

VEEM SECURES ORDER FOR HUNTER CLASS FRIGATE PROGRAM NEXT STAGE DEMONSTRATOR PROJECT

Highlights:

- BAE Systems Australia, prime contractor for the Hunter Class Frigate Program (HCFP), has placed an order with VEEM to manufacture two propeller blades and a hub under the demonstrator program.
- VEEM successfully delivered the initial pilot propeller blade in early 2022, thus completing the first ‘targeted task’ in qualifying as a supplier for Kongsberg Maritime.
- Value of the contract is \$1.7 million, with the successful completion of the task by Q2 2024 ensuring VEEM qualifies as a supplier to the HCFP with export potential to the T26 Global Combat Ship platform.
- Contract award for the propeller and brake blade manufacture for the first batch of three Hunter class frigates is anticipated in 2024/5.

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 received an order from BAE Systems Australia for the manufacture of demonstrator blades and hubs for the Hunter Class Frigate Program (HCFP).



Picture courtesy of BAE Systems Australia

VEEM successfully delivered the pilot project in early 2022, thus completing the first ‘targeted task’ in qualifying as a supplier to Kongsberg Maritime. Upon successful completion of the new Demonstrator Project, VEEM would be one of only two suppliers globally for the T26 Global Combat Ship. The T26 is the reference ship design for the Hunter class frigate.

The purpose of the \$1.7 million order – known as a ‘targeted task’ is to enable VEEM to formally demonstrate it has the propeller manufacturing capability to deliver into the HCFP supply chain. VEEM is a world leader in premium commercial propellers and has delivered similar blades to defence clients globally.

Under the guidance of Kongsberg Maritime, one of the platform suppliers for the T26 Global Combat Ship, VEEM will manufacture two propeller blades and a hub.



Success with this project could lead to the export of equipment for other naval shipbuilding programs around the world, including other T26 programs.

In the coming months, BAE Systems Australia is expected to issue a 'request for proposal' for the propeller and brake blade manufacture for the first batch of three Hunter class frigates. Contract award is anticipated in 2024/5.

VEEM Managing Director Mark Mioceвич said: "VEEM is proud to be working towards qualification where we will be one of only two suppliers globally for the Hunter Class Frigate Program. We look forward to working with BAE Systems Australia and Kongsberg Maritime to meet the challenges of this next targeted task, with the goal of becoming a supplier for the Hunter Class Frigate Program and the Type 26 frigate program globally.

"VEEM qualifying as a supplier will contribute significantly to maximising industrial capability in Australia. As a long-term supplier of components for submarines, surface ships and warships to the Royal Australian Navy and having supplied more than \$200m worth of defence products since 1987, VEEM is committed to the supply of Australian-made propellers."

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

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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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