



VEEM GYRO SALES UPDATE

TWO NEW PRESTIGE SUPERYACHT BUILDERS ORDER VEEM GYROS

SUPERYACHT ADDRESSABLE MARKET SIZE UPDATE

Highlights:

- Two highly prestigious Italian superyacht builders, Rossinavi and Overmarine, have ordered their first VEEM Gyros
- VEEM now has orders in hand of \$5m for VEEM Gyros with \$3.5m expected to be included in sales in FY2021
- The global superyacht construction order book as at 1 January 2021 is 710 vessels which alone represents an addressable market segment of over US\$260m for sales of VEEM Gyros

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 that it has received orders for VEEM Gyros from Rossinavi and Overmarine taking the Company's order book for VEEM Gyros to \$5 million.

Overmarine, designer and builder of the famous Mangusta range of superyachts, have ordered two VEEM Gyros for a new Mangusta 165. The new Mangusta 165 is a part of the "Maxi Open" range and is 50m in length.

Rossinavi have ordered a VEEM Gyro for a new superyacht design.

New data from SuperYacht Times shows the superyacht construction order book as at 1 January 2021 comprised 710 vessels. This includes motor yachts in the range of 24m – 90m which is the general size range suitable for the current VEEM Gyro models. The construction order book alone represents an addressable market of over US\$260m for VEEM Gyro Sales based on current pricing.

The total superyacht operating fleet size is 9,233 vessels in the 24m – 90m range which is a 1.7% increase on the prior year. The operating fleet of superyachts represents a massive addressable market segment for the retrofit of VEEM Gyros. Refer to Attachment 1 for further data including a breakdown by VEEM Gyro size.

VEEM Managing Director Mark Miocevic said: "The VEEM Gyro orders received from Rossinavi and Overmarine are significant not only because the customers are recognised as prestige superyacht builders, but because they represent a further take-up of VEEM Gyros by the large Italian superyacht construction market. We expect orders to continue once customers have experienced the benefits of the significantly greater stabilization and demand VEEM Gyros as part of their new builds.

"Having orders in hand already to deliver \$3.5m of sales this half gives us confidence that the trend of significant sales increases year on year will continue.

"The superyacht fleet represents a huge market for VEEM Gyros, both in the new constructions underway and the retrofit potential. Our current sales, while growing rapidly, are only a small portion of the potential within the superyacht, commercial and defence addressable markets."

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



Further information:

VEEM Managing Director
Mark Miocevich
+61 8 9455 9355

CFO & Company Secretary
David Rich
+61 8 9455 9355

Investor Relations
Simon Hinsley
+61 401 809 653
simon@nwrcommunications.com.au

ABOUT OVERMARINE & MANGUSTA YACHTS

Luxury yacht builder Overmarine Group was founded in 1985 by the Balducci family, which continues to run the company. The Group operates 10 Italy-based manufacturing facilities in the regions of Viareggio, Massarosa, Massa and Pisa, Tuscany. Under the brand names Mangusta and Mangusta Oceanco, Overmarine has delivered more than 300 yachts during its 30 years of operation. The luxury yacht builder helped to pioneer the design of high-performance superyachts with its Mangusta Maxi Open series. Its product line ranges from 22 to 65m.

<https://www.mangustayachts.com/en/>

ABOUT ROSSINAVI

The Rossi shipyard was founded in the 1970s by Claudio and Paride Rossi with a focus on metal fabrication. The company began building inland and coastal vessels in the 1980s as a subcontractor to several of the world's leading superyacht makers. In 2007, it acquired the Rossinavi brand and began building superyachts under that nameplate. Rossinavi is now a premier manufacturer of custom steel and aluminum superyachts from 28m and up, based at the Rossi shipyard in Viareggio.

<https://www.rossinavi.it/en/homepage/>

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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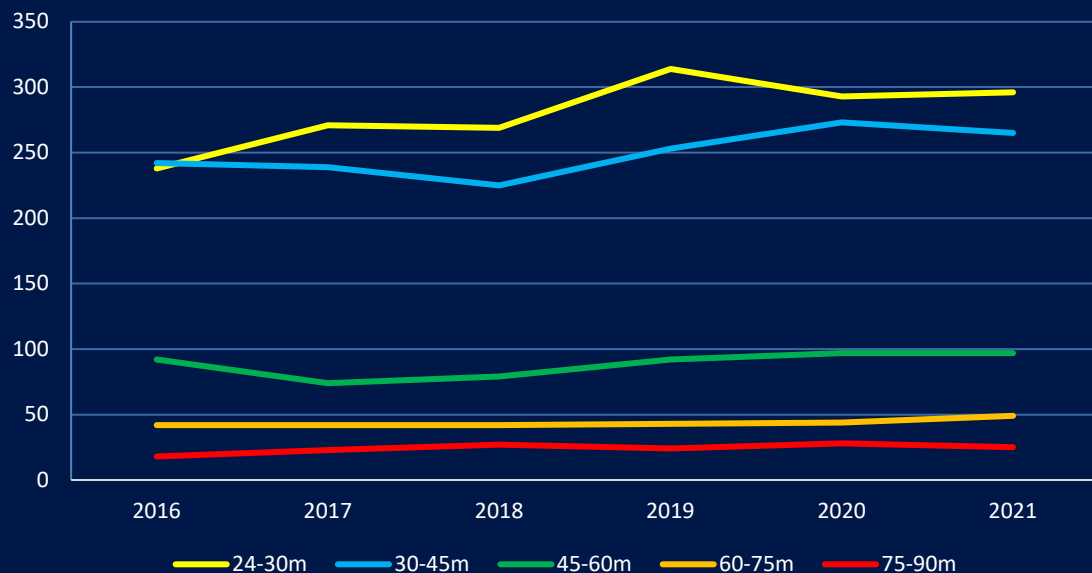
Attachment 1 - Superyacht Market Snapshot

Data source: SuperYacht Times

Current order book of 710 vessels represents a target market of over US\$260m for VEEM Gyro Sales. Fleet growth over the past five years has been 2.7% (CAGR).

Current addressable superyacht operating fleet of 9,233 vessels provides a large retrofit market. Fleet size increased 1.7% during 2020.

Construction book of superyachts by size (1 Jan 2021)



Vessel Size (length)	Operating Fleet Total Vessels	Order Book 1 Jan 2021	VEEM Gyro Model*
24 - 30m	4,929	281	VG52/120SD (prev. VG120SD)
30 - 45m	3,273	262	VG70/145SD (prev. VG145SD)
45 - 60m	721	95	VG100/200SD ^{##} & VG140/260SD (prev. VG260SD) &
60 - 75m	221	47	VG520/1000SD (prev. VG1000SD)
75 - 90m	89	25	VG520/1000SD (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.
^{##}The VG100/200SD is a new model introduced since the last report.