



1HFY26 HALF-YEAR RESULTS PRESENTATION

25 FEBRUARY 2026

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Agenda

1. 1H FY26 Highlights
2. Executive Summary
3. Financial Results
4. Operational Performance
5. Outlook
6. Q&A



1HFY26 Highlights

Revenue \$23.4m (Guidance \$24m-\$26m)	Total Activity ¹ \$23.3m	EBITDA -\$0.2m (Guidance -\$1m-\$1m)
Cash \$9.1m	Net Debt \$1.8m	Undrawn Facilities \$8.8m
Operating Cashflow \$4.0m	EBITDA Margin -0.7%	Interim Dividend Nil

1. Total Activity = Sales + change in WIP

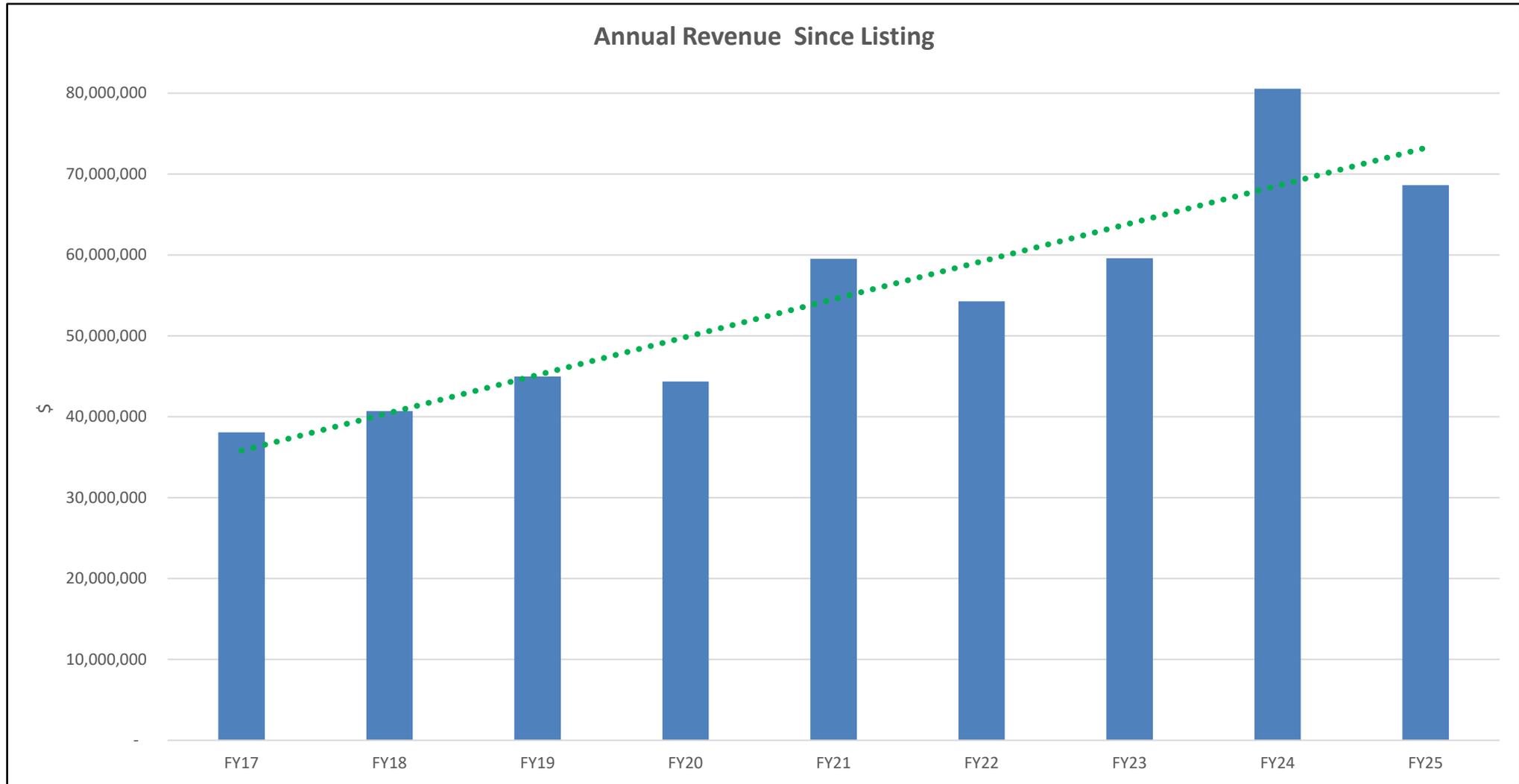


Executive Summary

- VEEM's revenue for the half-year was \$23.4m (down 30% on 1HFY25) with total activity (Sales + change in WIP) of \$23.3m (down 32% on 1HFY25) due to lower gyro and timing of defence sales.
- EBITDA and NPAT were -\$0.2m and -\$19.3m down on \$3.9m and \$0.9m respectively for 1HFY25, with EBITDA within guidance of -\$1m to \$1m.
- VEEM 1HFY26 result includes a non-cash impairment of \$24.8m associated with gyrostabilisers.
- Cashflows from operations were strong at \$4.0m, up 128% on 1HFY25.
- \$13.1m net proceeds from capital raising received in the half-year (Miocevich Family \$1m) significantly strengthened the balance sheet and reduced net debt.
- Net Debt at 31 December 2025 of \$1.8m reduced by \$11.9m after net capital raise proceeds of \$13.1m.
- Propeller revenue of \$12.9m was down 9% with order intake improving in 2HFY26.
- Revenue from defence was \$3.7m down 50% on 1HFY25 largely due to the delay in receipt of ASC orders, received late in the half. Delivery into these orders ongoing and will extend into FY27.
- Gyro Mark III launched which led to purchase hesitancy and is expected to lead to enquiries on hand converting to sales as the units become available.
- FY26 transition year as costs incurred for products (Gyro Mark III & VEEM Extreme) and markets (US Defence) prior to their ramp up over time.
- \$3.5m in annualised overhead costs cut over the course of 1HFY26.



Long Term Growth Trajectory



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 1HFY26

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

Future:

- Facility expansion
- VEEM Extreme
- Shaftlines
- Other associated products

Defence

- Defence supplier for over 30yrs
- Enhanced security rating
- 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 1HFY26

Market: Estimated market size of US\$1.1bn for new builds and US\$13.5b for retrofits (current fleet)

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



FINANCIAL RESULTS

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PRINCESS YACHTS

1HFY26 Profit

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

- 1HFY26 expected propeller revenue trough with signs of improvement to marine market emerging.
- VEEM Extreme enquiries have been robust since launch with 1st contract signed and initial deliveries beginning in 2HFY26.
- ASC revenue was down 65% to \$1.6m due to delay in receipt of orders which were received late in the half and are currently being delivered, underpinning 2HFY26.
- Engineering products and services revenue (excluding defence) was down 5% but remained solid after a significant increase (13%) in the prior period.
- Gyro Mark III expected to spur sales over calendar year 2026 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.

	1HFY25 A\$mil.	1HFY24 A\$mil.	% Change
Revenue	23.4	33.6	-30%
EBITDA*	(0.2)	3.9	-104%
Profit before Tax**	(27.74)	0.9	-3,027%
Net Profit after Tax (NPAT)**	(19.23)	1.0	-1,989%
Earnings Per Share (EPS)(cents)	(13.67)	0.75	-1,923%

*EBITDA is earnings before interest, tax, depreciation and amortisation and was within guidance of -\$1m to \$1m

** Includes one off non-cash impairment charge of \$24.8m

Balance Sheet

Fortified balance sheet post capital raising

- \$13.1m net proceeds of capital raising strengthened balance sheet and provided platform for investment into defence.
- The Company held cash on hand of \$9.1m at 31 Dec 2025 (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 \$8.8m (30 June 2025: \$3.4m).
- Capex of \$0.6m consisted of equipment and tooling for propellers (\$0.4m funded by hire purchase 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).

	31 Dec 2025 A\$mil.	30 June 2025 A\$mil.	Change
Current Assets	45.4	43.0	5.5%
Non-Current Assets	37.8	54.2	-35.8%
Total Assets	80.2	97.2	-17.5%
Current Liabilities	15.0	20.7	-27.3%
Non-Current liabilities	17.0	22.3	-23.6%
Total Liabilities	32.0	42.9	-25.4%
Net Assets	48.2	54.3	-11.3%
Retained earnings	23.1	42.3	-45.5%
Total Equity	48.2	54.3	-11.3%

Cash Flow

Underlying business underpins solid cash flow

- Cashflows from operations of \$4.0m (1HFY25: \$1.8m) were very strong as a result of commencement of the next phase of the ASC contract.
- \$14m (before costs) raised via the issue of new shares with \$13.1m remaining after payment of costs associated with the issue.
- \$1.1m of HPs were repaid and there were \$0.4m of new HPs to fund asset additions.
- At 31 Dec 2025 VEEM had an undrawn overdraft facility of \$4.0m and \$2.4m undrawn on the trade facility.
- Cash balance increased to \$10.3m at 31 Jan 2026 alongside increase in operating activity.

	1HFY25 A\$mil.	1HFY24 A\$mil.	% Change
Cash flows from operations	4.0	1.8	+128%
Cash flows from investing activities	(1.3)	(1.1)	+22%
Cash flows from financing activities	8.2	(2.5)	n/a
Net (decrease)/increase in cash	10.9	(1.8)	n/a
Cash at end of period, net of overdraft	9.1	(1.6)	n/a

Net Debt

Capital raising significantly reduces net debt

- \$13.1m net proceeds received from capital raising conducted during the half year.
- Net debt has further decreased post the end of the half-year with the company moving to a net cash position of \$0.2m based on defence revenue ramping up as ASC orders are fulfilled.
- Strengthened balance sheet in anticipation of investments to support growth in defence and propulsion including arrival of a 3D sand printer and 3 CNC machines over calendar year 2026.
- At 31 Dec 2025 VEEM had an undrawn overdraft facility of \$4.0m and \$2.4m undrawn on the trade facility providing significant liquidity. With an additional \$2.4m of other undrawn facilities.

Net Debt¹	<i>31Jan26 A\$mil.²</i>	31Dec25 A\$mil.	30Jun25 A\$mil.
Overdraft	-	-	2.5
Bank debt	5.5	6.1	6.5
Hire purchase liabilities	4.6	4.8	5.5
Less cash held	(10.3)	(9.1)	(0.8)
Net debt/(Net cash)	(0.2)	1.8	13.7

1. Doesn't include AASB 16 leases
2. Unaudited

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OPERATIONAL PERFORMANCE

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Propulsion

- Propulsion (non defence) sales of \$13.0m were down 9% on 1HFY25 with signs of improvement in the marine market in late 1HFY26 and early 2HFY26.
- VEEM Extreme launched to limited launch customers with significant enquiries received from other interested parties since.
- VEEM Extreme propeller and flow aligned rudder 18.1% more efficient than standard parallel plate rudders and a class 1 propeller, testing has shown.
- Manly Fast Ferries is a VEEM Extreme launch customer with contract signed during the half and deliveries into that contract commencing 2HFY26.
- An increase in offerings is also a part of the growth strategy including shaftlines, flow aligned rudders and associated equipment both using conventional materials and VEEM Extreme.
- The new footprint expansion provides space for additional machining centres with three arriving over the course of calendar year 2026 and will assist in meeting potential demand from an improving marine sector.
- Amendment to agreement with Sharrow to accelerate the roll out extended for a further 6 months.



VEEM Extreme Propeller

Defence

- Defence revenue of \$3.7m in the half year was down 49% on the corresponding period largely as a result of the delay in receipt of ASC orders until late in the half.
- VEEM continues to be a reliable, local source of highly sophisticated critical components for the Collins Class submarines. Revenue from the submarine program was \$1.6m for the half-year (down 65% on 1HFY25).
- With ASC orders now in hand, delivery has begun with revenue accelerating into 2HFY26 and delivery continuing into the first half of FY27.
- VEEM is finalising acceptance of the blades and hubs for the Hunter Class Frigate Program (HCFP) demonstrator program for BAE Systems Australia although taking longer than envisioned.
- 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.
- During the half progress was made into entering the US defence supply chain including achieving approved supplier status with HII and signing a 9-year MLA with Northrop Grumman for up to US\$33m which can be increased by amendment.
- The longest US government shut down in modern history from 1 October 2025 to 12 November 2025 hampered progress but VEEM continues to advance qualification efforts and is engaged with several US defence contractors.
- 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.



Gyrostabilisers

- Next generation Mark III gyro launched during the half year.
- Key features include:
 - Patented oiling system – Elimination of seals means no scheduled maintenance.
 - Custom low friction bearings – ~20% reduction in power consumption for small and mid frame models.
 - Internal fluid galleries - Removes 60 points of failure and reduces assembly time.
- Purchasing hesitancy in 1HFY26 due to anticipated Mark III expected to lead to accelerating orders and sales going forward when combined with availability of the units.
- Post launch of the Mark III which was a significant leap forward, development costs have peaked.
- 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.



Engineering Products and Services

- Engineering products and services revenue (excluding defence) of \$8.2m was down 5% and remained solid in the context of a large 13% increase in 1HFY25.
- 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 and is expected to continue.
- VEEM will continue to focus on recruitment and maintenance of labour resources through a number of initiatives.



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OUTLOOK

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PRINCESS YACHTS

Outlook – Propulsion & Defence

Propulsion:

- Global demand for VEEM’s propellers is expected to pick up into 2HFY26 and beyond as marine sector begins to recover.
- VEEM Extreme to be advanced with launch customers.
- Expansion of offerings including shaftlines, flow-aligned rudders and brackets.
- Automation drive continuing to drive efficiencies and protect margins.

Defence:

- Defence revenue increasing in 2HFY26 as orders received from ASC are delivered into.
- Entry into US defence supply chain delayed by government shut down but qualification work continues with several US defence contractors.
- Completion of the Hunter demonstrator program will provide options to leverage off the high-level qualifications (incl security) with BAE/Kongsberg/Navy to supply other defence programs including overseas T26 programs.
- Other defence work for a number of different prime contractors, including Austal, is also expected to continue.
- VEEM is active and well positioned to take advantage of further defence work opportunities that may arise out of AUKUS and other defence programs.



Outlook – Gyro & Engineering

Gyrostabilisers:

- Mark III marketing and availability to drive sales going forward which have been reduced by purchase hesitancy in anticipation of the new model.
- In addition to existing commercial and recreational market working to expand into defence and defence related sectors.
- Understanding of the benefits of a VEEM gyro can deliver for commercial operators in terms of operational, HSE and commercial benefits continues to increase.

Engineering:

- Steady demand for the traditional engineering products and services is expected to continue.

General:

- Overhead cost reduction made in response to reduced revenue. On annualised basis \$3.5m in overheads cut during 1HFY26.



Q & A

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APPENDICES

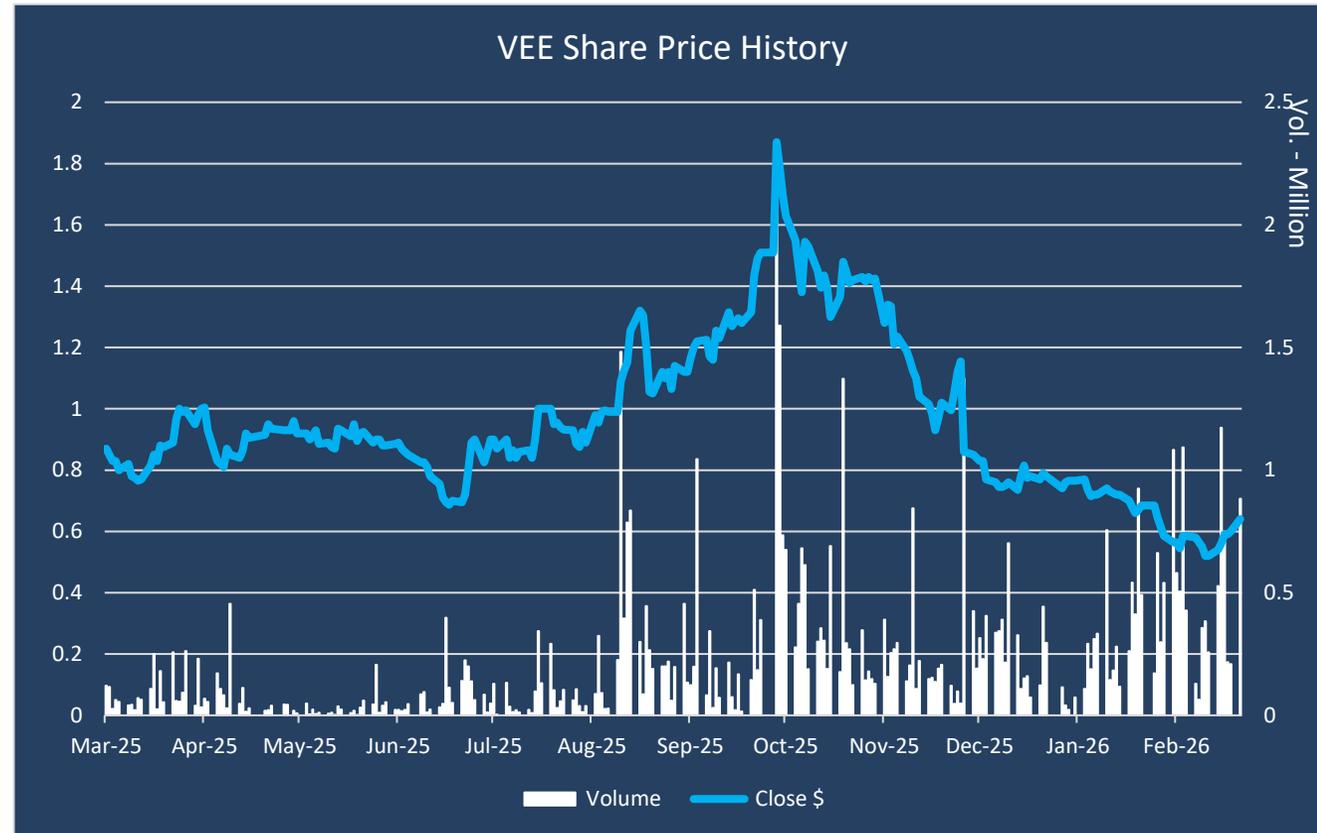
Corporate Overview

Corporate Snapshot

ASX Code	VEE
Share Price (24 February 2026)	\$0.65
Market Capitalisation (24 February 2026)	\$95.4m
Shares on Issue	147m

Substantial Shareholders

	%
Miocevich Family	46.96%
Perennial Value Management	14.68%



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



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