back up ability to manufacture in-house if required.

Zero capital cost for growth other than inventory cost itself.

Now building to a production plan so will look to generate further savings through volume pricing and scheduling.

Sales & Marketing



Initially the marketing effort had to be focused on educating the industry players on what the gyro was and could do. Part of this was taking the VEEM boat to Europe.

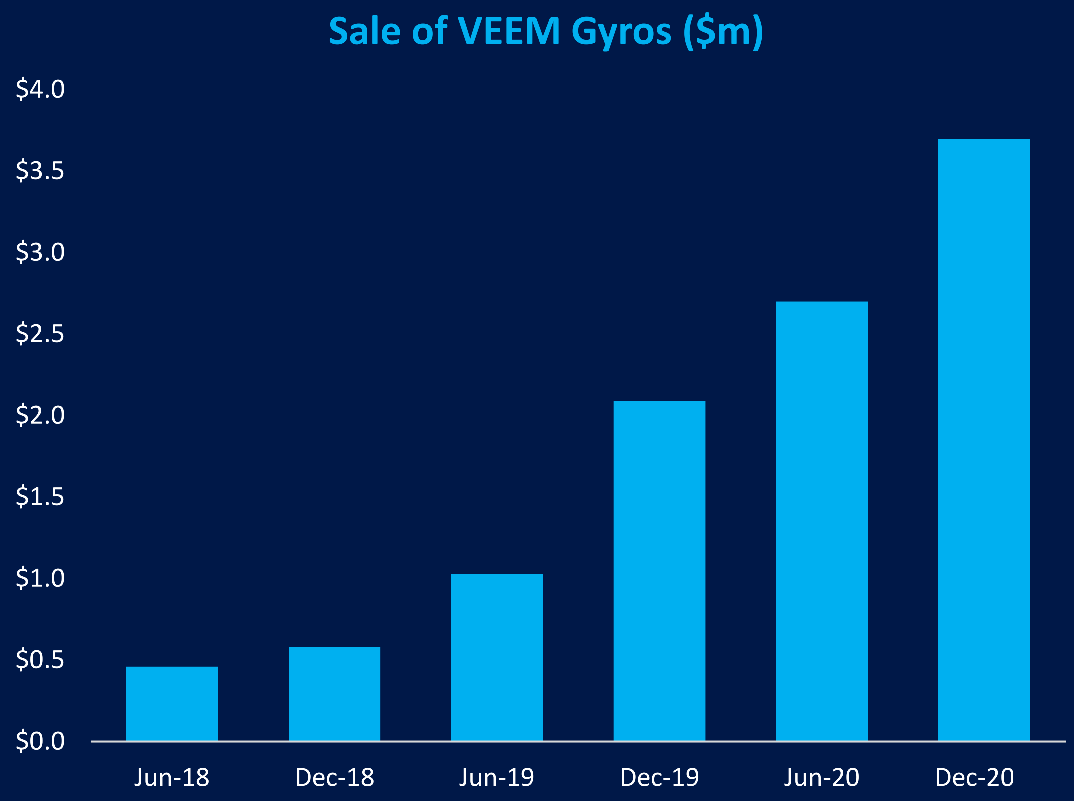
Second phase was to be able to work with ship builders to help them integrate a gyro into their design and articulate the benefits to their client.

Strong experienced sales manager in place and looking to expand the team.

Many of the superyacht builders have now ordered gyros and repeat orders are expected as customer feedback endorses the gyro as a “must have”.

The sale of two VG1000SD VEEM Gyros and a 3 year supply agreement with Damen Shipyards were major steps in the takeup from the commercial market.

Current orders in hand of $5m with $3.5m so far for delivery FY2021.



Significant Supply Agreement with Damen Shipyards

VEEM signed a three-year frame agreement with Damen Shipyards for the supply of VEEM Gyros.

Damen sells 175 small ships per year, including 20 FCS vessels. They are the largest small ship builder in the world and the second large shipbuilder in Europe.

On top of new builds, retrofitting a VEEM Gyro to an existing FCS vessel is generally straightforward and there is a significant fleet of FCS vessels already in service. The retrofit market is huge.

Damen will offer the VEEM Gyro as an option on its FCS vessels and will continue to work with VEEM to incorporate VEEM Gyros into additional Damen platforms and vessels in the near term.

Damen's adoption of the VEEM Gyro technology is a major step in terms of acceptance in the large commercial market and follows Damen's initial two orders of VEEM's VG1000SD gyros in 2019 and 2020 which were for FCS vessels.

The addition of the VEEM Gyro to the FCS vessel is expected to increase the customer's commercial return due to the significantly increased number of operating days per annum and replacement of helicopters for crew transfers.

Damen FCS Vessel

"We have found through rigorous testing that VEEM Gyros are very complementary technology to our designs in terms of safety, comfort and performance. Now we have the frame agreement with VEEM, Damen will commence offering VEEM Gyros to customers as an option on our FCS range.

"Damen will continue to work with VEEM to incorporate the VEEM Gyros into additional Damen platforms and vessels in the near term."

Mr David Stibbe, Corporate Manager, Damen Shipyards

Summary Gyro Outlook – Sales Trend Expected to Continue

With the Damen supply agreement already in place, the rapid adoption of the technology on larger vessels is expected to continue with more shipbuilders offering a VEEM gyrostabilizer as an option and end-users increasing their demand for the enhanced experience that a more stable vessel provides.

Superyacht market take-up of the product is expected to increase rapidly as more vessels with gyrostabilizers join the global fleet and word spreads as to the effectiveness of the stabilization. Repeat orders from luxury yacht builders are being received.

Additional stabilization enhances the commercial argument for installing a gyrostabilizer through more operating days and safer, more efficient operation. We expect the take up of gyrostabilizers on commercial vessels to increase particularly after the upcoming sea trials of the VG1000SD VEEM Gyros.

Defence take-up is expected to mature over a longer period of time due to the conservative nature of this industry. VEEM will continue to educate the defence industry on the product with a longer-term view to wide-spread take-up.

The outlook remains subject to the future impacts of the COVID-19 pandemic.

VEEM Gyro Customers – Who's Who of Prestige Shipbuilders

Jim Smith TOURNAMENT BOATS

Couach

DAMEN

FREIRE SHIPYARD

HARGRAVE CUSTOM YACHTS

ROYAL HUISMAN

canados 1946

BRAVEHEART MARINE BV

HEESEN

MANGUSTA

WESTPORT SINCE 1964

YACHTING DEVELOPMENTS

KONINKLIJKE DE VRIES SCHEEPSBOUW

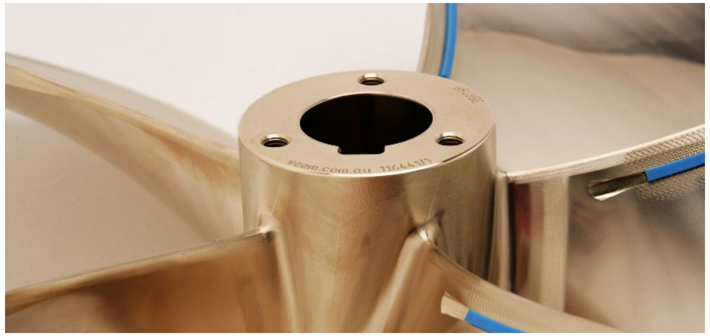
ALIA YACHT BUILDERS

rossinavi

VAN DER VALK SHIPYARD

PROFAB CENTRAL ENGINEERING

Outlook – Traditional VEEM Core Businesses



PROPULSION

- Expected to grow due to increased demand globally.
- VEEM has ordered two new CNC machine centres to increase capacity to meet demand.
- Increased sales of new propulsion products such as shaftlines.
- Propulsion is an area of innovation for VEEM with a focus on finding further ways to make the world-leading propellers more efficiently, hence continuing to offer the premium product at reasonable prices while maintaining gross margins.

DEFENCE

- FY2021 will be a solid year for defence with the bulk of the $9 million submarine component contract with ASC being delivered.
- VEEM expects to continue to win defence-related contracts where casting and precision engineering is required.
- Federal government's increased drive for local content, on naval vessels in particular, is expected to drive growth.

ENGINEERING PRODUCTS & SERVICES

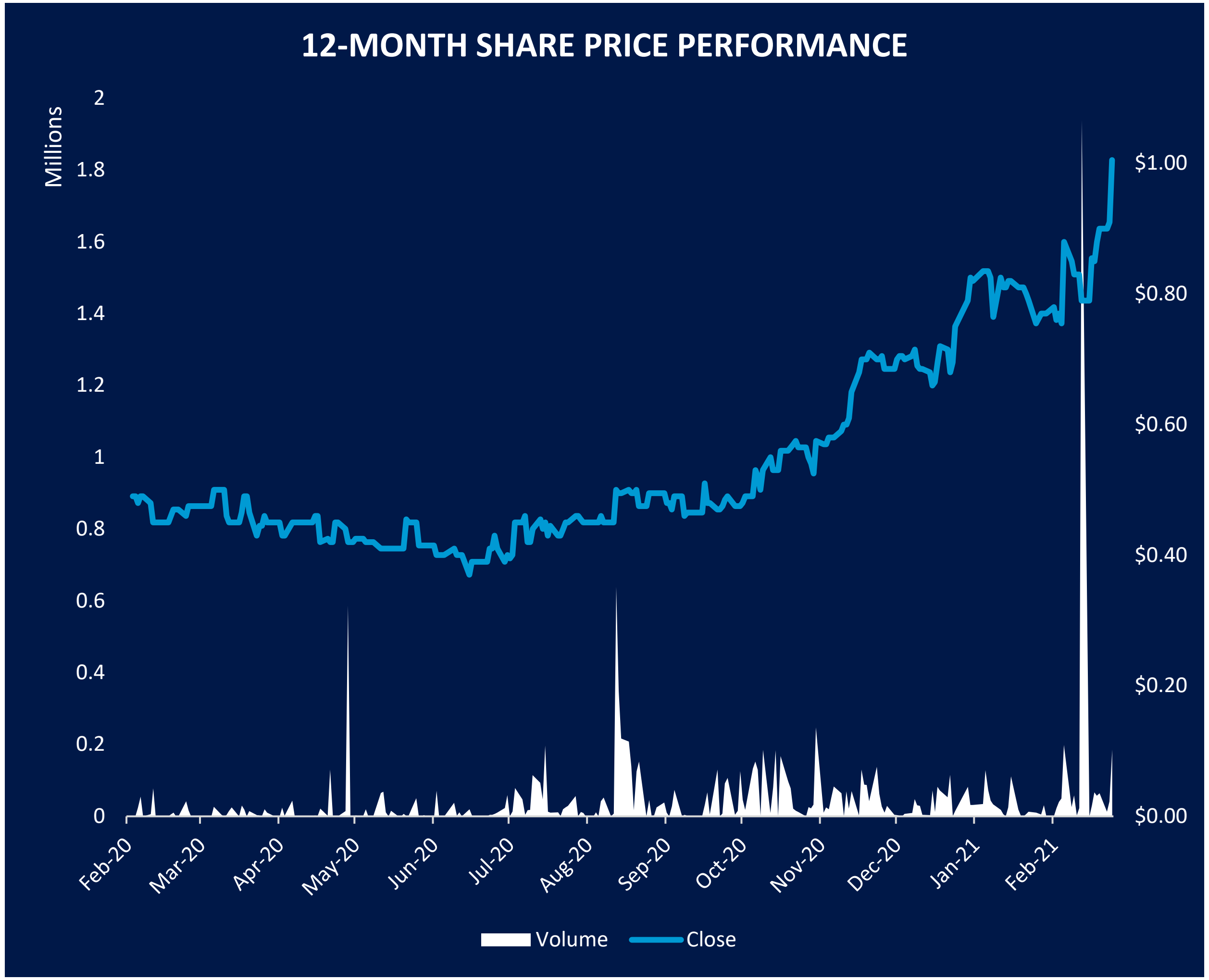
- Continuing to bid on work across the country where utilisation of the Company's foundry and precision machining capability enables VEEM to provide specialist solutions for customers.
- Forever pipe is expected to continue to increase its presence in overseas markets.
- Continued innovation to improve product offering in this area.
- Maintaining the engineering capability and expertise also supports the marine and defence businesses.

The outlook remains subject to the future impacts of the COVID-19 pandemic.

Corporate Overview

Corporate Snapshot	
ASX Code	VEE
Share Price (5 Mar 2021)	$1.00
Market Capitalisation (5 Mar 2021)	$130m
Shares on Issue	130m

Substantial Shareholders	
Miocevich Family	61.54%
Perennial Value Management	13.12%



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