

CORPORATE BACKGROUNDER

Veson Nautical, a US-based maritime software developer, delivers flexible, easy to use and graphically outstanding solutions to marine cargo transportation managers across the globe. Veson Nautical's proven software solutions optimize profits by streamlining workflow and consolidating information across chartering, operations and accounting departments.

Twenty-seven years ago, Michael Veson saw an opportunity to deliver customized software solutions to the maritime industry. He founded Veson Inc. and pioneered the automation of port-to-port distance tables used in early voyage-estimating applications. His Distance Calculation Engine is included with the Fairplay World Shipping Encyclopedia and is employed by thousands of users around the world. He delivered customized solutions to meet the specific needs of companies worldwide. In his two plus decades in business, Michael built a base of many loyal customers with whom he developed personal relationships, trail-blazed best practices in the industry, and developed a reputation for honesty and integrity.

In 2003 Michael turned the reins of the company over to his son, John, who added "Nautical" to the name and changed how the entity does business, virtually creating a new company. Today, John D. Veson is steering the company in a completely new direction by transforming the company's product line, broadening its partner network and revamping its customer care approach. John has combined his legacy in the maritime industry, his education—highlighted by his MBA from Harvard University—his technology expertise gained as a Microsoft consultant, and his business acumen garnered from successfully managing multi-million dollar projects to revitalize and reinvent the "new" Veson Nautical.

This "new" company has taken a multi-tiered approach to transforming its business. It has moved from providing completely customized solutions to creating a flexible, standardized platform that can enable modules of customization while keeping the benefits, maintenance and upgrades of a standardized system. It has broadened its network to include experienced, well-known partners such as Microsoft, Ernst & Young, Solarc, LR Fairplay, Citrix and Q88.com LLC. The company has also expanded internally, increasing its sales and marketing organizations to include top-rate talent along with its roster of experienced, creative engineers. It now operates multiple virtual offices that bring support, sales and development closer to clients across the globe. The company has recently opened an office in Athens, Greece and is looking at other port cities in Europe as well as in the US. The "new" Veson Nautical offers flexible, secure software with an array of analytical tools that is frequently updated and extremely user-friendly—and designed to meet the needs of today's fast-paced market.

Today's Market Needs: Trending towards Technology

There are a number of trends occurring in the market today:

- ***Pooling of ships:*** More and more companies are pooling their vessels to mitigate risk by sharing costs and reducing exposure to market fluctuations and volatility. Combining operations among several companies to a central pooling manager has increased the need for tracking vessels, as well as for information sharing among partners.
- ***Change in Command:*** As Veson has evolved into Veson Nautical, so has the maritime industry evolved. This new generation understands the need for—and relies on—technology, unlike its predecessors. Many companies are adopting integrated computer systems for the first time while others are replacing or refurbishing original systems to meet today's demands.

- **IPOs** in the shipping industry have become more the norm than ever before. When a company goes public, the influx of cash allows it to overhaul its systems—especially accounting systems that must change from private to public regulations. More public companies are investing in automated systems and are forcing a movement towards both standardization and information sharing.
- **New Market Opportunities:** As China opens more ports to foreign shipping, the demand for commercial ships increases; new shipbuilding is on the rise.

It is of little surprise that the maritime software industry has been experiencing tremendous growth in the past few years. Customers need to evaluate alternative options for transporting marine cargo quickly and efficiently. They need to manage the daily operations of a vessel from both a revenue and operations perspective. And, they need to interface to corporate accounting. Yet, many of the software solutions on the market today do not meet today's needs—or they are cumbersome, hard to learn and even more difficult to use. User-friendly was not a concept well understood by the early entrants in the market.

Today's customers expect easy-to-use, fast, simple solutions that provide better/more comprehensive view of the information vital to profitable shipping. Customers expect information sharing among all partners as well as transparent systems. And finally, scalability and flexibility are must-haves.

Veson Nautical's solutions provide the best of both worlds: they combine 27 years of proven industry best practices with the most frequently updated, current software available, giving users the latest technology, constantly improved interfaces, enhanced functionality and most important of all, outstanding visuals.

The Veson Nautical Solutions: From Customized to Standardized Products

Veson Nautical has moved from solely building customized solutions to offering standardized software. It has evolved its flagship Integrated Maritime Operations System (IMOS) over time by listening—and incorporating—input from its installed base of several hundred companies. This is a practice it incorporates for *all* its products. The company continues to help customers tailor solutions to fit their needs as appropriate.

Chartering, Operations & Financials: Integrated Maritime Operations System (IMOS)

IMOS, Veson Nautical's flagship software system, provides an innovative, efficient approach to organizing and managing a shipping company. The software consists of three core modules, Chartering, Operations and Accounting, which can be integrated to build complete solutions for bulk carrier, tanker, container and barge companies. In IMOS v.4, the most recent release, Veson has used a Microsoft.Net framework to enhance functionality and create the most technically advanced and complete Chartering and Operations system on the market. The new interface has taken the system to the next level in terms of user friendliness, system stability and graphical representation. With limited training, users can hit the ground running.

The key benefits of IMOS are:

- **Improved control** – IMOS handles the entire process from fixture through invoicing and accounting.



- *Optimized coordination between departments* – IMOS integrates office functions through vertical teaming.
- *Enhanced revenues* – IMOS improves productivity by creating team competition and increased awareness.
- *Reduced costs* – IMOS promotes a proactive approach to management and allows management to continuously monitor firm activities.

The IMOS system boasts complete functionality from cargo commitment to accounting, proven integration with numerous third-party financial and other software systems (e.g. Navision/Axapta, JD Edwards, SAP and Oracle Financials), built-in multilevel security, and flexibility to run on a variety of database products.

Veson Nautical's portfolio of analytical tools streamlines workflow and simplifies the management of daily vessel operations.

In addition, Veson's project management team has considerable experience working with and managing third-party consulting and technology partners to ensure IMOS integrates smoothly into the client's existing IT infrastructure.

Veson Nautical Voyage Estimator

The Veson Nautical Voyage Estimator has evolved over time and today is the most sophisticated voyage simulation tool on the market. It has embedded the Veson Distance Tables and a world map, and incorporates the functionality of Veson's trademark quick analysis estimate column.

Distances DLL (Dynamic Link Library)

The Veson Nautical Distances DLL allows companies to include distance retrieval capability in their own custom programs. The Distances can be embedded in tools such as Excel, Visual Basic, Delphi, C++ or any language that supports interfacing to DLLs.

The Distances DLL allows users to confidently estimate voyage itineraries through customized programs. Maritime software developers can incorporate distance data into their own programs to increase the value of their product offering.

Veson pioneered the first automated distance tables in 1984 and has since gone on to be the key provider of distances to thousands of users worldwide. The Distances DLL allows users to leverage the benefits of this experience and utilize the robust data source through their own preferred interface.

It's All About the Customer

John Veson has assembled a team of top-rate talent that provides new bench-strength for the company. Experienced marketing talent, additional sales personnel in new offices and greater engineering capabilities are bringing the new face of Veson Nautical to the market. The company has recently opened a sales office in Athens, Greece and is looking to expand elsewhere in



northern Europe. The company is also exploring opportunities to open offices in large US shipping markets. All of these efforts have been executed to better serve existing customers.

The company has begun a Customer Outreach Program that entails capturing customer feedback. This feedback has been a key driver of product enhancements, a revamped website that will make it easier for prospective customers to learn about Veson Nautical and an expanded customer service center. The website and web-based customer service center will be launched in 2006. Other new marketing initiatives also will be rolled out in 2006.

Vision for Growth

Veson Nautical is working on several initiatives to insure future growth. Furthering the company's Customer Outreach Program by making it easier for prospects to reach quicker purchase decisions heads the list. Expanding its reach in the US as the only US-based Chartering Operations provider, as well as extending operations in Asia Pacific are priorities as well. The company is also looking at entering new vessel markets.

The change in leadership, new strategies for growth and the addition of new talent have all translated in over 150% growth in the company from 2004-2005. Veson Nautical's future continues to look very promising.

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