

Vmoto 1Q23 Market Update

Highlights

- 7,391 units in total sold in 1Q23, down 8% on 1Q22 and up 26% on 1Q21
- International unit sales of 5,924 units for 1Q23, down 23% on 1Q22 due to increasingly volatile macro-economic environment especially in Europe
- Positive operational cash flows for 1Q23
- Strong net cash position of A\$29 million, with no bank debt as at 31 March 2023
- Firm international orders of 5,019 units as at 31 March 2023
- New international distributors/customers appointed and secured, and ongoing discussions and samples shared with a number of potential new B2C and B2B customers
- Vmoto acquired the business and certain assets of its United Kingdom distributor for total cash consideration of ~A\$1 million
- Vmoto entered into a strategic agreement to acquire an industrial land in the Lishui Economic Development Zone in Nanjing, China and provides the Company with capacity to expand its manufacturing facilities
- Vmoto launched an updated and improved website (vmoto.com), to showcase its current businesses and products

Global electric vehicle company **Vmoto Limited (ASX: VMT)** (“Vmoto”, or the “Company”) provides an update on its activities for the quarter ended 31 March 2023 (“1Q23”).

1Q23 Sales Performance

During 1Q23, Vmoto sold a total of 7,391 units, with approximately 80% of these units being sold into international markets. Total international units sold in 1Q23 were 5,924, a decrease of 23% from the prior corresponding period of 1Q22 and up 5% on 1Q21.

The increasingly volatile macro-economic environment including rising interest rates and higher cost-of-living pressures have dampened consumer spending and impacted the Company's B2C and B2B sales, especially in Europe. With tightening investments and funding available in the sector, the Company's customers and distributors relying on external financing are generally taking a more conservative approach to placing firm orders and providing advanced deposits, although are continuing to place orders on an ongoing basis.

The Company continues to promote its products into diverse markets outside of Europe to secure sales in this challenging environment and is encouraged by growing interest and orders from the Asian and South American markets and new B2B businesses.

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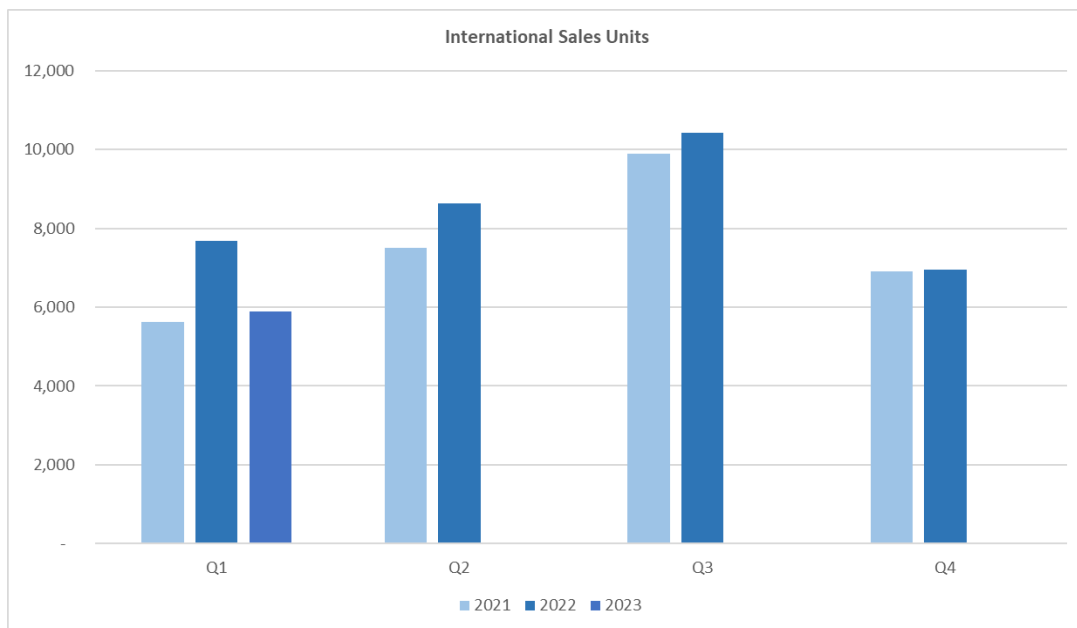
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Photo: New Vmoto B2C dedicated store in Peru.

The chart below illustrates the Company’s historic international unit sales, by quarter, for the current and previous financial years:



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Financial

The Company's balance sheet remains strong, with a closing cash position of A\$29 million as at 31 March 2023, with no bank debt, ensuring the Company is able to weather the current challenging economic environment.

Positive operational cash flows for 1Q23 were generated, reflecting continued sale receipts from customers and a continued focus on cost control.



Photo: New Vmoto B2C dedicated store in Sri Lanka.

Order Book

As at 31 March 2023, the Company had firm international orders for 5,019 units, which are expected to be delivered in 2Q23. Part of this comprises firm orders previously expected to be delivered in 1Q23, which were placed on hold and delayed at the request of customers.

The Company is receiving increased interest and orders from the Asian and South American markets and new B2B businesses and expects these markets to drive the sales orders in coming quarters.

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Photo: Vmoto participated in the 2023 Sao Paulo Tech Summit held in Brazil

International Distribution

In 1Q23, the Company signed and renewed distribution agreements with international distributors in Canada, Guatemala, Turkey, Moldova and South Africa covering the warehousing, distribution, and marketing of its B2C range of electric two-wheel vehicles and is receiving increasing orders from its B2B customers in Brazil and Indonesia.



Photo: Vmoto's distributor participated in the 2023 Montreal Motorcycle Show held in February 2023

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Official
Supplier
2021



Vmoto acquires the business and assets of its UK distributor

The Company entered into an agreement with its exclusive distributor for the UK, Vmoto UK Distribution Ltd (“UK distributor”) (part of the Greenmo Group BV) and its administrator, for the Company’s wholly owned subsidiary, Vmoto Soco UK Ltd (“Vmoto Soco UK”), to acquire the business and certain assets of the UK distributor for a total cash consideration of approximately A\$1 million (~GBP557,000).

Under the acquisition agreement, Vmoto Soco UK acquired the business and certain assets of UK distributor, including dealers/customers list, management team and employees, stocks and fixed assets at discounted prices; and excluding all liabilities of the UK distributor, and Vmoto Soco UK to pay approximately A\$1 million (GBP 557,000) to the administrator of the UK distributor for the above.

This is a strategic acquisition that provides Vmoto with discounted assets and direct access to over 50 active B2C dealers in UK, which is a large EV market for the Company, and will allow Vmoto to further expand its presence in the UK with an established management team.

Vmoto acquires industrial land in Nanjing, China

Post 1Q23, the Company, via its wholly owned subsidiary, Nanjing Vmoto Intelligent Technology Co, Ltd, entered into a strategic agreement to acquire industrial land in the Lishui Economic Development Zone in Nanjing, China.

The 30,045 square metre parcel of land is situated approximately 500 metres north of Vmoto’s current Nanjing manufacturing facilities, which comprise 30,121 square metres of manufacturing facilities on a 33,319 square metre parcel of land.

Under the agreement, at settlement (expected to be on or around July 2023), Vmoto will pay approximately CNY13.5 million (~AUD2.9 million) cash as consideration to acquire the state-owned land from the Nanjing Municipal Bureau of Planning and Natural Resources, Lishui Branch, on a 45-year leasehold basis. The acquisition of the land will be funded from the Company’s existing cash reserves.

The strategic acquisition provides the Company with capacity to expand its manufacturing facilities to meet growing demand for Vmoto products and provides a foundation for future growth.

Newwebsite

The Company also recently launched its new website (vmoto.com) to showcase its current businesses and products, and reiterated its position and aspirations as a world leading, fully integrated, new energy e-mobility solution provider.

The Company continues to work towards consolidating its position as an EV brand owner, designer, manufacturer and distributor of high quality electric two-wheel vehicles and related EV business solutions.



Photo: Vmoto's new offroad electric two-wheel vehicle product manoeuvring in different road conditions

Corporate

On 3 January 2023, the Company issued 2,850,995 shares to Mr Charles Chen and 1,186,122 shares to Mr Ivan Teo on the vesting of 4,037,117 performance rights.

On 22 February 2023, the Company issued 1,950,000 shares to Chinese and European employees in recognition of and to reward their efforts and contribution to the Company in the year ended 31 December 2022. On the same date, the Company also issued 288,139 shares to an employee pursuant to an employment contract.

On 23 March 2023, the Company issued 42,857 shares to a former director.

Outlook

Vmoto continues to execute on its strategy of selling high performance and value for money electric motorcycles/mopeds into international markets and improving its brand recognition from sales of its premium high performance B2B and B2C products by continuing to expand its distribution network worldwide.

Due to increasingly volatile macro-economic conditions, including rising interest rates and higher cost-of-living pressures that have dampened consumer spending, particularly in Europe, the Company is undertaking several initiatives to mitigate these impacts including targeting Asia and South America markets, actively pursuing B2B deals from new B2B customers, and stringent cost control.

The Company continues to explore other opportunities with its distributors and partners to improve business and sales in the challenging environment.



Photo: Vmoto and Pininfarina's "Air Performance Design" electric motorcycle concept showcased in the opening of the new Design Boutique on the sea at Porto Lotti in Italy

-ENDS-

The announcement was approved for release by the Board of Vmoto Limited

For further information, please contact

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Vmoto's Social Media

Vmoto is committed to communicating with the investment community through all available channels including social media. Whilst ASX remains the primary channel for all material announcements and news, all Vmoto shareholders, investors and other interested parties are encouraged to follow Vmoto on website (www.vmoto.com), Facebook (www.facebook.com/vmosoco), Instagram (www.instagram.com/vmosoco) and YouTube ([Vmoto Soco](https://www.youtube.com/VmotoSoco)).

Forward Looking Statements

Forward looking statements are based on current expectations and are not guarantees of future performance, involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company. Actual results, performance or achievements may vary materially from any forward-looking statements. Although the Company believes that assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect in hindsight and, therefore, there can be no assurance that matters contemplated in the forward-looking statements will be realised. Accordingly, readers are cautioned not to place undue reliance on forward looking statements, which are current only as at the date of this announcement.

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