

VEEM SIGNS AGREEMENT WITH LEADING EUROPEAN BOATBUILDER, DAMEN SHIPYARDS

Damen will offer VEEM Gyros as an option on its FCS Platform

Highlights:

- VEEM has signed a three-year agreement with Damen Shipyards for the supply of VEEM Gyros
- Damen and VEEM will continue to collaborate on the integration of VEEM Gyros into Damen's highly standardized Fast Crew Supplier Vessel Platform (FCS)
- Damen will offer VEEM Gyros as an option on FCS vessels
- One of the Europe's largest boatbuilders, Damen sells 175 vessels per year, including 20 FCS vessels, providing a major platform for increasing sales of VEEM Gyros
- Damen's FCS hull is used as the platform for offshore crew change, cargo supply, emergency response and patrol vessels
- The ability for a Damen customer to add a VEEM Gyro to a vessel is expected to increase the customer's commercial return due to the ability of the VEEM Gyro to significantly increase the number of operating days per annum and enhance safety and efficiency through reducing the rolling motion of vessels in waves
- Pricing and terms of supply agreed in advance so VEEM can fit into Damen's short-lead time supply model
- VEEM will commit to holding base inventory levels based on Damen's production forecasts to ensure Damen can meet demand from its customers on its short-lead time supply model
- Damen's adoption of the VEEM Gyro technology into their vessel offering is a major step for VEEM in terms of acceptance in the large commercial market and follows Damen's initial two orders for VG1000SD VEEM Gyros in 2019 and 2020 which were for FCS vessels.



VEEM Limited (ASX: VEE) ('VEEM' or 'the Company'), 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, is pleased to announce it has executed a landmark supply frame agreement with large European boatbuilder, Damen Shipyards, who will offer VEEM's range of gyrostabilizers ("VEEM Gyros") as an option to customers on its FCS range of vessels.

"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



VEEM and Damen have signed a three year supply frame agreement which sets the terms and conditions, including pricing, under which Damen will order VEEM Gyros. This enables Damen to order quickly and efficiently when a decision is made, rather than have an extended negotiation around price and terms. Damen offers short lead times on its new ship builds as a unique selling point, hence this agreement is important in enabling VEEM Gyros to fit into the Damen supply chain.

Damen's Fast Crew Supplier Vessel (FCS) design utilises Damen's "Sea Axe" hull shape to provide a standardised platform that provides a balance between comfort, speed, operability, efficiency and flexibility. The FCS platform is then tailored to meet clients specific requirements including transportation of crew and cargo, emergency response and recovery and security. Damen builds in the order of 20 FCS vessels a year for many varied customers and industries.

Damen will now offer VEEM Gyros as a standard option to Customers on their range of FCS Platform vessels. VEEM will commit to holding base inventory levels based on Damen's production forecasts to ensure Damen can meet demand from its customers on its short-lead time model.

VEEM's first order from Damen came after extensive sea trials that involved fitting two model VG260SD VEEM Gyros to a 50-metre test vessel in the Netherlands, which were evaluated by Damen management and current and potential purchasers of Damen ships. Following these trials, VEEM secured the first VG1000SD order from Damen in 2019 for installation 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. Construction of the first VG1000SD was completed in March 2020.

VEEM secured its second VG1000SD order from Damen in July 2020, with a VG1000SD to be installed into a high-speed Damen Fast Crew Supplier FCS 5009. The second VG1000SD has been completed and shipped to Damen's customer, Naviera Integral, an offshore oil field supply contractor in the Gulf of Mexico.

This major milestone for VEEM is significant for industry-wide acceptance, as Damen Shipyards is seen as an innovative industry leader, and its adoption of VEEM gyros is expected to drive further awareness and acceptance, particularly in the commercial market.

The Company believes the agreement to be material even absent of contracted orders as Damen has inferred that it expects reasonable uptake from its customers across this class of vessels and therefore requires pricing and terms of supply to meet this expected demand.

VEEM Managing Director Mark Miocevic said: "This agreement with one of Europe's largest boatbuilders is a significant milestone in our Company's history, which spans more than 50 years. For Damen to offer VEEM Gyros as an option on their FCS range of vessels is a validation of the technical performance and quality of our disruptive, high-technology marine stabilization product."

VEEM will be holding an investor webinar on this release today. Details to be provided in a separate ASX release.

This ASX announcement was authorised for release by VEEM Managing Director, Mark Miocevic.

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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, standardized ship-design concept, Damen is able to guarantee consistent quality.

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

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Damen FCS vessels, as part of the Damen Standard product portfolio, carry with them the benefits of series production. Amongst these benefits are speed of delivery, use of proven technology, ease of maintenance and reduced cost of ownership.

Damen will now offer VEEM Gyros as an option to customers on its FCS platform vessels.





ABOUT VEEM LIMITED (ASX: VEE)

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. 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 14,700 sqm purpose-built fabrication and manufacturing facility, including Australia's largest non-ferrous foundry. VEEM employs approximately 180 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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