VEEM

Managing Director Presentation

Annual General Meeting

27 November 2025

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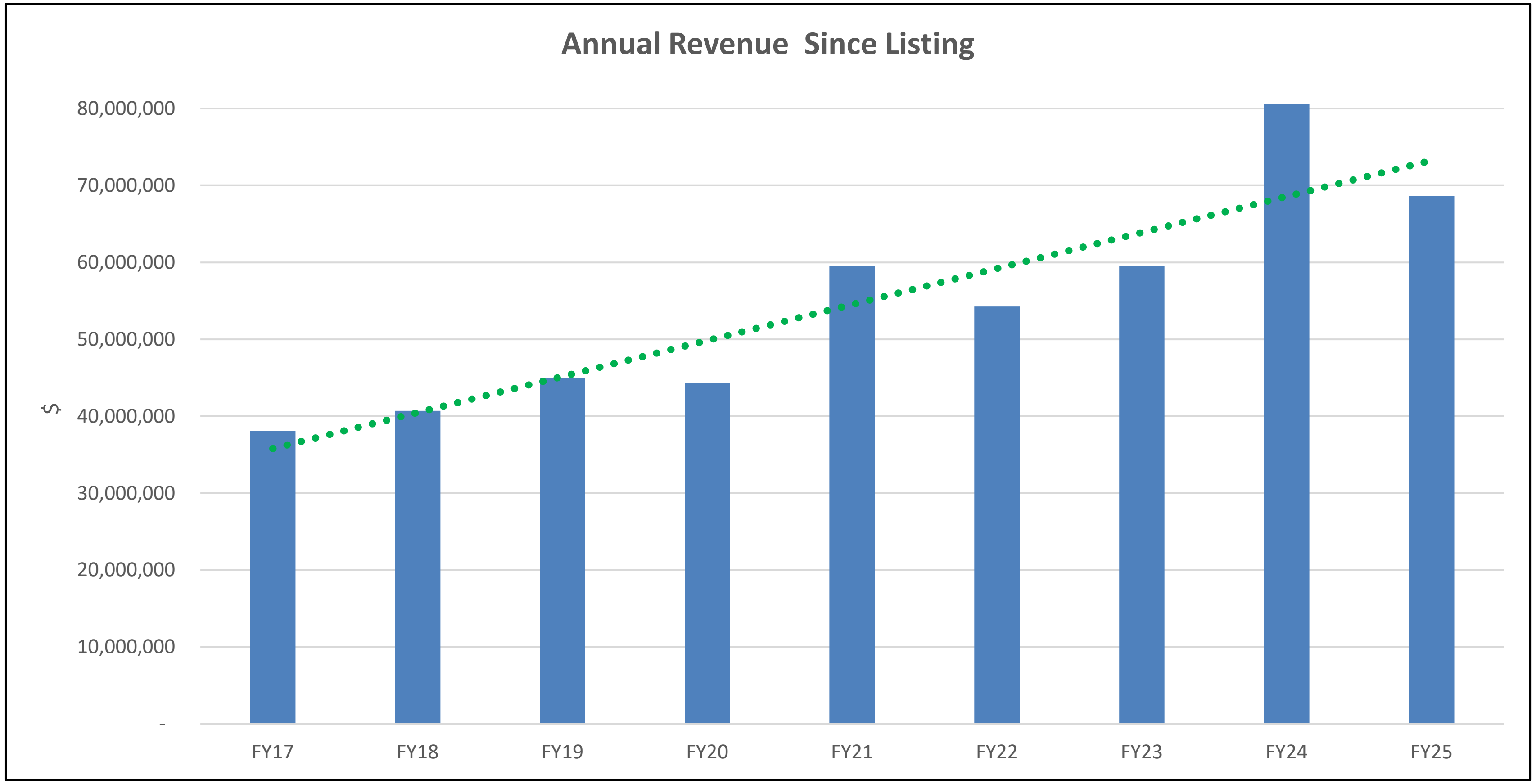
Demonstrated long term growth – Defence and New Products will drive future



FY25 Summary – A Year of Consolidation

VEEM

- VEEM's FY25 had a strong second half with increased revenue and profitability with FY26 expected to be the same.
- Revenue was $68.6m with 2HFY25 revenue of $35.1m up 4% on 1HFY25 but FY25 was down 15% on FY24.
- EBITDA was $9.2m with 2HFY25 EBITDA of $5.3m up 36% on 1HFY25 but FY25 was down 38% on FY24.
- NPAT was $3.0m with 2HFY25 NPAT of $2.0m up 100% on 1HFY25 but down 57% on FY24.
- Cashflow from operations was $4.3m with 2HFY25 cash flow from operations of $2.5m up 39% on 1HFY25 due to increased profitability but FY25 was down 49% on FY24.
- Defence revenue accelerated in 2HFY25 to $8.3m (+$0.9m compared to 1HFY25) despite the continued reduction in ASC revenue which reduced to $2.0m (-$2.4m compared to 1HFY25). Orders received Q2 FY26 underpinning strong 2HFY26.
- Propulsion revenue overall (including Shaftlines and defence) for the year was $35.0m (2024: $35.3m) consolidating FY24 which was a record year.
- 13 gyros sold for $9.6m (FY24: 18 for $12.3m) expanding customer base.

	FY25 A$mil.	FY24 A$mil.
Revenue	**68.6**	80.6
EBITDA*	**9.2**	14.8
Profit before Tax	**3.1**	8.1
Net Profit after Tax (NPAT)	**3.0**	7.0
Earnings Per Share (EPS)(cents)	**2.22**	5.15
Cash Flow from Ops	**4.3**	8.4
Net Assets	**54.3**	52.3

Defence - FY25 Review

- Overall defence revenue was $15.6m, down $5.2m on FY24 due to the cyclical nature of the ASC contract noting ASC revenue was down $9.6m with other Defence revenue (**up $4.3m**) partially compensating.
- 6 year- $65m contract signed with ASC (Announced 12 August 2025), revenue expected to increase in FY26 in particular 2HFY26 as orders are received.
- VEEM is developing demonstrator blades for BAE Systems Australia's Hunter Class Frigate Program under a $1.7m contract. Successful completion (expected by end of 2025) will confirm VEEM as a qualified supplier, making it one of only two global companies capable of this level of precision.
- Success with this project and subsequent high-level defence supplier qualification is expected to lead to further Australian defence work as well as the potential to export equipment for other naval shipbuilding programs around the world, including other Type 26 frigate programs.
- VEEM joined the HII AUSSQ Pilot Program to accelerate qualification for the US Submarine Industrial Base, specifically for the Virginia-class submarine and aircraft carrier programs and achieved approved supplier status in August 2025. **First purchase order received.**
- VEEM signed a 9-year MLA with Northrop Grumman in September 2025 valued up to US$33m which qualifies VEEM to tender for manufacture of predetermined Virgina Class submarine parts.

Defence - Outlook

- Subsequent to signing the ASC contract, orders were slower to arrive than anticipated but have been begun to be received underpinning significant 2HFY26 revenue growth.
- Post qualification for the Hunter Class Frigate Program, which is expected by end of 2025, manufacturing is anticipated to begin in 2HFY26.
- MLA with Northrop Grumman combined with HII approved supplier status to level 1 provides access to two of the largest US defence contractors and entry into the US defence supply chain for the Virgina Class submarines and aircraft carrier programs. A significant milestone.
- First purchase order received from HII.
- First RFQ from Northrop Grumman imminent.
- Current rate of production of Virginia Class submarines is 1.2 per year with US Navy working to increase to 2.0 per year by 2028 and subsequently to 2.33 per year.
- VEEM also continues to be awarded contracts for numerous other defence projects including army vehicles and naval projects such as patrol boats (eg. Austal's Evolved Cape Class Patrol Boats, ANZAC Frigates).

AUKUS

Australia's Largest Ever Defence Procurement Program

Austal – Officially selected as Australia's strategic shipbuilder. VEEM has supplied propulsion systems for decades.

US Defence – HII & Northrop Grumman provide pathway into gigantic US defence supply chain opportunity with tendering underway.

ASC – VEEM has provided precision castings for Colins Class Submarines since the 1980s.

Hunter Class demonstrator propeller in final stages of approval.

Propulsion – FY25 Review & Outlook

- Propulsion revenue continued to be strong in FY25 coming off a record year in FY24 which had a backlog to clear. Total propulsion revenue (incl Defence) was $35.0m compared to $35.3m for FY24.
- Overall global demand for inboard powered marine vessels is expected to remain steady - continuing to monitor impact of tariffs.
- VEEM's traditional propeller business is expected to grow due to continued marketing and additional awareness VEEM Extreme will bring, with automation continuing to drive efficiencies and protect margins.
- Expansion of facility is underway and will provide additional capacity in Q3 FY26 with the arrival of 3 additional machines over calendar year 2026.
- VEEM positive about Sharrow by VEEM as trials have indicated significant acoustic noise reductions and enhanced maneuverability. VEEM Extreme alloys applicable to Sharrow as well.
- During the year VEEM acquired further robotics and tooling as it continues to optimize and automate the propeller process.

New Product Launch -VEEM EXTREME

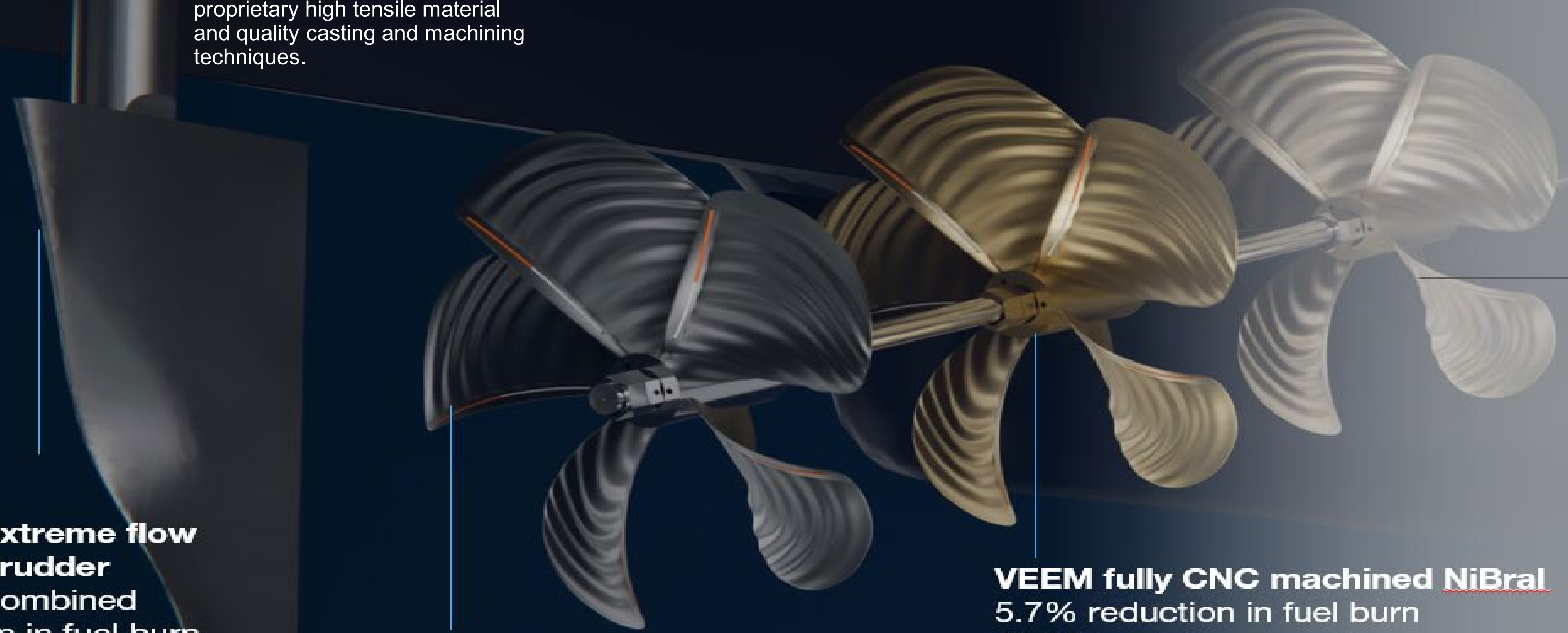
World’s most efficient propulsion system - 18.1% more efficient!

VEEM EXTREME

First contract signed with Manly Fast Ferries to supply six vessels.

Only possible due to VEEM’s proprietary high tensile material and quality casting and machining techniques.

Significant efficiency gains and rapid payback potential will make this product attractive to commercial users.



Class 1 Propeller
Standard commercial Class 1 hand finished propeller.
Top speed 39.69.

VEEM Extreme flow aligned rudder
18.1% combined reduction in fuel burn. (compared to standard parallel plate rudders and a class 1 propeller)
43.30 knots top speed.

VEEM Extreme
11.9% reduction in fuel burn
43.05 knots top speed.

VEEM fully CNC machined NiBral
5.7% reduction in fuel burn
42.16 knots top speed.

Gyrostabilisers - FY25 Overview & Outlook

- In FY25 VEEM sold 13 gyros (FY24: 18) generating revenue of $9.6m (30 June 2024: $12.3m).
- FY25 saw the introduction of new and repeat customers from both the commercial and recreational segment.
- FY24 was particularly strong due to acceleration of the Strategic Marine contract with 11 sold to Strategic in FY24 compared to 2 in FY25 under this contract.
- FY25 saw the introduction of new and repeat customers from both the commercial and recreational segment.
- Next generation Mark III gyro launched – refer next slide.
- Purchasing hesitancy in 1HFY26 due to anticipated Mark III expected to lead to accelerating orders and sales in 2HFY26.

New Product Launch. Gyro – MARK III

Mark III New Features

In addition to optimising roll performance, VEEM's engineering brief for the Mark III was to improve the operating costs by reducing component wear, eliminating points of failure and eliminating routine service dependencies.

Patented Oiling System

Eliminates main Gyro Vacuum/lip seals altogether and reduces power by 10%. Elimination of seals means no scheduled maintenance.

Custom Low-Friction Bearings

20% power consumption reduction with new bearings (30% when combined with new oiling system) for small and mid frame models.

Internal Fluid Galleries

All external hoses that were previously around the Gyro ball have now been eliminated and remove over 60 points of failure while reducing the assembly time.

Engineering Products and Services FY25 & Outlook

- VEEM's EP&S (excl defence) revenue for FY25 was $16.7m up $0.8m (+5%) on FY24 as demand remained strong and additional work used some capacity left by reduction in defence work.
- Repeat orders in H2FY25 of complex work achieved the margins expected.
- VEEM's traditional engineering business focuses on foundry-led, precision-engineered products, including custom designs and its own hollow bar products (e.g., Forever Pipe).
- Steady demand for the traditional engineering products and services is expected to continue.

Corporate

- VEEM successfully completed a $14m capital raising (before costs) subsequent to the end of the FY25 financial year.
- $1m of the $14m in relation to the Miocevich Family participation is subject to shareholder approval at the AGM.
- The proceeds will be used for working capital and to strengthen VEEM's balance sheet in anticipation of new purchase orders from leading defence customers.
- Board succession with David Singleton joining the Board in September 2025 and Michael Bailey retiring today at the AGM.
- Expansion of Baile Rd facility by approx. 1,000m^2 is ongoing and expected to be complete in Q4 FY26. Three additional machines and one 3D sand printer are on order with a combined $3m government grant contribution.
- VEEM's formal R&D expense for FY25 was $4.1m.
- VEEM will continue to commit to research and development projects as it sees necessary to remain at the forefront of the markets in which its products are sold and potentially enter new markets.

Net Debt

Gross Debt (30 June 2025)	$14.6m
Cash (30 June 2025)	$0.8m
Net debt (30 June 2025)*	$13.8m
Raise proceeds	$14.0m
Raise costs	$0.8m
Proforma net debt*	$0.6m
Proforma undrawn facilities	$6.4m

*excludes AASB 16 leases

Trading Update – 1HFY26

- 1HFY26 has been slower than anticipated due to a delay in receipt of ASC orders post signing the contract and security clearance delays for the Hunter class propeller project. The Company has begun to receive the ASC orders and this is expected to continue to the end of calendar year 2025 setting up a very strong 2HFY26 in defence.
- Anticipated launch of the Mark III gyro led to purchase hesitancy in 1HFY26 which is expected to turn around in 2HFY26 with numerous strong leads being pursued including in the defence space for large frame gyros.
- VEEM expects to report revenues for 1HFY26 in the range of $24m to $26m with EBITDA in the range of -$1m to $1m and a Net Loss After Tax in the range of $2m to $3m.
- The second half of FY26 is expected to be stronger than the first half (which is normal), with significant contributions from defence and in particular ASC.
- New U.S. defence opportunities are also potentially going to provide revenue as early as 2HFY26. These opportunities were delayed six weeks due to the US Government shutdown but activity is ramping back up.
- Propulsion is expected to pick up with strong leads to date for the VEEM Extreme range in the order of $3m so far.

Q & A

ASX : VEE

VEEM

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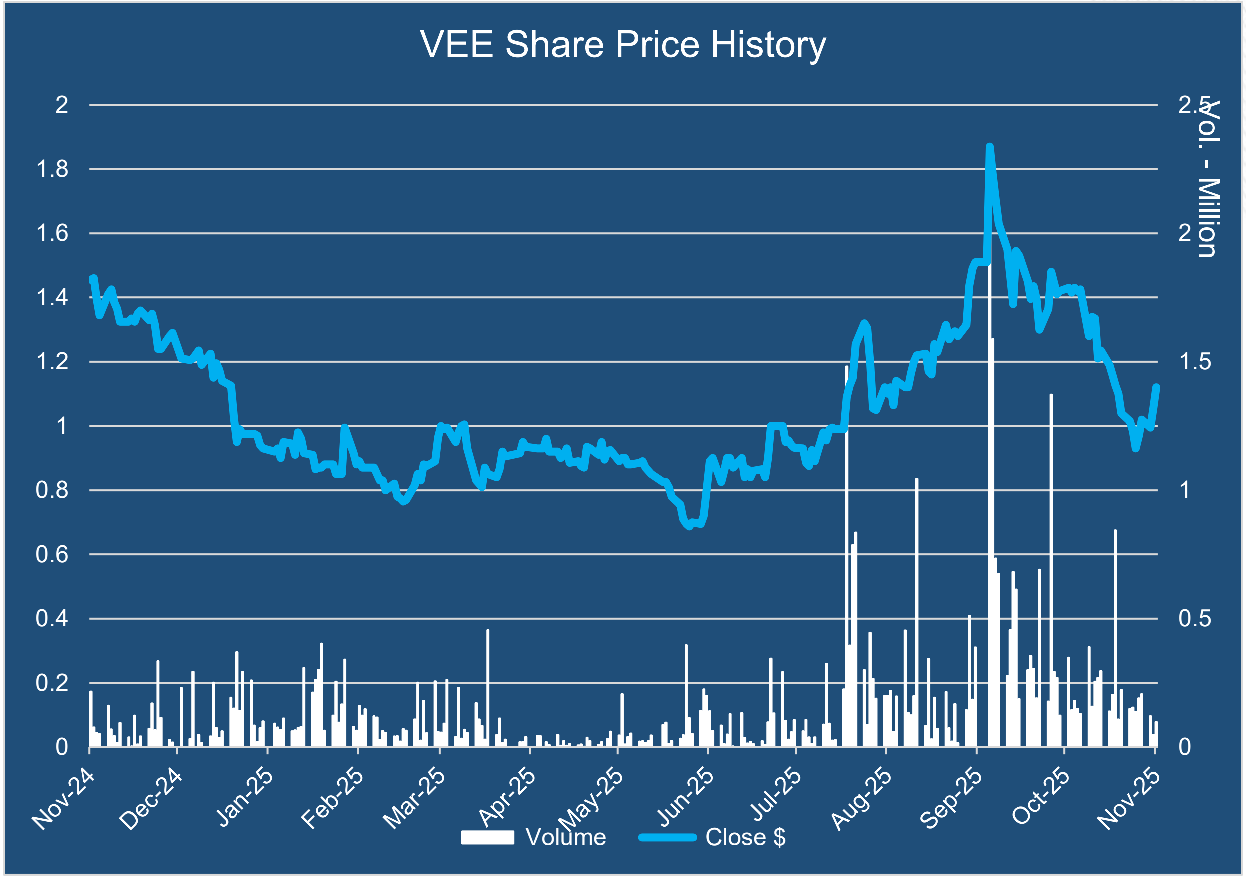
Appendices

Corporate Summary

Corporate Snapshot	
ASX Code	VEE
Share Price (26 Nov 2025)	$1.12
Market Capitalisation (26 Nov 2025)	$163m
Shares on Issue (26 Nov 2025)	146.0
Net Debt (Pro-forma post capital raise)	$0.6m

Substantial Shareholders	
Miocevich Family	46.7%
Perennial Value Management	14.8%



VEEM Extreme - Appendix

- VEEM Extreme range launched which is VEEM's most efficient propulsion package yet with up to **18.1**% fuel efficiency gains.
- VEEM Extreme propulsion package consists of VEEM propeller, twisted rudder and fully flow-aligned shaft line package including V and P bracket made in VEEM's new proprietary high-tensile alloy.
- Efficiency gains compared to standard set up are as follows:
  - ✓ VEEM Extreme Propellers 11.9% efficiency gain.
  - ✓ VEEM Extreme flow-aligned rudder 6.2% efficiency gain.
  - ✓ VEEM Extreme shaftline and brackets – testing underway.
- Successful VEEM Extreme propeller only trial on a Manly Fast Ferry (MFF) has resulted in a $312k contract for 6 further vessels, providing early validation for the product.
- Testing of rudders by MFF to commence shortly with successful testing to lead to a contract for purchase of rudders for above vessels.
- VEEM Extreme propellers at a higher price point are expected to displace some existing sales leading to a net increase in sales and anticipated margin increase.

VEEM Extreme Propeller