



## ASX ANNOUNCEMENT

6 March 2020

### **VEEM COMPLETES WORLD'S LARGEST GYROSTABILIZER FOR MAJOR EUROPEAN SHIPBUILDER, OPENS NEW FACILITY**

#### **Highlights:**

- **VEEM has completed building the world's largest, most powerful marine gyrostabilizer**
- **The VG1000 SD will be shipped shortly to major European shipbuilder, Damen Shipyards, which constructs more than 175 vessels annually for customers across the globe**
- **New gyro facility opened in Western Australia to meet increasing demand**

Marine propulsion and gyro stabilization company, VEEM Ltd (ASX: VEE) ('VEEM' or 'the Company'), is pleased to announce that it has successfully constructed the world's largest and most powerful known gyrostabilizer for delivery to Europe's second largest ship builder, Damen Shipyards ("Damen").

At 20 metric tonnes, the VG1000 SD easily eclipses the second largest gyro product VEEM produces, the VG260, which is approximately one quarter of the size of the VG1000 SD.

The VG1000 SD will be officially launched at a function at VEEM's Canning Vale facilities later today by Australian Minister for Defence, The Hon. Linda Reynolds. In addition to its gyrostabilizer range (which has significant defence applications), VEEM has developed a substantial defence business, servicing both surface and sub-surface combatants.

The VG1000 SD launch follows extensive sea trials with Damen, after which VEEM secured an order for the product in 2018 (see ASX release 18 July 2018).

The trials involved fitting two model VG260 SD VEEM gyrostabilizers to a 50-metre test vessel in the Netherlands, which was subsequently evaluated by Damen management and current and potential purchasers of Damen ships.

The VG1000 SD will be installed into Damen's revolutionary new Fast Crew Supplier, FCS 7011, which is currently under construction and expected to launch later this year.

**VEEM Managing Director Mark Miocevich said:** "The successful completion of the VG1000 SD is the culmination of significant research and development investment into the product.

"I would like to congratulate the entire talented VEEM team, who after years of hard work have delivered a gyro product which is unrivalled anywhere in the world in terms of scale and quality.

"The VG1000 SD has a broad potential market, with the product best suited to vessels 60 metres to 90 metres in length, which encompasses luxury and superyachts, defence and civil vessels, and has further commercial applications including windfarm services, oilfield services, crew transfer and ferries.

"We are delighted to have such an internationally esteemed shipbuilder as Damen as the first customer for the VG1000 SD, and we anticipate that the successful delivery of the VG1000 SD will substantially increase interest in the product, which will help propel long-term value for our shareholders."

## Facility Opening

In conjunction with the launch of the VG1000 SD, Minister Reynolds will later today officially open VEEM's new gyrostabilizer facility.

The new facility is located adjacent to VEEM's existing operations in Canning Vale, WA. Totalling 4000m<sup>2</sup>, the facility will have the capacity to produce over \$100 million of gyros annually.

The facility has been established to meet an anticipated rise in demand for VEEM's range of gyro products, including the VG1000 SD, as VEEM is receiving increasing levels of orders, enquiries for information and quotations related to the products.

"The new facility allows us to significantly ramp up the commercialisation phase of our gyro products, enhancing our ability to capitalise on the rise in customer takeup of this disruptive technology" Mr Mioceovich said.

"On the back of this and our other operations, we are on track for an enhanced result in the second half of the 2020 fiscal year and beyond."

## About Damen Shipyards

Damen Shipyards Group operates 36 shipbuilding and repair yards, employing 12,000 people worldwide from its base in the Netherlands. Damen has built more than 6,500 vessels in more than 100 countries and delivers more than 175 vessels annually to customers worldwide. Based on its unique, standardised ship-design concept Damen is able to guarantee consistent quality.

Damen is active across the entire spectrum of maritime industries. From harbours and terminals to offshore support, from dredging to renewable energy and from superyachts to defence and security.

The VEEM VG1000 SD will be installed into Damen's revolutionary new Fast Crew Supplier, FCS 7011, which is aimed for servicing the global offshore energy market offering a safer and more efficient crew change solution.

The FCS 7011 brings together four new-to-market motion reduction products from different suppliers in its innovative hull shape to perfect synergy, thereby creating unrivalled passenger comfort in environments with up to 3 meters significant wave height.

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*This ASX announcement was authorised for release by the Managing Director, Mark Mioceovich.*

## **About VEEM**

VEEM Ltd is a designer and manufacturer of disruptive, high-technology marine propulsion and stabilization systems for the global luxury motor yacht, fast ferry, commercial workboat and defence industries. In 2011 VEEM invested in Gyrostabilization technology and since then it has become a major industry disruptor in vessel stabilization. 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 and specialised components delivering consistent profits, cash flow and dividends while also reinvesting in research and development for new products and processes.

Proudly headquartered in Perth, Western Australia, VEEM operates from a 14,700sqm purpose-built fabrication and manufacturing facility, including Australia's largest non-ferrous foundry. We employ approximately 180 staff in Australia, including graduates and apprentices, and maintain a highly skilled research and development team in-house. Celebrating our 50th anniversary in business in 2018, VEEM listed on the Australian Securities Exchange in 2016. [www.veem.com.au](http://www.veem.com.au)