



MANAGING DIRECTOR TO PRESENT VEEM GYRO UPDATE

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 advise that Managing Director, Mark Miocevic, will today host a webinar to present an update on both the completion of sea trials for the first ever VG1000SD VEEM Gyro installation and finalisation of an estimate of the current total potential market for VEEM Gyros. Slides are attached and details of the webinar are:

Date: Thursday, 13 May 2021

Time: 11.00am AEST/9.00am AWST

Registration: [registration available here](#)

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

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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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VEEM GYRO UPDATE
GULF OF MEXICO SEA TRIALS
AND MARKET SIZE UPDATE
13 MAY 2021

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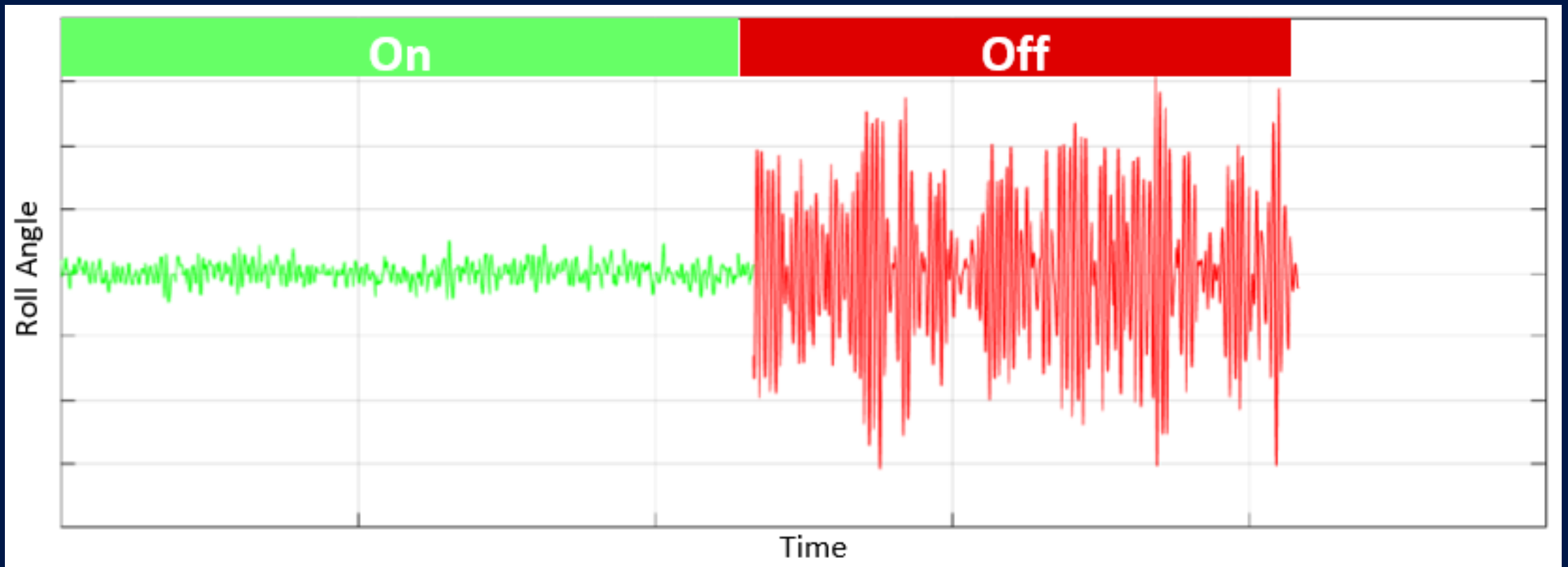
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VG1000SD VEEM GYRO MAIDEN SEA TRIALS



Results Significantly Better than Expected

The first ever VG1000SD VEEM Gyro, the world's most powerful marine gyrostabilizer, was installed onto the "MV Leonardo",

"MV Leonardo" is a Damen built FCS5009 vessel owned by Naviera Integral, an offshore oil field supply contractor in the Gulf of Mexico which owns and operates a fleet of Damen FCS workboats.

After some delays due to COVID-19, commissioning and sea trials were held in April 2021 during normal offshore operations in the Gulf of Mexico.

During the sea trials roll motion data was recorded with roll reduction measurements exceeding customer expectations.

Damen, VEEM and Naviera Integral are all pleased with the result which affirms the significant benefits the VG1000SD VEEM Gyro will provide to commercial offshore operators.

These results will now be used by Damen to recommend the installation of a VEEM Gyro when marketing their FCS range of vessels.



The MV Leonardo with the VG1000SD VEEM Gyro installed on the deck (below the yellow crane boom) ahead of sea trials. Anecdotally, Damen representatives and crew on board during the trials were very impressed with the vessel comfort and performance when the VEEM Gyro was turned on.

Significant Supply Agreement with Damen Shipyards

VEEM signed a three-year frame agreement with Damen Shipyards in October 2020 for the supply of VEEM Gyros.

Damen sells 175 small ships per year, including 20 FCS vessels. They are the largest small ship builder in the world and the second large shipbuilder in Europe.

On top of new builds, retrofitting a VEEM Gyro to an existing FCS vessel is generally straightforward and there is a significant fleet of FCS vessels already in service. The retrofit market is huge.

Damen will offer the VEEM Gyro as an option on its FCS vessels and will continue to work with VEEM to incorporate VEEM Gyros into additional Damen platforms and vessels in the near term.

Damen's adoption of the VEEM Gyro technology is a major step in terms of acceptance in the large commercial market and follows Damen's initial two orders of VEEM's VG1000SD gyros in 2019 and 2020 which were for FCS vessels.

The addition of the VEEM Gyro to the FCS vessel is expected to increase the customer's commercial return due to the significantly increased number of operating days per annum and replacement of helicopters for crew transfers.



Damen FCS Vessel

"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

THE WORLD'S MOST POWERFUL MARINE GYROSTABILIZER VG1000SD/VG520SD VEEM GYRO



The VG1000SD VEEM Gyro (now named the VG520SD) is the most powerful marine gyro stabilizer in the world generating 1000 kN.m of stabilizing torque and 520 kN.m.s (kilonewton metre seconds) of angular momentum. There is no alternative to the VG1000SD in the large heavy-duty marine stabilization market.

VEEM Gyro Potential Market Size by Segment

Commercial



Potential Market Size:
Order book – US\$0.7bn
Fleet – US\$9.6bn

Defence



Potential Market Size:
Order book – US\$0.1bn
Fleet – US\$1.4bn

Superyachts



Potential Market Size:
Order book – US\$0.3bn
Fleet – US\$2.5bn

Total Potential Gyro Market Size US\$14.6bn

Total VEEM Gyro Potential Market Snapshot – Order Book

Vessel Size (length)	Superyacht ¹ Order Book	Commercial ² Order Book	Defence ³ Order Book	Total Order Book	VEEM Gyro Model ⁴
24 - 30m	281	164	-	445	VG52/120SD (prev. VG120SD)
30 - 45m	262	331	37	630	VG70/145SD (prev. VG145SD)
45 - 60m	95	148	20	263	VG100/200SD & VG140/260SD (prev. VG260SD)
60 - 75m	47	157	26	230	& VG520/1000SD (prev. VG1000SD)
75 - 90m	25	158	18	201	VG520/1000SD (multiple)
Total Vessels	710	958	101	1,769	
Potential Gyro Market	US\$0.3bn	US\$0.7bn	US\$0.1bn	US\$1.1bn	

1. For superyacht market detail, source and assumptions refer to slide 16.

2. For commercial market detail, source and assumptions refer to slides 12-15.

3. For defence market detail, source and assumptions refer to slides 10-11.

4. 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.

Total VEEM Gyro Potential Retrofit Market Snapshot

Vessel Size (length)	Superyacht ¹ Fleet	Commercial ² Fleet	Defence ³ Fleet	Total Fleet	VEEM Gyro Model ⁴
24 - 30m	4,929	7,229	480	12,638	VG52/120SD (prev. VG120SD)
30 - 45m	3,273	8,349	720	12,342	VG70/145SD (prev. VG145SD)
45 - 60m	721	3,063	831	4,615	VG100/200SD & VG140/260SD (prev. VG260SD)
60 - 75m	221	2,027	298	2,546	& VG520/1000SD (prev. VG1000SD)
75 - 90m	89	1,277	175	1,541	VG520/1000SD (multiple)
Total Vessels	9,233	21,945	2,504	33,682	
Potential Gyro Market	US\$2.5bn	US\$9.6bn	US\$1.4bn	US\$13.5bn	

1. For superyacht market detail, source and assumptions refer to slide 16.

2. For commercial market detail, source and assumptions refer to slides 12-15.

3. For defence market detail, source and assumptions refer to slides 10-11

4. 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.

Defence/Security Market Snapshot

Data source: Publicly Available Data

All defence/security vessels¹

Total potential retrofit market is US\$1.4bn from a total fleet size of 2,504 vessels.

Current order book, including those in-build, represents a target market of US\$0.1bn comprised of 101 vessels.

Total potential market for current fleet and new builds is US\$1.5bn for a total of 2,605 vessels.

Patrol boats only²

Current estimated operating fleet represents a potential retrofit market of US\$0.5bn comprised of 1,065 vessels.

Current order book, including those in-build, represents a target market of US\$0.1bn comprised of 72 vessels.

Total potential market is \$0.6bn comprised of 1,137 vessels including the current fleet, orders and builds in progress.

1. All defence/security vessels includes vessels between 24 and 90m. Excludes China, Hong Kong, North Korea and a number of smaller countries with very small fleets where data was not considered reliable.

2. Includes Offshore, Coastal, Fast and Riverine Patrol Vessels. Same assumptions as in 1. above.

Defence/Security Market Snapshot

Data source: Public Data

Vessel Size (length)	Operating Fleet Total Vessels# (excl. order book)	Order Book Total Vessels#	Operating Fleet Patrol Boats only^ (excl. order book)	Order Book Patrol Boats only^	VEEM Gyro Model*
24 - 30m	480	-	321	-	VG52/120SD (prev. VG120SD)
30 - 45m	720	37	336	21	VG70/145SD (prev. VG145SD)
45 - 60m	831	20	263	20	VG100/200SD & VG140/260SD (prev. VG260SD)
60 - 75m	298	26	88	23	& VG520/1000SD (prev. VG1000SD)
75 - 90m	175	18	57	8	VG520/1000SD (multiple)
Total	2,504	101	1,065	72	
Potential Gyro Market	US\$1.4bn	US\$0.1bn	US\$0.5bn	US\$0.1bn	

*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.

All defence/security vessels includes vessels between 24 and 90m (including patrol boats). Excludes China, Hong Kong, North Korea and a number of smaller countries with very small fleets where data was not considered reliable.

^ Includes Offshore, Coastal, Fast and Riverine Patrol Vessels. Same assumptions as in # above.

Commercial Market Snapshot¹

Data source: IHS Markit Maritime and Trade²



Total potential market is US\$10.3bn comprised of 22,903 vessels including orders and builds in progress.

Current order book, including those in-build, represents a target market of US\$0.7bn comprised of 958 vessels.

Current estimated operating fleet represents a potential retrofit market of US\$9.6bn comprised of 21,945 vessels.



1. Refer to slide 15 for assumptions, details and definitions on the data.

2. IHS Markit Maritime and Trade provide the data on vessel numbers and sizes only, not financial data.

Commercial¹ Retrofit Market Snapshot – Operating Fleet

Data source: IHS Markit Maritime and Trade

Vessel Size (length)	Offshore ¹	Miscellaneous ¹	Fishing ¹	Dry/Cargo/ Passenger ¹	Total	VEEM Gyro Model ²
24 - 30m	104	5,253	1,753	119	7,229	VG52/120SD (prev. VG120SD)
30 - 45m	764	4,506	2,425	654	8,349	VG70/145SD (prev. VG145SD)
45 - 60m	1,210	394	1,043	416	3,063	VG100/200SD & VG140/260SD (prev. VG260SD)
60 - 75m	686	192	843	306	2,027	& VG520/1000SD (prev. VG1000SD)
75 - 90m	701	123	273	180	1,277	VG520/1000SD (multiple)
Total	3,465	10,468	6,337	1,675	21,945	
Potential Gyro Market	US\$3.0bn	US\$2.7bn	US\$2.8bn	US\$1.1bn	US\$9.6bn	

1. Refer to slide 15 for assumptions, details and definitions on the data.

2. 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.

Commercial¹ Market Snapshot – Order Book

Data source: IHS Markit Maritime and Trade

Vessel Size (length)	Offshore ¹	Miscellaneous ¹	Fishing ¹	Dry/Cargo/ Passenger ¹	Total	VEEM Gyro Model ²
24 - 30m	6	130	26	2	164	VG52/120SD (prev. VG120SD)
30 - 45m	31	257	29	14	331	VG70/145SD (prev. VG145SD)
45 - 60m	26	72	35	15	148	VG100/200SD & VG140/260SD (prev. VG260SD)
60 - 75m	87	13	46	11	157	& VG520/1000SD (prev. VG1000SD)
75 - 90m	72	31	42	13	158	VG520/1000SD (multiple)
Total	222	503	178	55	958	
Potential Gyro Market	US\$0.3bn	US\$0.2bn	US\$0.2bn	US\$0.05bn	US\$0.7bn	

1. Refer to slide 15 for assumptions, details and definitions on the data.

2. 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.

Commercial Market Assumptions

Data source: IHS Markit Maritime and Trade

Criteria for the dataset - self-propelled, oceangoing, light displacement <3,000t, single-hull. Vessels built before 2000 are excluded for all types except Offshore >60m which excludes vessels built before 2010..

Ship types included:

“Offshore” includes Offshore Support Vessel, Crew/Supply Vessel, Platform Supply Ship, Standby Safety Vessel, Accommodation Ship, Offshore Tug/Supply Ship, Diving Support Vessel, Anchor Handling Tug Supply, Pipe Layer, Pipe Carrier, Pipe Layer Crane Vessel and Pipe Burying Vessel

“Miscellaneous” includes Work/Repair Vessel, Tug, Lighthouse Tender, Crane Vessel, Salvage Ship, Utility Vessel, Patrol Vessel (eg. Coast guard, fisheries etc, excludes those included in the defence market segment), Research Survey Vessel, Cable Repair Ship, Training Ship, Fire Fighting Vessel, Hospital Vessel, Search & Rescue Vessel, Icebreaker, Crew Boat, Buoy Tender, Supply Tender, Buoy & Lighthouse Tender, Exhibition Vessel, Pilot Vessel, Waste Disposal Vessel, Pollution Control Vessel, Mission Ship, Cable Layer, Icebreaker/Research, Effluent carrier, Theatre Vessel, Tank Cleaning Vessel, Anchor Handling Vessel, Pile Driving Vessel, Incinerator, Mooring Vessel and Trans Shipment Vessel

“Fishing” includes Fishing Vessel, Fishery Support Vessel, Fishery Patrol Vessel, Fish Carrier, Fish Factory Ship, Fishery Research Vessel and Fish Farm Support Vessel

“Dry/Cargo/Passenger” includes Passenger Ship, Passenger/Ro-Ro Ship (Vehicles), General Cargo/Passenger Ship, Passenger/Cruise and Passenger/Ro-Ro Ship (Vehicles/Rail)

The following status are included:

Fleet - In Service/Commission, Launched, In Casualty Or Repairing, Converting/Rebuilding. Laid-Up vessels are not included

Order Book - Keel Laid, Projected, Under Construction, On Order/Not Commenced

Data is as at 18 April 2021.

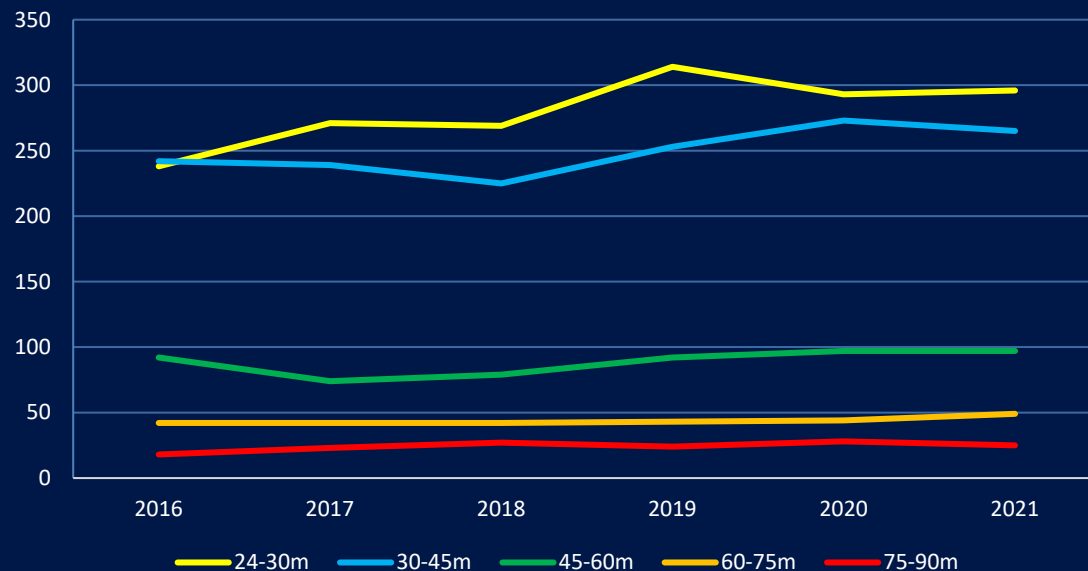
Superyacht Market Snapshot

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)

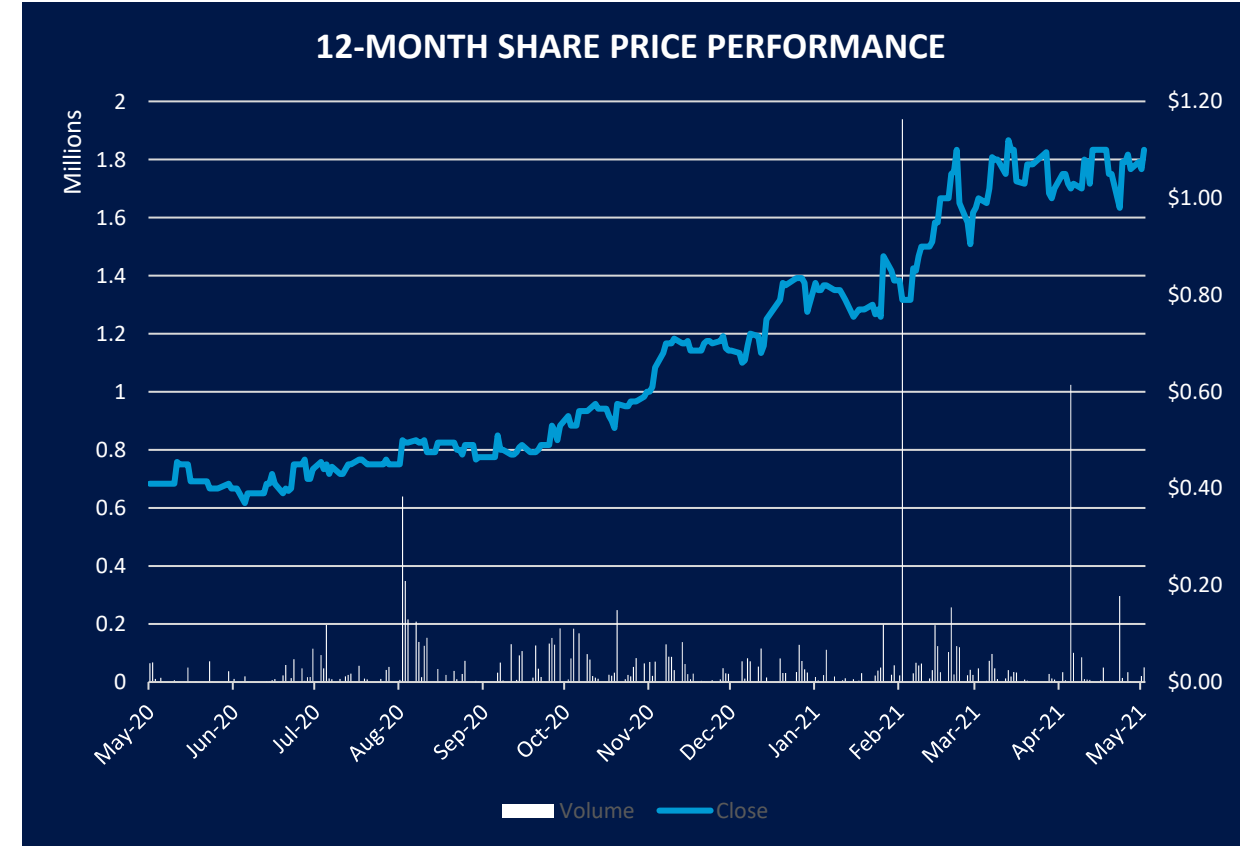


Vessel Size (length)	Operating Fleet Total Vessels	Order Book 1 Jan 2021	VEEM Gyro Model*
24 - 30m	4,929	281	VG52/120SD (prev. VG120SD)
30 - 45m	3,273	262	VG70/145SD (prev. VG145SD)
45 - 60m	721	95	VG100/200SD & VG140/260SD (prev. VG260SD)
60 - 75m	221	47	& VG520/1000SD (prev. VG1000SD)
75 - 90m	89	25	VG520/1000SD (multiple)
Total Vessels	9,233	710	
Potential Gyro Market	US\$2.5bn	US\$0.3bn	

*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.

Corporate Overview

Corporate Snapshot	
ASX Code	VEE
Share Price (12 May 2021)	\$1.10
Market Capitalisation (12 May 2021)	\$143m
Shares on Issue	130m
Substantial Shareholders	
Miocevich Family	61.54%
Perennial Value Management	13.12%





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