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VEEM

FY26 RESULTS PRESENTATION

27 AUGUST 2026

PRINCESS YACHTS

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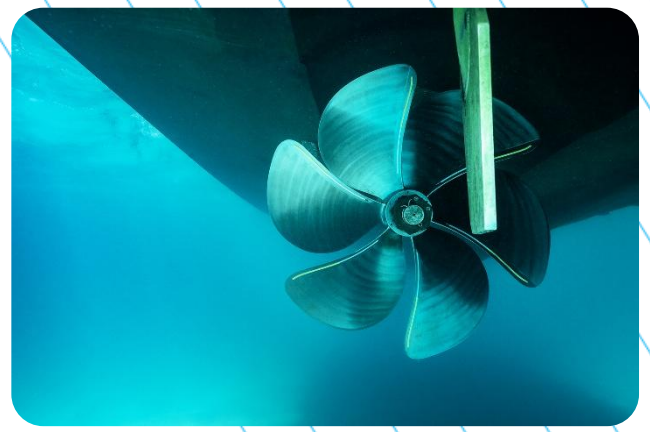
AGENDA

1. 1HFY26 Highlights
2. Executive Summary
3. Financial Results
4. Operational Highlights
5. Outlook
6. Q&A



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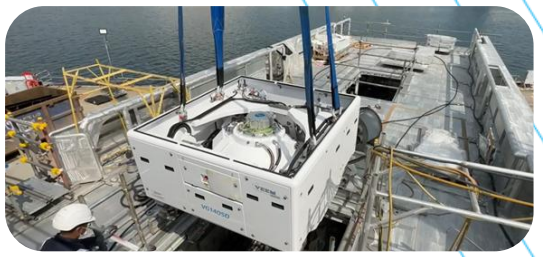
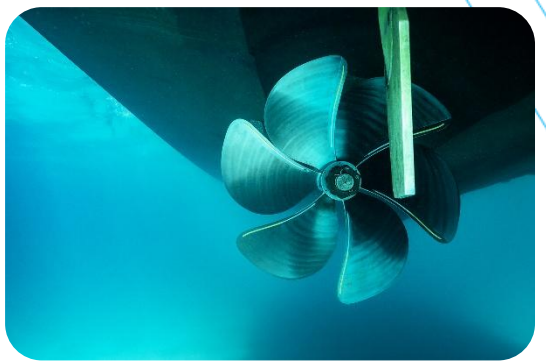
FY26 HIGHLIGHTS

REVENUE	TOTAL ACTIVITY[1]	EBITDA
$51.7m (Guidance $50m – $52m)	**$54.2m**	**$3.6m** (Guidance $3.25m – $3.75m)
Cash **$9.4m**	Net Debt **$1.2m**	Undrawn Facilities **$7.5m**
Operating Cashflow **$4.8m**	EBITDA Margin **6.9%**	Final Dividend **Nil**





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1. Total Activity = Sales + change in WIP

EXECUTIVE SUMMARY

- VEEM's revenue for FY26 was $51.7m (upper end of guidance) down on $68.6m in FY25 due to lower gyro sales and delay in receiving ASC orders.
- EBITDA for FY26 was $3.6m down on $9.1m in FY25 and at the upper end of guidance provided.
- Cashflows from operations were strong at $4.8m as delivery into the ASC contract began and propeller orders accelerated into 2HFY26.
- Net Debt at 30 June 2026 of $1.2m reduced by $12.5m after net capital raise proceeds of $13.1m and $2.4m of additional capital equipment debt.
- The first half was characterized by a slow down in the marine market which is now improving and delayed ASC orders which are currently being delivered into.
- As a result 2HFY26 sales were up 21% ($28.3m vs $23.4m) and 2HFY26 EBITDA was $3.8m vs -$0.2m in 1HFY26.
- Recovery in the marine market has led to increased propulsion orders in 2HFY26 which has continued into FY27.
- Factory extension construction complete with 3 new CNC machines delivered and currently undergoing installation and commissioning which is scheduled to complete in September 2026.
- 3D Printer installed and commissioned with remaining $600k (excl. GST) government grant funds received.

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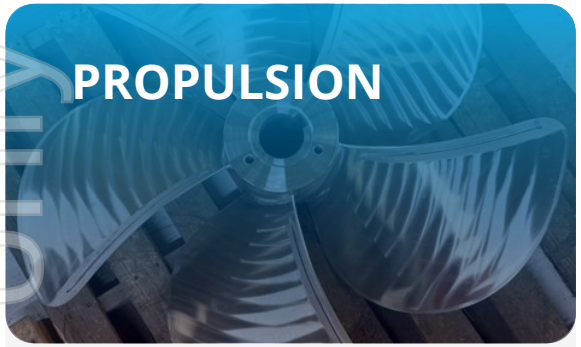
OUR PRODUCTS AND MARKETS

World's best technology with large target markets, using automation and robotics to manufacture efficiently in Australia



PROPULSION

- World's best performing propellers
- Export globally
- Key customers are the world's leading boat builders
- VEEM Extreme launched FY26

Market: Estimated propeller market size of US$2.6bn including US$0.3bn of new vessels each year

Future:

- Facility expansion (3 CNC machine commissioning)
- VEEM Extreme
- Shaftlines
- Other associated products

DEFENCE

- Defence supplier for over 30yrs
- Enhanced security rating now completed
- Sticky reliable long term revenue
- USA defence supply chain entry underway – Pre AUKUS

Market: Defence spending accelerating across the western world

Future:

- Hunter Class Frigate opportunities
- Overseas T26 programs
- AUKUS opportunities – Aus, US, UK
- General increase in sovereign defence capacity and capability

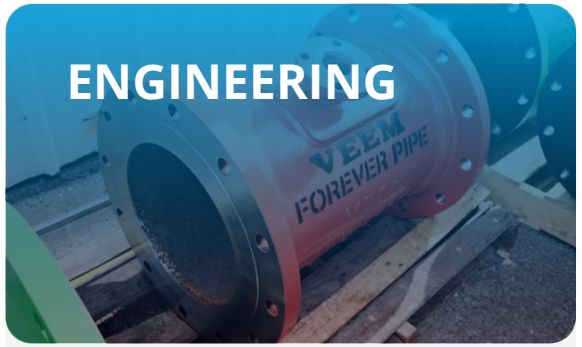
GYROSTABILISERS

- Only major supplier of large gyros
- Large barriers to entry
- Market exists for commercial , defence and recreational uses
- Mark III launched FY26

Market: Significant market size estimated at greater than US$1bn.

Future:

- Deeper penetration into commercial market
- Expansion to defence and defence related industries
- Adoption escalation similar to smaller recreational gyros



ENGINEERING

- Foundry led, precision-engineered products
- Over 250 Alloys available
- Highly accredited ISO9001; 14001; 450001; 27001; NATA and more

Market: Infrastructure, oil and gas, mining and commercial clients. Mostly domestic.

Future:

- VEEM products such as Hollow Bar pushing into new markets
- Increase in sovereign capacity and capability
- 3D printing for specialised castings

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FINANCIAL RESULTS

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FY26 PROFIT

FY26 – A transition year laying the foundation for higher future revenue and profitability

Most significant reduction in revenue vs FY25 was Gyro (-$9.5m) however Gyro Mark III expected to spur sales into FY27 as units become available across the range.

Defence was down $3.3m vs FY25 due to delay in receiving ASC orders leading to 2HFY26 revenue of $8.6m (+130%) vs 1HFY26 of $3.7m. ASC expected to continue to be strong in 1HFY27.

Q2-3FY26 was propeller revenue trough with improvement to marine market in late Q3FY26 continuing into Q4FY26 and so far into FY27.

VEEM Extreme enquiries have been robust since launch with 1st contract signed and initial deliveries to Manly Fast Ferries beginning in 2HFY26.

Gyro Mark III expected to spur sales into FY27 as units become available across the range.

Result includes set up and preparatory (including security) costs for US defence revenue. In addition to development costs associated with Gyro Mark III and VEEM Extreme.

Pre-tax non-cash gyro impairment of $24.8m most significant contributor to loss for the half year.

	FY26 A$mil.	FY25 A$mil.	% Change
Revenue	51.7	68.6	-25%
EBITDA*	3.6	9.2	-61%
Profit before Tax**	(26.6)	3.1	-958%
Net Profit after Tax (NPAT)**	(17.8)	3.0	-693%
Earnings Per Share (EPS)(cents)	(12.4)	2.2	-663%

*EBITDA is earnings before interest, tax, depreciation and amortisation and was within guidance of $3.25 to $3.75m | ** Includes one off non-cash impairment charge of $24.8m

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BALANCE SHEET 30 JUNE 2026

Strong balance sheet post capital raising and profitable 2HFY26

$13.1m net proceeds of capital raising strengthened balance sheet and provided platform for investment into defence.

The Company held cash on hand of $9.4m at 30 June 2026 (30 June 2025: $0.8m) with a drawn overdraft facility of $nil (30 June 2025: $2.5m) and undrawn amount of $4.0m (30 June 2025 $1.5m).

Total unused facilities of $7.5m (30 June 2025: $3.4m).

Capex of $2.5m consisted of 3D printer and equipment & tooling for propellers ($2.4m funded by hire purchase and asset finance contracts).

Product development costs fully impaired ($24.2m) to nil in addition to obsolete inventory identified as a result of introduction of Mark III ($0.6m).

	30 June 2026 A$mil.	30 June 2025 A$mil.	% Change
Current Assets	47.1	43.0	9.5%
Non-Current Assets	35.5	54.2	-34.5%
Total Assets	82.6	97.2	-15.0%
Current Liabilities	15.5	20.6	-24.8%
Non-Current liabilities	17.4	22.3	-22.0%
Total Liabilities	32.9	42.9	-23.3%
Net Assets	49.7	54.3	-8.5%
Retained earnings	24.5	42.3	-42.1%
Total Equity	49.7	54.3	-8.5%

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CASH FLOW FY26

Underlying business underpins solid cash flow

Cashflows from operations of $4.8m (FY25: $2.9m) were strong as a result of commencement of the next phase of the ASC contract.

$14.0m (before costs) raised via the issue of new shares with $13.1m remaining after payment of costs associated with the issue.

$2.4m of HPs were repaid and there were $2.4m of new HPs and an asset finance facility to fund asset additions.

At 30 June 2026 VEEM had an undrawn overdraft facility of $4.0m and $3.1m undrawn on the trade facility.

	FY26 A$mil.	FY25 A$mil.	% Change
Cash flows from operations	4.8	2.9	+66%
Cash flows from investing activities	(1.1)	(0.4)	+175%
Cash flows from financing activities	7.4	(4.4)	n/a
Net increase / (decrease) in cash	11.1	(1.9)	n/a
Cash at end of period, net of overdraft	9.4	(1.7)	n/a

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NET DEBT – FY26

Capital raising significantly reduces net debt

Net debt[1] reduced by $12.5m after adding $2.4m in hire purchase liabilities and asset finance facilities for the purchase of PPE.

$13.1m net proceeds received from capital raising conducted during the half year. $1.8m better off after taking into account asset liabilities taken on.

Strengthened balance sheet in anticipation of investments to support growth in defence and propulsion including arrival of a 3D printer (commissioned) and 3 CNC machines (installation and commissioning scheduled to complete September 2026).

At 30 June 2026 VEEM had an undrawn overdraft facility of $4.0m and $3.1m undrawn on the trade facility providing significant liquidity.

	30 Jun 26 A$mil.	30 Jun 25 A$mil.
Overdraft	-	2.5
Bank debt	6.9	6.5
Hire purchase liabilities	3.7	5.5
Less cash held	(9.4)	(0.8)
Net debt	1.2	13.7

1. Doesn't include AASB 16 leases.

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OPERATIONAL HIGHLIGHTS

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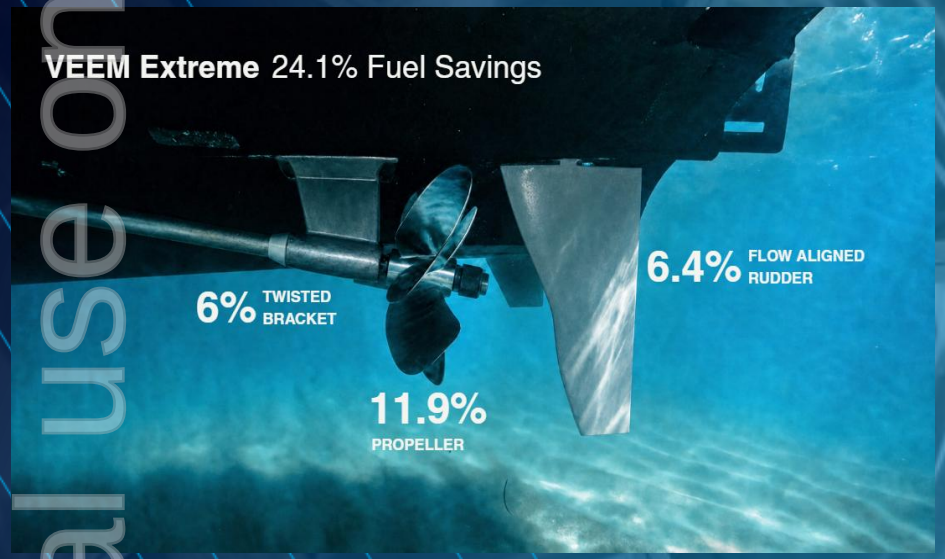
PROPULSION



Propulsion (non defence) sales of $24.9m in FY26 were down 7% on FY25 with the recovery in the marine market seen in 2HFY26 remaining sustained into Q1FY27.

The new world beating VEEM Extreme propellers and shaft lines were launched to limited key customers with significant enquiries received from other interested parties since.

VEEM Extreme has showed an impressive 24.1% less fuel burn and carbon emissions across propellers (11.9%); flow aligned rudders (6.2%) and twisted brackets (6.0%) versus a standard set up.

All verified with Lloyds Classification Society on board. Smaller shafts to follow in 1HFY27.

Manly Fast Ferries is a VEEM Extreme launch customer with contract signed in 1HFY26 and first deliveries into that made in 2HFY26.

They showed an 8.3% fuel burn reduction just with the VEEM Extreme propellers (existing VEEM customer)! Modelling forecasts rudders reducing approx. 7% more.

An increase in offerings is also a part of the growth strategy including shaflines, flow aligned rudders and associated equipment both using conventional materials and VEEM Extreme.

Amendment to agreement with Sharrow to accelerate the roll out under negotiation for further extension. Not to be left behind, Sharrow will have the option of VEEM Extreme alloy advantages as well.

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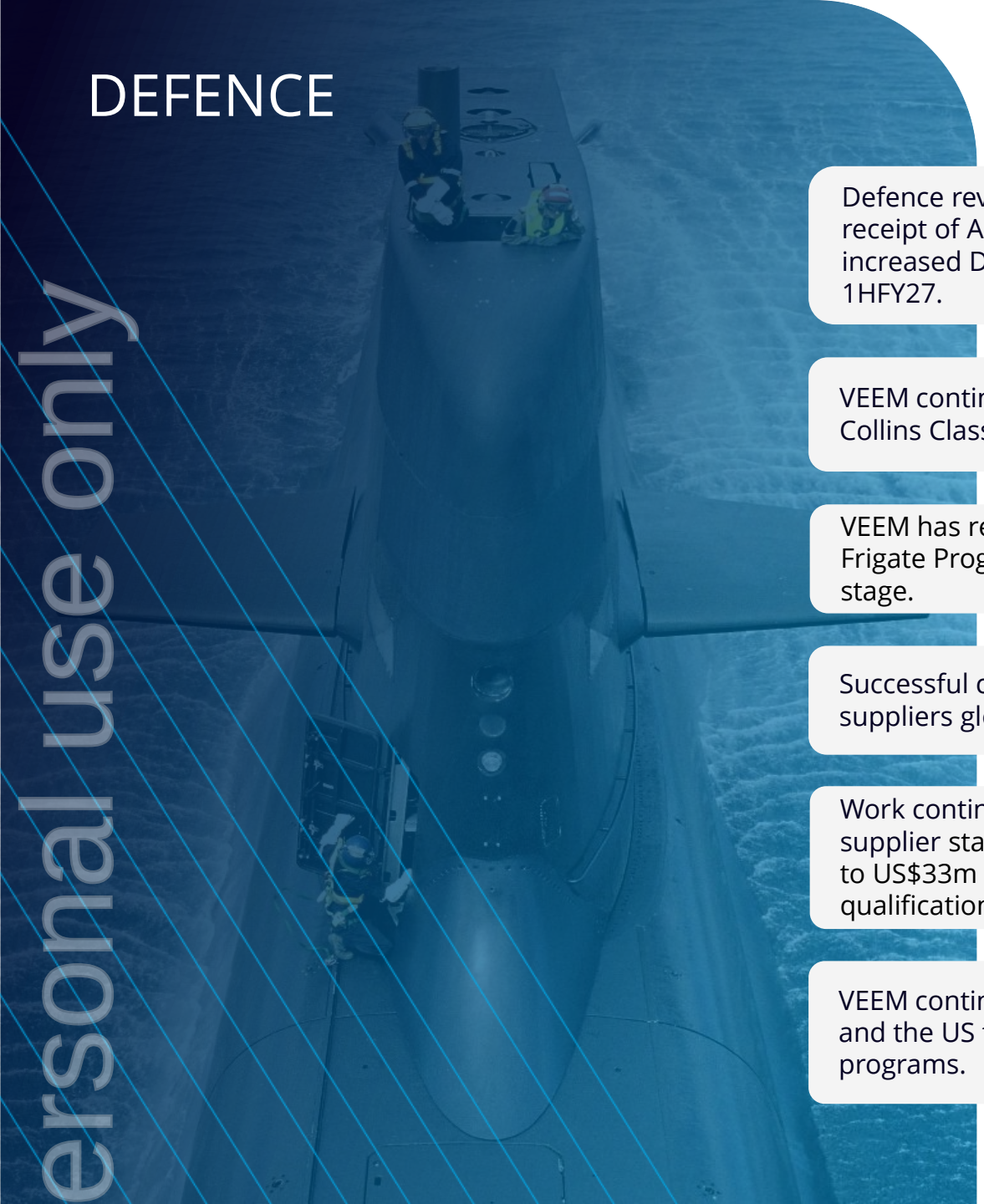
DEFENCE



Defence revenue of $12.3m in FY26 was down 21% on FY25 largely as a result of the delay in receipt of ASC orders until late in 1HFY26 which began delivery in 2HFY26 and drove significantly increased Defence revenue in 2HFY26 ($8.6m) vs 1HFY26 ($3.8m) and will remain strong in 1HFY27.

VEEM continues to be a reliable, local source of highly sophisticated critical components for the Collins Class submarines which have been approved for LOTE to remain in service to 2040s.

VEEM has received final technical specification for the blades and hubs for the Hunter Class Frigate Program (HCFP) demonstrator program for BAE Systems Australia. Moving to final tender stage.

Successful completion will confirm VEEM as a qualified supplier, making it one of only two suppliers globally to be able to produce this level of precision.

Work continues to enter the US defence supply chain with VEEM already achieving approved supplier status with HII, EB, Blue Forge and signing a 9-year MLA with Northrop Grumman for up to US$33m which can be increased by amendment. VEEM continues to receive orders for qualification purposes.

VEEM continues to monitor developments with AUKUS and other defence initiatives in Australia and the US to ensure it is in the best position to win its share of precision manufacturing work programs.

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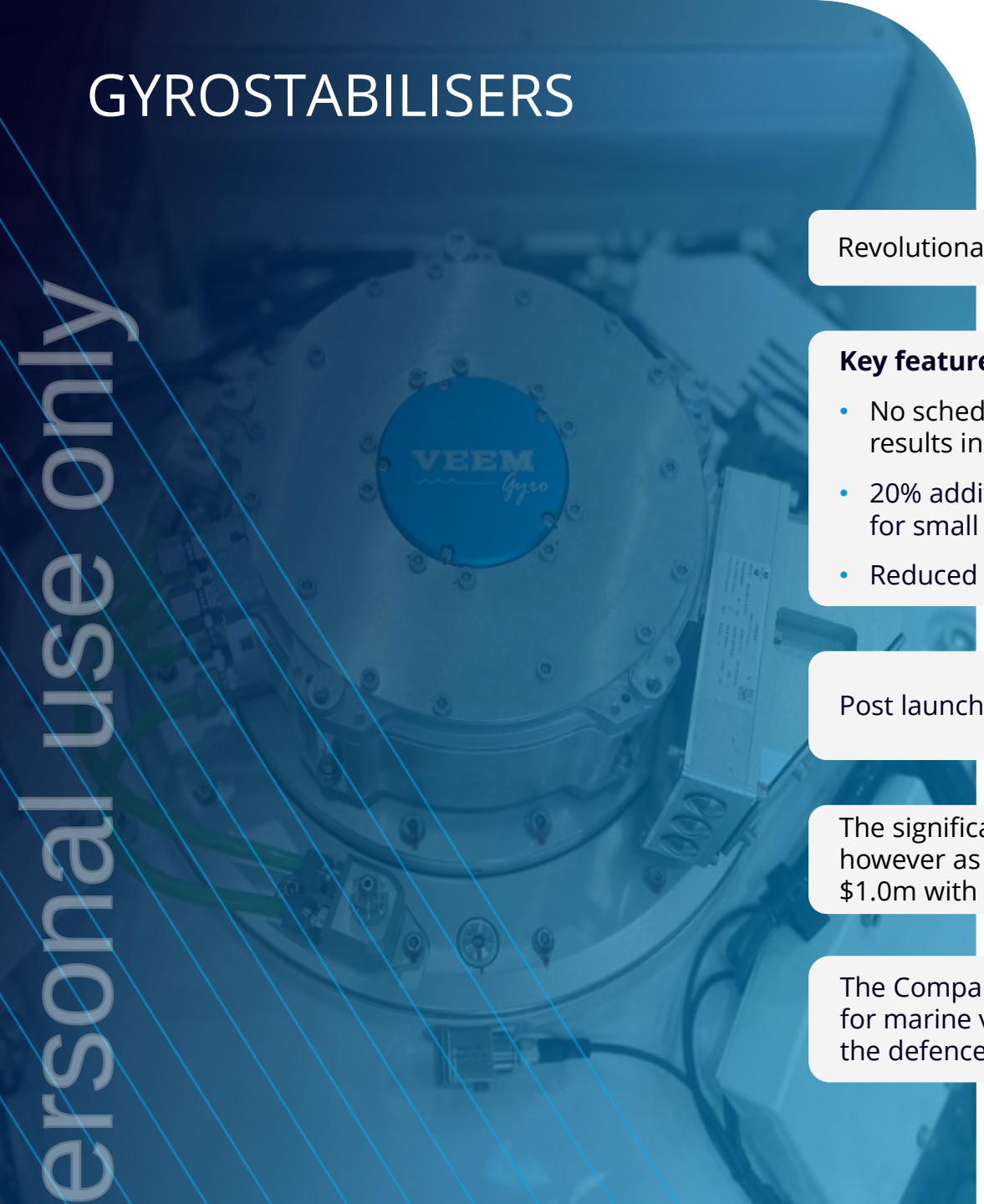
GYROSTABILISERS



Revolutionary, next generation Mark III gyro launched in FY26.

Key features include:

- No scheduled maintenance - New oiling system (Patent pending) eliminates seals and also results in 20% less power usage.
- 20% additional reduction in power consumption – Achieved via custom low friction bearings for small and mid frame models.
- Reduced assembly time – Due to Internal fluid galleries.

Post launch of the Mark III which was a significant leap forward, development costs have peaked.

The significant slow down in the global marine sector meant no sales of gyros in 1HFY26 however as it recovered there was a sale of 1 x VG140 in 2HFY26 and currently the order book is $1.0m with sales expected to increase into FY27.

The Company continues to drive sales of its gyro range as the sole global supplier of large gyros for marine vessel stability applications, with several significant leads being pursued including in the defence sector.

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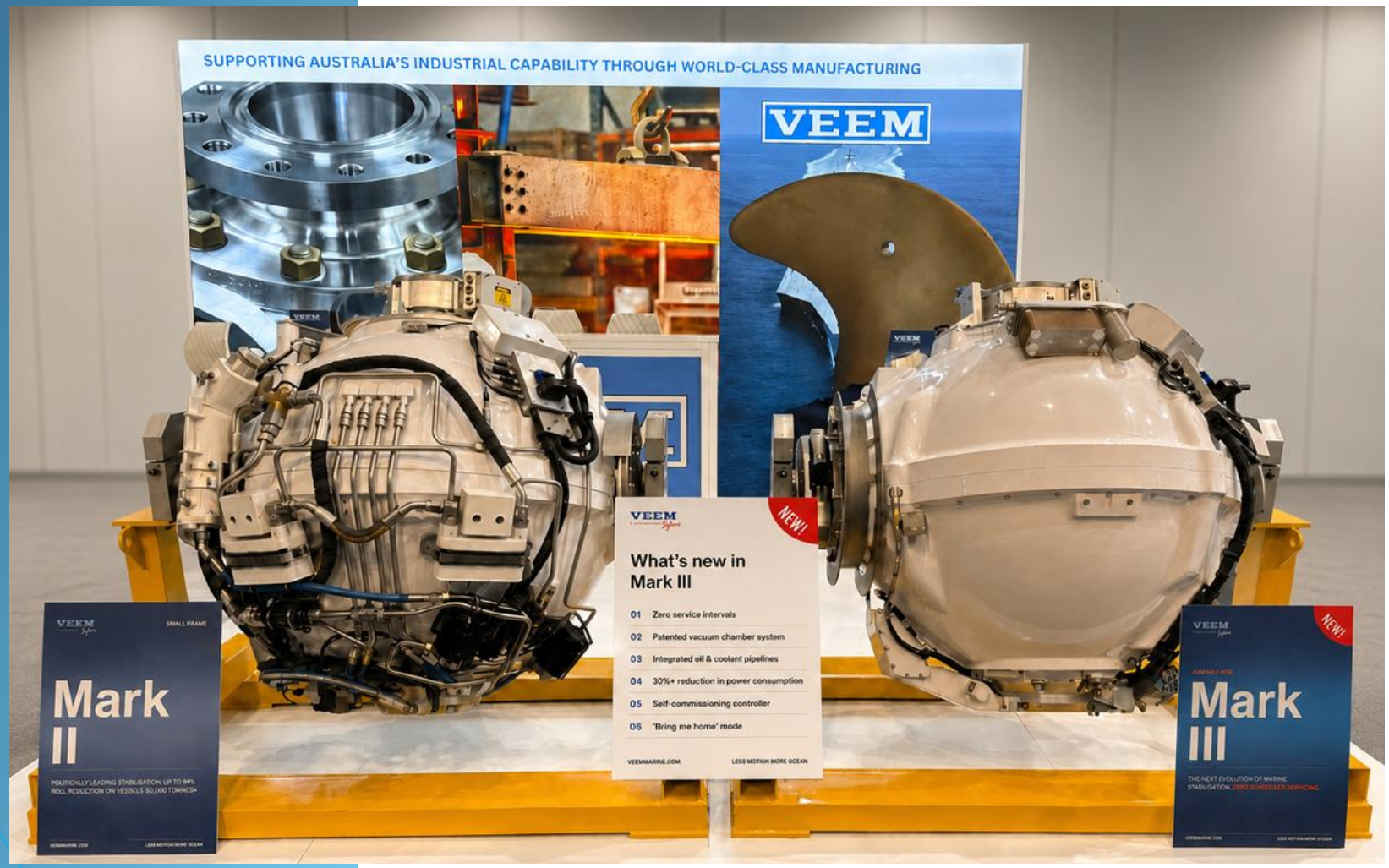
GYROSTABILISERS

Mark II vs Mark III – Simpler - Better



Mark II vs Mark III pictured at recent Indian Ocean Defence and Security Conference – Perth – 26-28 May 2026

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ENGINEERING PRODUCTS AND SERVICES

Engineering products and services revenue (excluding defence) of $14.3m in FY26 was down 14% on FY25 as skills in 2HFY6 were redirected to higher demand defence work.

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).

Demand generally for foundry-led, precision engineered products remains steady but the Company is monitoring the potential impact of the higher cost environment especially since the onset of the conflict in the middle east.

VEEM will continue to focus on recruitment and maintenance of labour resources through a number of initiatives in order to service the current pipeline of work.

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FACTORY EXTENSION

Construction of factory extension complete and hand over in June 2026 (~1,000m^2).

3 CNC machines delivered with installation & commissioning under way and due for completion in September 2026.

Capacity exists beyond the current 3 machines for continued expansion of machines and equipment in line with demand expected to increase including from VEEM Extreme.

3D printer delivered; installed and commissioned in FY26 with remaining $600k of $1m grant received.

The 3D printer provides additional capabilities which are anticipated to improve accuracy and speed which is expected to improve margins and also the scope of VEEM's offering to existing and new customers.

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OUTLOOK

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OUTLOOK – PROPULSION & DEFENCE

- Global demand for propellers expected to continue to increase.
- Monitoring impact of Middle East conflict.
- VEEM Extreme to be advanced with launch customers.
- Expansion of offerings to including shaftlines & rudders.
- Drive to automate continues unabated.

- Defence remaining strong as orders received from ASC continue to be delivered into FY27.
- Continued qualification work as part of entry into US Defence.
- Hunter – moving to final tender stage.
- High-level qualifications to be leveraged with BAE/Kongsberg/Navy to supply other defence programs.
- Other defence work for different prime contractors, including Austal, is also expected to continue.
- VEEM is active and well positioned to take advantage of opportunities that may arise out of AUKUS etc.

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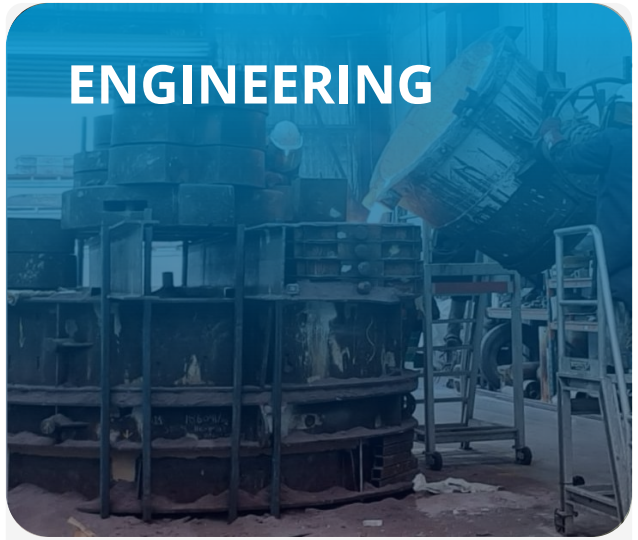
OUTLOOK – GYRO & ENGINEERING

GYROSTABILISERS

- Mark III marketing and availability to drive sales in FY27.
- Growth expected in existing commercial and recreational sectors.
- Working to expand into defence and defence related sectors.
- Benefits of a VEEM gyro for operational & HSE better understood.



ENGINEERING

- Steady demand expected to continue.
- 3D printing to reduce costs.

GENERAL

- Benefits of reduced overhead flowing.
- Additional capacity allows for growth.

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Q&A

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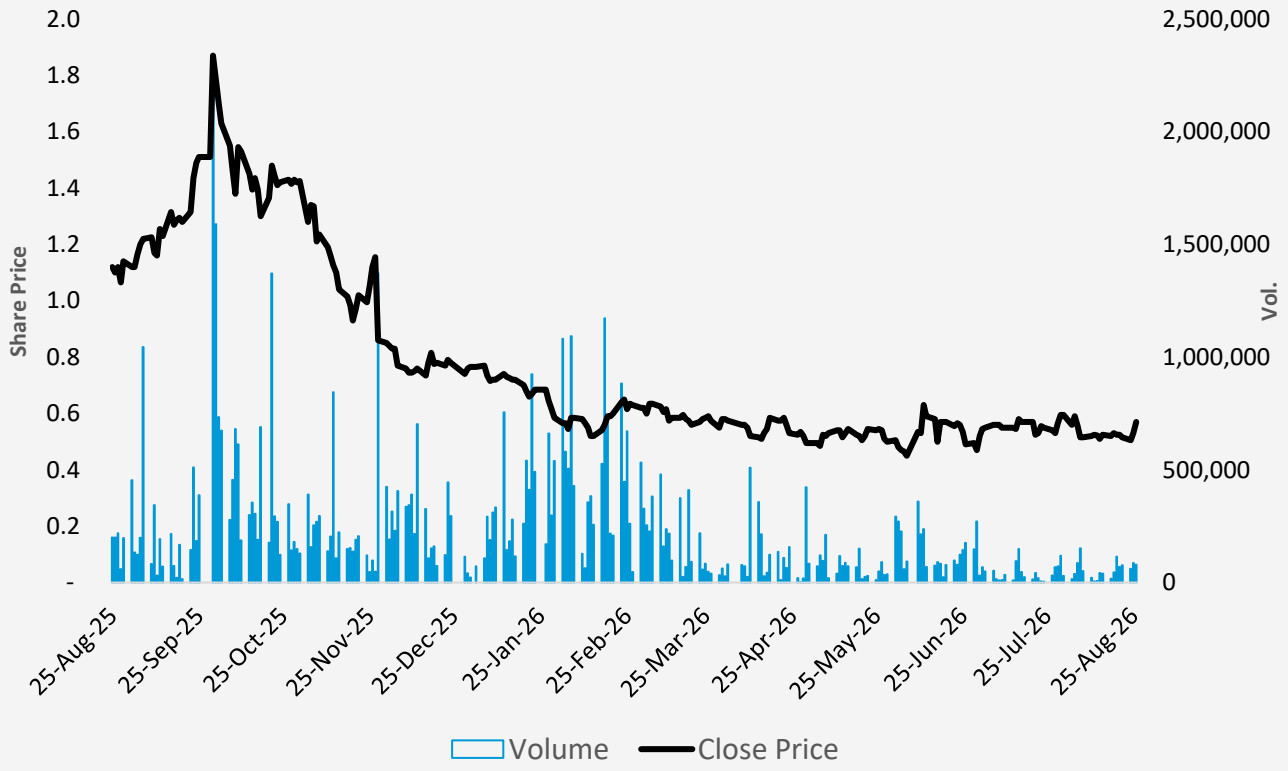
CORPORATE OVERVIEW

Corporate Snapshot	
ASX Code	VEE
Share Price (26 August 2026)	$0.57
Market Capitalisation (26 August 2026)	$83.6m
Shares on Issue	147m

Substantial Shareholders	%
Miocevich Family	46.9%
Perennial Value Management	14.9%

VEE Share Price History



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