

FACTORY EXTENSION AND TRADING UPDATE

Highlights:

- Construction of factory extension complete and building hand over imminent
- Delivery of 3 new CNC Machines imminent with associated installation and commissioning to commence
- 3D Printer delivered and successfully commissioned with remaining \$600k grant funding received
- Revenue for the year expected to be between \$50m and \$52m
- EBITDA for the year expected to be between \$3.25m and \$3.75m
- Significant improvement led by defence and marine segments while maintaining strong balance sheet

VEEM Limited (ASX: VEE) ('VEEM' or 'the Company'), an Australian Defence manufacturer, designer and manufacturer of disruptive, high-technology marine propulsion and large gyrostabilizer ('gyro') systems for the global yacht, fast ferry and commercial workboat market is pleased to provide a factory extension and trading update.

Factory Extension

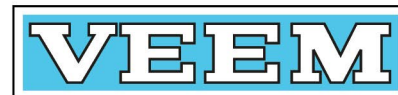
VEEM is pleased to advise the construction of the factory extension is now complete with the building hand over to the Company imminent. This provides approximately 1,000m² of additional space to accommodate anticipated future growth in propulsion including VEEM Extreme products which take longer to machine due to the high tensile nature of the material.

The 3 CNC machines on order are due for delivery this week and will immediately begin the installation and commissioning process which is expected to be completed during Q1 FY27.

The completion of the factory extension is the culmination of several years of planning. After the installation and commissioning of the 3 CNC machines there will remain space within the building for further machines and equipment underwriting the Company's growth potential over the near term. The flexibility of the existing machines and potential for new equipment means growth can be facilitated in not only propulsion but also defence and engineering.



Completed Factory Extension

9 June 2026**3D Printer and associated government grant**

The Company has also taken delivery, installed and commissioned a 3D Printer which was part funded by the Defence Industry Developments Program – Sovereign Industry Priorities Stream via a \$1 million grant. The Company had previously received \$400k of the \$1 million grant and has now received the balance of \$600k. The 3D printer provides additional capabilities which are anticipated to improve accuracy and speed which is expected to improve margins and also the scope of VEEM's offering to existing and new customers.

Trading Update

VEEM expects revenue for the financial year to be between \$50m and \$52m with EBITDA between \$3.25m and \$3.75m driven as previously advised by fulfilment of ASC orders received in late 2025 and the first quarter of 2026. This will result in a significant increase in defence revenue in 2HFY26 compared to 1HFY26.

Cash generation has remained solid with the June 2026 cash balance expected to be consistent with 31 December 2025.

FY26 is a technology transition year for the Company as costs incurred in new product development (VEEM Extreme & Gyro Mark III) and entering new markets (US Defence) start to yield revenues which are anticipated to increase in FY27.

2HFY26 has seen a significant improvement as expected led by Defence, in particular fulfilment of ASC orders in hand. The recovery in propulsion orders and sales has continued from early in the calendar year with work on delivering to the first VEEM Extreme customers, led by Manly Fast Ferries continuing. VEEM continues to receive gyro enquiries boosted by the release of the Mark III. While there were no sales of gyros in 1HFY26 there has been a sale of 1 x VG140 in 2HFY26 with sales expected to continue to increase into FY27.

VEEM Managing Director Mark Mioceovich said: "We have noted FY26 will be a transition year and 2HFY26 has continued to lay the foundations for a stronger FY27. We are pleased with the progress we have made with the factory extension and imminent arrival of machinery which will facilitate this growth into the future."

This ASX announcement was authorised for release by the Board of VEEM Limited.

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ABOUT VEEM LIMITED (ASX: VEE)

VEEM is an Australian Defence manufacturer and a designer and manufacturer of disruptive, high-technology marine propulsion and large Gyro stabilization systems for the global defence, yacht, fast ferry and commercial workboat market.

VEEM's market leading Gyrostabilizers significantly reduce the rolling motion of vessels in waves, increasing on-sea time and improving personnel safety and efficiency in a wide range of ocean conditions.

VEEM is also a successful producer of high-performance propellers, fin systems, valves and specialised components for defence and has continually reinvested in research and development for new products and processes.

Proudly headquartered in Perth, Western Australia, VEEM operates from a 15,700 sqm purpose-built fabrication and manufacturing facility, including Australia's largest non-ferrous foundry. VEEM employs approximately 195 staff in Australia, including graduates and apprentices, and maintains a highly skilled research and development team in-house. Celebrating its 50th anniversary in business in 2018, VEEM listed on the Australian Securities Exchange in 2016. www.veem.com.au

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