



UPDATE AND ACCELERATION OF SHARROW BY VEEM ROLLOUT

- The engineering development work required to adapt and refine Sharrow's proprietary design code, originally developed for its award-winning Sharrow Propeller in the outboard market, to inboard applications has progressed significantly over the past 15 months through ongoing testing and analysis.
- Sharrow's designers are confident that the performance data confirms that these inboard designs are on track to ultimately deliver consistent fuel efficiency and performance gains comparable to Sharrow's industry-leading outboard models.
- The development is now entering the next critical phase in order to accelerate the volume of propellers designed, made and tested over the next 12 months by launching a super user group.
- Sharrow's advanced engineering methodology seamlessly integrates design, manufacturing, and verification, ensuring that each phase of development is informed by scientific precision. This well-established process has been successfully executed in the outboard program and is now being applied to inboard propulsion, setting a clear and proven path to follow.
- For the next 12 months, Sharrow will directly manage all communications, data gathering, and sales efforts. The same expert team that led the highly successful Sharrow outboard rollout is spearheading this initiative, leveraging their deep understanding of B2C interactions to engage directly with boat owners and operators.
- As part of this acceleration plan, Sharrow will continue to lead the design process plus oversee customer interactions, while VEEM focuses on optimising manufacturing and continues to provide engineering support. This division of responsibilities avoids customer confusion, ensures a seamless workflow and maintains the highest standards of execution.
- At the conclusion of this 12-month period—extendable by six months—the Technology Collaboration Agreement terms will once again apply, with VEEM resuming responsibility for sales and manufacturing.
- Sharrow is targeting the design, testing, production, and installation of 75 vessels within the next 12 months.

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 for the next stage of the SHARROW by VEEM rollout, VEEM and Sharrow have agreed on a plan to accelerate the design process in order to ultimately arrive at a position of being able to produce SHARROW by VEEM propellers at volumes that will support sales to B2B customers such as boat manufacturers and fleet operators.

The SHARROW by VEEM propeller designs have undergone extensive engineering development, incorporating advanced computational modeling, precision manufacturing, and rigorous testing – a process that has taken longer than originally envisaged when the collaboration commenced. Over the past 15 months, multiple designs have been produced, tested, and refined using Sharrow's proprietary technology, which has already revolutionized the outboard market.

With the results to date, Sharrow designers are confident that the SHARROW by VEEM inboard propellers will achieve performance and fuel efficiency gains comparable to those of Sharrow's award-winning outboard models.



To accelerate the optimization and automation of the SHARROW by VEEM designs, Sharrow will dedicate funding, to expanding the rollout and serving a larger number of customers simultaneously. This accelerated strategy focuses initially on North American pre-order customers, ensuring rapid deployment and early adoption.

For the next 12 months, Sharrow will take the lead in managing customer interactions, data gathering, and sales. The same expert team that successfully launched Sharrow's outboard program will oversee this effort, working directly with end users to ensure a seamless experience. Sharrow is targeting the design, testing, production, and installation of 75 vessels within the next 12 months for North American pre-order customers, reinforcing its commitment to delivering groundbreaking propulsion technology at scale.

During this phase, Sharrow will transact directly with customers, while VEEM will serve as the manufacturing lead, providing engineering support as needed. VEEM has the production capacity in its Western Australia facility to meet demand over the next 12 months and is already expanding to accommodate future growth.

VEEM will generate revenue from sales of SHARROW by VEEM propellers to Sharrow during this phase. Costs and margins are likely to vary with changes in designs. Overall VEEM expects margins to be positive.

At the end of the initial rollout period—extendable by six months—the Technology Collaboration Agreement terms will resume, with VEEM returning to its role in sales and manufacturing. No license fee will apply during this phase, allowing maximum investment in the manufacturing process.

The agreed terms will be formally documented as a variation to the Technology Collaboration Agreement.

VEEM Managing Director Mark Miocevich said:

"The SHARROW by VEEM design has been refined through each stage of manufacturing and testing. We are excited to accelerate the process by having the experienced Sharrow team lead the next stage of the rollout, working directly with customers."

Sharrow Engineering and Sharrow Marine Founder and CEO Greg Sharrow added:

"We are very pleased with the progress of the SHARROW by VEEM designs, which have demonstrated outstanding results in testing. With demand at an all-time high, this approach allows us to fast-track design evolution and production and deliver these advanced propellers to our customers. By accelerating the rollout and expanding testing, we're taking a major step forward in delivering the next generation of marine propulsion technology."

"Building on the proven blueprint that made Sharrow's outboard propellers a success, the team is applying the same world-class expertise, engineering discipline, and cutting-edge technology to inboard propulsion. This seamless transition provides a clear path to success, ensuring the final product meets the highest standards of efficiency and performance. Sharrow's approach is rooted in scientific precision—this is not just iteration, but advanced engineering at its highest level."

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

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ABOUT VEEM LIMITED (ASX: VEE)

VEEM 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 200 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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ABOUT SHARROW ENGINEERING AND SHARROW MARINE

Sharrow Engineering, a Detroit-based advanced engineering and design firm, revolutionized propeller technology with the Sharrow™ Propeller, the first major advancement in propeller technology since the 1830s. Invented by Greg Sharrow, the Sharrow Propeller has solved the most basic problem of rotary propulsion, eliminating tip cavitation and vortices, and offering significant performance gains over traditional propellers. Sharrow Engineering holds over 150 patents worldwide and is the parent company of Sharrow Marine, which produces and sells the award-winning propeller for the maritime industry. Recognized as a TIME Best Invention of 2023 and by Fast Company's 2023 Innovation by Design Awards, the Sharrow Propeller also won the 2024 Clean Technology Transportation Solution of the Year by CleanTech Breakthrough, the 2022 Boating Marine Power Innovation Award from Boating Magazine and the 2020 Miami International Boat Show Innovation Award. For more information, visit www.sharrowmarine.com.