



**VMOTO
LIMITED**

ABN 36 098 455 460
and its controlled entities

APPENDIX 4D

Interim Financial Report

30 June 2023

Corporate directory

Current Directors

Mr Charles Chen	<i>Managing Director</i>
Mr Ivan Teo	<i>Finance Director</i>
Mr Blair Sergeant	<i>Non-executive Director</i>
Ms Shannon Coates	<i>Non-executive Director</i>
Mr Martin Zhou	<i>Non-Executive Director</i>

Company Secretary

Ms Loren King

Registered Office and Head Office

Street address: Level 48, 152-158 St Georges Terrace
Perth WA Australia 6000

Telephone: +61 (0)8 6311 9160

Email: info@vmoto.com

Website: www.vmoto.com

Auditors

Hall Chadwick WA Audit Pty Ltd

Street address: 283 Rokeby Road
Subiaco WA Australia 6008

Telephone: +61 (0)8 9426 0666

Banker

National Australia Bank

Street address: Level 14, 100 St Georges Terrace
Perth WA Australia 6000

Solicitors

Gilbert + Tobin

Street address: Level 16, Brookfield Place Tower 2
123 St Georges Terrace
Perth WA Australia 6000

Telephone: +61 (0)8 9413 8430

Share Registry

Computershare Investor Services Pty Ltd

Street address: Level 11, 172 St Georges Terrace
Perth WA Australia 6000

Postal address: GPO Box D182
Perth WA Australia 6840

Telephone: 1300 850 505
+61 (0)8 9323 2000 (International)

Facsimile: +61 (0)8 9323 2033

Website: www.computershare.com/au

Securities Exchange

Australian Securities Exchange

Street address: Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Telephone: 131 ASX (131 279) (within Australia)
+61 (0)2 9338 0000

Facsimile: +61 (0)2 9227 0885

Website: www.asx.com.au

ASX Code: ASX:VMT

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Results for announcement to the market

for the half-year ended 30 June 2023

1 REPORTING PERIOD (item 1)				
✔	Report for the period ended:	30 June 2023		
✔	Previous corresponding period is half-year ended:	30 June 2022		
2 RESULTS FOR ANNOUNCEMENT TO THE MARKET				
		Movement	Percentage	Amount
			%	\$
✔	Revenues from ordinary activities (item 2.1)	Decrease	27.30 to	41,874,318
✔	Profit from ordinary activities after tax attributable to members (item 2.2)	Decrease	27.25 to	5,201,996
✔	Profit after tax attributable to members (item 2.3)	Decrease	27.25 to	5,201,996
a. Dividends (items 2.4 and 5)			Amount per Security	Franked amount per security
			¢	%
✔	Interim dividend		nil	n/a
✔	Final dividend		nil	n/a
✔	Record date for determining entitlements to the dividend (item 2.5)	n/a		
b. Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6): Refer to section 2 <i>Operating and financial review</i> of the accompanying <i>Directors Report</i> .				
3 DIVIDENDS (item 6) AND RETURNS TO SHAREHOLDERS INCLUDING DISTRIBUTIONS AND BUY BACKS				
Nil				
a. Details of dividend or distribution reinvestment plans in operation are described below (item 6): Not applicable				
4 RATIOS				
		6 months to	6 months to	
		30 June	30 June	
		2023	2022	
		\$	\$	
a. Financial Information relating to 4b:				
Earnings for the period attributable to owners of the parent		5,201,996	7,150,240	
		30 June	30 June	
		2023	2022	
		\$	\$	
Net assets		63,599,506	56,301,001	
Less: Intangible assets and deferred tax balances		(939,852)	(1,001,588)	
Net tangible assets		62,659,654	55,299,413	
		No.	No.	
Fully paid ordinary shares		290,240,290	282,674,201	
		¢	¢	
b. Net tangible (liability)/assets backing per share (cents) (item 3):		21.59	19.56	

Results for announcement to the market for the half-year ended 30 June 2023

5 DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD: (item 4)

a. Control gained over entities

✔ Name of entities (item 4.1)	None
✔ Date(s) of gain of control (item 4.2)	N/A

b. Loss of control of entities

✔ Name of entities (item 4.1)	None
✔ Date(s) of loss of control (item 4.2)	N/A

c. Contribution to consolidated loss from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was gained / lost (item 4.3).

N/A

d. Profit from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)

N/A

6 DETAILS OF ASSOCIATES AND JOINT VENTURES: (item 7)

✔ Name of entities (item 7)	Nanjing Vmoto Soco Intelligent Technology Co, Ltd
✔ Percentage holding in each of these entities (item 7)	50%

✔ Aggregate share of profits (losses) of these entities (item 7)

	6 months to 30 June 2023 \$	6 months to 30 June 2022 \$
	(811,724)	(545,771)

7 The financial information provided in the Appendix 4D is based on the interim final report (attached), which has been prepared in accordance with Australian Accounting Standards.

8 The report is based on accounts which have been reviewed by the Company's independent auditor (item 9).



CHARLES CHEN

Managing Director

Dated this Wednesday, 30 August 2023

Managing Director's letter

Dear Shareholders,

Across the globe, almost all nations have felt the effects of increasingly volatile global economic conditions, including rising interest rates and higher cost-of-living pressures, which have dampened consumer spending, and the availability of funding within our industry, impacting on the spending trends of our customers. Consequently, we have faced headwinds in both our B2C and B2B sales which have impacted Vmoto's financial performance in 1H2023.

Despite the challenges of the first half of 2023, Vmoto has continued to achieve profitable results:

- ✔ Revenue of **\$41.9 million**;
- ✔ NPAT of **\$5.2 million** and EBITDA of **5.4 million**
- ✔ Positive operating cash flow of **\$3.0 million**; and
- ✔ Closing cash position of **\$28.2 million**.

Vmoto has remained committed to its strategic initiatives that will pave the way for sustained growth. We have continued to develop new electric motorcycle and moped (EV) products, positioning us for long-term success, and have been proactive in our approach to the expansion of our sales networks beyond established European markets, the most impacted by global uncertainty. We are actively pursuing sales in burgeoning international markets across Asia, the Middle East and South America.

In addition, we announced the acquisition of our UK Distributor, a strategic acquisition that provides Vmoto with discounted assets and direct access to over 50 active B2C dealers in the UK, which is a large EV market for the Company.

We also entered into a strategic agreement to acquire industrial land within the Lishui Economic Development Zone in Nanjing, China. This strategic acquisition will not only allow us to expand our manufacturing capabilities but also lays the groundwork for our future growth plans.

The overall outlook for our Company remains strong. The continuing global trend towards EV products, encouraged by government policies that support the electrification of the transport industry on a large scale, provides a solid foundation for the Company to achieve its strategic objectives of becoming the world's leading e-mobility solution provider, supplying sustainable and innovative next generation EV technology.

As we look forward to 2H2023 and beyond, I am proud of our Company and the collective achievements of our global workforce. Our employees have demonstrated resilience and unwavering commitment as they work towards our shared aspirations and goals.

Last but certainly not least, I extend my gratitude to our shareholders. Your support is instrumental as we continue to build this remarkable business.

Yours faithfully,



CHARLES CHEN
Managing Director

Dated this Wednesday, 30 August 2023

Directors' report

Your directors present their report on the Group, consisting of Vmoto Limited (**Vmoto** or the **Company**) and its controlled entities (collectively the **Group**), for the half-year ended 30 June 2023 (**1H2023**).

Vmoto is listed on the Australian Securities Exchange (ASX:VMT).

1. Directors

The names of Directors in office at any time during or since the end of the half-year are:

✔	Mr Charles Chen	<i>Managing Director</i>	<i>Appointed 5 January 2007</i>
✔	Mr Ivan Teo	<i>Finance Director</i>	<i>Appointed 29 January 2013</i>
✔	Ms Shannon Coates	<i>Non-executive Director</i>	<i>Appointed 23 May 2014</i>
✔	Mr Blair Sergeant	<i>Non-executive Director</i>	<i>Appointed 4 November 2020</i>
✔	Mr Martin Zhou	<i>Non-executive Director</i>	<i>Appointed 15 September 2022</i>

(collectively the **Directors** or the **Board**).

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

2. Operating and financial review

2.1. Nature of Operations Principal Activities

The principal activity of the Group for the half-year was the development and manufacture, marketing and distribution of electric two-wheel vehicles (electric motorcycles and electric mopeds)(EV). There were no significant changes in the nature of the Group's principal activities during the half-year.

2.2. Operations Review

2.2.1. Financial Overview for 1H2023

✔ Financial results:

- ▼ **Total revenue of \$41.9 million**, down 27.3% on 1H2022
- ▼ **Net profit after tax (NPAT) of \$5.2 million**, down 27.2% on 1H2022
- ▼ **Earnings before interest, tax, depreciation and amortisation (EBITDA) of \$5.4 million**
- ▼ **Positive cash flows** from operating activities of \$3.0 million

✔ Strong cash position of \$28.2 million as at 30 June 2023, slightly up from cash position at 31 December 2022, after the payment for half of the acquisition costs to acquire an industrial land in the Lishui Economic Development Zone in Nanjing, China.

✔ No bank debt as at 30 June 2023.

✔ Net tangible assets of \$63.6 million at 30 June 2023, up 8.6% on 31 December 2022.

(refer section 2.3 *Financial Review below* for a detailed financial review)

2.2.2. Operational Overview for 1H2023

✔ **Total unit sales of 15,683 units** delivered for HY2023, down 11% on 1H2022.

✔ **Firm international orders** of 4,341 units at 30 June 2023.

✔ Vmoto and its international distributors have participated in a number of international marketing events and opened several dedicated stores, which have and will continue to provide a large number of business development leads and sales.

✔ Vmoto acquired the business and assets of its UK distributor, which provides discounted assets and direct access to over 50 active B2C dealers in the UK, a large EV market for the Company.

✔ Vmoto entered into a strategic agreement to acquire a 30,045 square metre industrial land in the Lishui Economic Development Zone in Nanjing, China to provide capacity to expand its manufacturing facilities.

✔ Vmoto launched its new vmoto.com website 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.

Directors' report

2.2.3. *Vmoto continues to actively pursuing sales outside its established markets and targeting new strategic market opportunities*

In 1H2023, the Company sold a total of 15,683 units of electric two-wheel vehicles translating to total revenue of \$41.8 million, with NPAT for the period of circa \$5.2 million. Despite strong economic headwinds that impacted sales, Vmoto and its international distributors continued to actively promote the Company's electric vehicle (EV) products outside its established markets, and the Company observed a growing interest in its products and a rise in orders from the Asian and South American markets, as well as from new B2B businesses.

The Company is actively pursuing strategic opportunities such as:

- ✔ Design and manufacture of new Vmoto branded electric motorcycle/moped products to further consolidate the Company's leading market position in the international markets and to target new consumer groups;
- ✔ Development of new associated products including battery charging and swapping stations that will complement the Company's existing electric motorcycle/moped products to build an EV ecology system to service the Company's existing and new distributors and customers; and
- ✔ Entering new international markets, including Asia, Middle East and South America.



Photo: Preview and test rides of Vmoto's products during 2023 ProDay event at Misano World Circuit in Italy

2.2.4. *Vmoto acquires the business and assets of its UK distributor*

In 1H2023, the Company acquired its UK distributor for a total cash consideration of approximately A\$1 million (≈GBP557,000).

Under the agreement, Vmoto Soco UK acquired the business and certain assets of its 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, for consideration of approximately A\$1 million (GBP 557,000) payable to the administrator of the UK distributor.

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.

Directors' report

2.2.5. *Vmoto acquires industrial land in Nanjing, China*

In 1H2023, the Company 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 September 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 via one or a combination of existing cash reserves, bank facilities and subsidies from the local government.

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

2.2.6. *Outlook*

The current economic climate in Europe is negatively impacting our sales performance and in the short term, this is expected to continue. However, despite this, the long-term trend towards EV products globally remains extremely strong, encouraged by government policies facilitating the continued electrification of the transport industry at large, including the markets in which Vmoto services. In addition, the Company continues to implement various mitigation measures to counter the economic impacts including pursuing new markets and maintaining a stringent cost control environment.

We are encouraged by the increased interest in Vmoto's products, from those operating in some of the largest two-wheel markets in the world, including Asia, Middle East and South America and expect these markets to be the main driver of increased sales and continued growth.



Photo: Vmoto's products showcased together with the Ducati Corse racing team around Europe

Directors' report

2.3. Financial Review

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For 1H2023 the Group recorded EBITDA of \$5,370,849 (1H2022: \$8,511,226). The Group generated a net profit after tax for the half-year of \$5,201,996 (1H2022: \$7,150,240 profit).

2.3.1. Reconciliation between the EBITDA and statutory net profit after tax for 1H2023:

	6 months to 30 June 2023 \$	6 months to 30 June 2022 \$
Earnings before interest, tax, depreciation and amortisation	5,370,849	8,511,226
Less: Depreciation and amortisation	(347,146)	(696,504)
Profit before interest and tax	5,023,703	7,814,722
Add: Interest income	433,239	183,072
Less: Interest expense	(41,374)	(9,920)
Less: Income tax expense	(213,572)	(837,634)
Net profit after tax	5,201,996	7,150,240

2.3.2. Key profit and loss measures

	Movement (increase/ decrease)	Movement \$	6 months to 30 June 2023 \$	6 months to 30 June 2022 \$
✔ Revenues from ordinary activities	Decreased	15,726,099	41,874,318	57,600,417
✔ Profit from ordinary activities after tax	Decreased	1,948,244	5,201,996	7,150,240
✔ EBITDA	Decreased	3,140,377	5,370,849	8,511,226

2.3.3. Key balance sheet measures

	Movement increase/ (decrease)	Movement \$	30 June 2023 \$	31 December 2022 \$
<i>In respect to the Group's assets</i>				
✔ Cash and cash equivalents	Increased	166,473	28,192,370	28,025,897
✔ Trade and other receivables	Increased	397,996	17,867,716	17,469,720
✔ Inventories	Increased	525,376	14,033,269	13,507,893
✔ Property, plant, and equipment	Increased	698,861	5,855,000	5,156,139
✔ Investments in associates	Decreased	814,018	5,087,559	5,901,577
✔ Net assets	Increased	5,063,303	63,599,506	58,536,203
✔ Working capital	Increased	5,186,933	51,828,697	46,641,764
<i>In respect to the Group's liabilities and equity</i>				
✔ Trade and other payables	Decreased	6,805,264	14,895,185	21,700,449
✔ Unearned revenue	Decreased	2,641,338	7,059,515	9,700,853
✔ Issued capital	Increased	1,910,005	93,817,917	91,907,912

2.4. Environmental Regulations

The Group's operations are not subject to any significant environmental regulations in the jurisdictions it operates in.

2.5. Events Subsequent to Reporting Date

There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements as disclosed in note 8 *Events subsequent to reporting date* on page 20.

Directors' report

2.6. Future Developments, Prospects and Business Strategies

The Group's forward-looking business strategies include:

- ✔ *Global Market Focus:* Concentrate on high-value, high-margin international markets to become a leading electric vehicle manufacturer and solutions provider to both B2C and B2B customers and markets internationally;
- ✔ *Product Enhancement:* Continuously improve the Company's electric two-wheel vehicle products to attract top-quality international business group customers;
- ✔ *Expanded Product Line:* Introduce an electric three-wheel vehicle to cater to a broader range of consumers and customers;
- ✔ *European Growth:* Expand our European distribution network and warehouse to drive sales in European B2C and B2B markets;
- ✔ *Wider Distribution Network:* Extend our international distribution network across North America, Asia, South America, and the Middle East, and collaborate with strategic distributors to target significant projects in their respective markets;
- ✔ *B2B Expansion:* Grow our international B2B business by targeting significant customers in ride-sharing and delivery sectors; and
- ✔ *E-Mobility Solutions:* Develop battery charging and swapping station products to enhance revenue and establish the Company as an integrated e-mobility solution provider.

3. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 30 June 2023 has been received and can be found on page 9 of the interim financial report.

This Report of the Directors, is signed in accordance with a resolution of directors made pursuant to section 306(3) of the *Corporations Act 2001* (Cth).



CHARLES CHEN

Managing Director

Dated this Wednesday, 30 August 2023

HALL CHADWICK 

To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit Director for the review of the financial statements of Vmoto Limited for the half year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully

Hall Chadwick

Mark Delaurentis

HALL CHADWICK WA AUDIT PTY LTD

MARK DELAURENTIS CA
Director

Dated at Perth this 30th day of August 2023

Condensed consolidated statement of profit or loss and other comprehensive income for the half-year 30 June 2023

	Note	6 months to 30 June 2023 \$	6 months to 30 June 2022 \$
<i>Continuing operations</i>			
Revenue		41,874,318	57,600,417
Cost of sales		(30,251,946)	(43,079,708)
Gross profit		11,622,372	14,520,709
Other income	1.1	3,771,960	1,919,322
Operational expenses		(5,924,553)	(4,509,665)
Marketing and distribution expenses		(630,613)	(648,941)
Corporate and administrative expenses		(2,340,850)	(2,436,199)
Occupancy expenses		(194,603)	(101,640)
Other expenses	2.1.2	(468,286)	(383,093)
Operating profit		5,835,427	8,360,493
Share of profit or (loss) from equity accounted investments	3.2.3b	(811,724)	(545,771)
Finance costs		(41,374)	(9,920)
Finance income		433,239	183,072
(Loss) / profit before tax		5,415,568	7,987,874
Income tax benefit		(213,572)	(837,634)
Net (loss) / profit for the half-year		5,201,996	7,150,240
<i>Other comprehensive income, net of income tax</i>			
✔ Items that will not be reclassified subsequently to profit or loss:		-	-
✔ Items that may be reclassified subsequently to profit or loss:			
▼ Foreign currency translation differences		(784,351)	1,694,067
Other comprehensive income for the half-year, net of tax		(784,351)	1,694,067
Total comprehensive income attributable to members of the parent entity		4,417,645	8,844,307
<i>Profit of (loss) for the half-year attributable to:</i>			
✔ Non-controlling interest		153,423	(15,742)
✔ Owners of the parent		5,048,573	7,165,982
<i>Total comprehensive income attributable to:</i>			
✔ Non-controlling interest		153,423	(15,742)
✔ Owners of the parent		4,264,222	8,860,049
<i>Earnings per share:</i>			
Basic earnings per share (cents per share)	9.4	1.74	2.55
Diluted earnings per share (cents per share)	9.4	1.61	2.46

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of financial position

as at 30 June 2023

	Note	30 June 2023 \$	31 December 2022 \$
<i>Current assets</i>			
Cash and cash equivalents		28,192,370	28,025,897
Trade and other receivables		17,867,716	17,469,720
Inventories		14,033,269	13,507,893
Other current assets	3.1.1	6,755,842	9,923,366
Total current assets		66,849,197	68,926,876
<i>Non-current assets</i>			
Property, plant, and equipment	4.1	5,855,000	5,156,139
Right of use assets	4.2.1	939,549	1,001,588
Intangible assets		304	-
Investments accounted for using equity method	3.2	5,087,559	5,901,577
Total non-current assets		11,882,412	12,059,304
Total assets		78,731,609	80,986,180
<i>Current liabilities</i>			
Trade and other payables	3.3	14,895,185	21,700,449
Current tax liabilities		-	474,397
Leases	4.2.2	125,315	110,266
Total current liabilities		15,020,500	22,285,112
<i>Non-current liabilities</i>			
Leases	4.2.2	111,603	164,865
Total non-current liabilities		111,603	164,865
Total liabilities		15,132,103	22,449,977
Net assets		63,599,506	58,536,203
<i>Equity</i>			
Issued capital	5.1.1	93,817,917	91,907,912
Reserves	5.3	278,654	2,327,352
Accumulated losses		(30,525,605)	(35,574,178)
Non-controlling interest		28,540	(124,883)
Total equity		63,599,506	58,536,203

The condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of changes in equity

for the half-year 30 June 2023

	Note	Contributed equity \$	Accumulated losses \$	Share-based payment reserve \$	Foreign currency translation reserve \$	Non-controlling Interests \$	Total equity \$
<i>Balance at 1 January 2022</i>		90,559,203	(45,842,953)	974,088	420,864	(74,064)	46,037,138
Profit for the half-year attributable to owners of the parent		-	7,165,982	-	-	(15,742)	7,150,240
Other comprehensive income for the half-year attributable owners of the parent		-	-	-	1,694,067	-	1,694,067
Total comprehensive income for the half-year attributable owners of the parent		-	7,165,982	-	1,694,067	(15,742)	8,844,307
<i>Transaction with owners, directly in equity</i>							
Shares issued during the half-year (net of costs)	5.1	777,967	-	-	-	-	777,967
Performance rights granted during the half-year	10.1	-	-	542,588	-	-	542,588
Options issued during the half-year		-	-	99,000	-	-	99,000
Balance at 30 June 2022		91,337,170	(38,676,971)	1,615,676	2,114,931	(89,806)	56,301,000
<i>Balance at 1 January 2023</i>							
		91,907,912	(35,574,178)	1,852,263	475,089	(124,883)	58,536,203
Profit for the half-year attributable to owners of the parent		-	5,048,573	-	-	153,423	5,201,996
Other comprehensive income- for the half-year attributable owners of the parent		-	-	-	(784,351)	-	(784,351)
Total comprehensive income for the half-year attributable owners of the parent		-	5,048,573	-	(784,351)	153,423	4,417,645
<i>Transaction with owners, directly in equity</i>							
Shares issued during the half-year in lieu of cash	5.1.1g to 5.1.1j	253,835	-	-	-	-	253,835
Share-based payments granted during the half-year	10.1	-	-	194,757	-	-	194,757
Vesting of performance rights and shares	5.1.1e & f 5.1.1k,5.2	1,656,170	-	(1,459,104)	-	-	197,066
Balance at 30 June 2023		93,817,917	(30,525,605)	587,916	(309,262)	28,540	63,599,506

The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of cash flows

for the half-year 30 June 2023

	6 months to 30 June 2023	6 months to 30 June 2022
	\$	\$
<i>Cash flows from operating activities</i>		
Receipts from customers	41,899,198	64,327,531
Payments to suppliers and employees	(41,298,270)	(59,320,189)
Interest received	433,239	179,520
Other cash receipts	1,943,964	1,376,881
Net cash provided by operating activities	2,978,131	6,563,743
<i>Cash flows from investing activities</i>		
Purchase of property, plant, and equipment	(2,767,657)	(422,528)
Net cash used in investing activities	(2,767,657)	(422,528)
<i>Cash flows from financing activities</i>		
Proceeds from issue of shares	-	-
Proceeds from borrowings	-	-
Net cash provided by / (used in) financing activities	-	-
Net increase in cash and cash equivalents held	210,474	6,141,215
Cash and cash equivalents at the beginning of the half-year	28,025,897	18,633,879
Change in foreign currency held	(44,001)	294,985
Cash and cash equivalents at the end of the half-year	28,192,370	25,070,079

The condensed consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the condensed consolidated financial statements for the half-year 30 June 2023

In preparing the 30 June 2023 Interim Financial Report, Vmoto Limited has grouped into sections under the following key categories:

✔ Section A: How the numbers are calculated	15
✔ Section B: Unrecognised items	20
✔ Section C: Other Information	21

Significant accounting policies specific to each note are included within that note. Accounting policies that are determined to be non-significant are not included in the financial statements.

The financial report is presented in Australian dollars, except where otherwise stated.

Notes to the condensed consolidated financial statements for the half-year ended 30 June 2023

SECTION A. HOW THE NUMBERS ARE CALCULATED

This section provides additional information about those individual line items in the financial statements that the Directors consider most relevant in the context of the operations of the Group.

Note	1	Revenue and other income	6 months to 30 June 2023 \$	6 months to 30 June 2022 \$
1.1		Other Income		
	✔	Contributions from customers	1,858,253	758,765
	✔	Government subsidies	685,169	904,290
	✔	Rent income	478,638	127,529
	✔	Net foreign exchange gain	709,542	82,743
	✔	Other income	40,358	45,995
			3,771,960	1,919,322

Note	2	Expenses	6 months to 30 June 2023 \$	6 months to 30 June 2022 \$
2.1		<i>The following significant expense items are relevant in explaining the financial performance:</i>		
2.1.1		Expenses		
	✔	Depreciation and amortisation	347,146	696,504
	✔	Employee benefits	2,946,642	2,182,703
2.1.2		Other Expenses		
	✔	Doubtful debt expenses	468,286	383,093

Note	3	Financial assets and financial liabilities			
3.1		Other assets	Note	30 June 2023 \$	31 December 2022 \$
3.1.1		Current			
		Prepayments	3.1.1a	6,755,842	9,923,366
				6,755,842	9,923,366
		a. The prepayments are payments in advance to suppliers for the supply of electric motorcycle/moped inventories for the Group's electric two-wheel vehicle operations.			
3.2		Investment accounted for using the equity method	Note	30 June 2023 \$	31 December 2022 \$
3.2.1		Non-Current			
	✔	Vmoto Soco Manufacturing	3.2.4	4,786,059	5,685,341
	✔	Other investments accounted for using the equity method		301,500	216,236
				5,087,559	5,901,577
3.2.2		Information about associates			
		The Group has a 50% equity interest in Nanjing Vmoto Soco Intelligent Technology Co, Ltd (Vmoto Soco Manufacturing), which is a jointly owned manufacturing company with Super Soco Intelligent Technology (Shanghai) Co, Ltd. The Group's interest in Vmoto Soco Manufacturing is accounted for using equity method in the consolidated financial statements as the Group does not control or have joint control over Vmoto Soco Manufacturing.			
3.2.3		Summarised financial information of the Group's share in Vmoto Soco Manufacturing is as follows:			

Notes to the condensed consolidated financial statements for the half-year ended 30 June 2023

Note 3 Financial assets and financial liabilities (cont.)

3.2 Investment accounted for using the equity method (cont.)

	30 June 2023 \$	31 December 2022 \$
a. Summarised financial position		
Current assets	20,219,506	33,885,301
Current liabilities	(18,037,733)	(29,958,799)
Current net liabilities	2,181,773	3,926,502
Non-current assets	7,390,345	7,444,180
Non-current liabilities	-	-
Non-current net assets	7,390,345	7,444,180
Net assets	9,572,118	11,370,682
b. Summarised financial performance		
	6 months to 30 June 2023 \$	6 months to 30 June 2022 \$
Revenue and other income	19,906,949	32,963,873
Cost of sales	(19,511,903)	(30,919,184)
Administrative expenses	(2,035,586)	(3,500,078)
Income tax benefit / (expense)	17,092	363,847
Total comprehensive loss	(1,623,448)	(1,091,542)
Group's share of associate's loss after tax	(811,724)	(545,771)
Group's share of associate's other comprehensive income	-	-
3.2.4 Reconciliation to carrying amounts:		
	30 June 2023 \$	31 December 2022 \$
Opening net assets at fair value	5,685,341	7,132,878
Share of loss: for half-year the comparative half-year for the balance of the comparative year	(811,724) N/A	(545,771) (777,306)
Movements due to foreign exchange	(87,558)	(124,460)
Closing net assets (carrying amount of investment)	4,786,059	5,685,341
3.3 Trade and other payables		
	30 June 2023 \$	31 December 2022 \$
3.3.1 Current		
Trade creditors	3,496,830	7,386,071
Advance and deposits from customers / unearned revenue	7,059,515	9,700,853
Other creditors and accruals	3,190,585	3,345,127
Bank acceptance draft	1,025,284	1,150,455
Shareholder advances	122,971	117,943
	14,895,185	21,700,449

Notes to the condensed consolidated financial statements for the half-year ended 30 June 2023

Note 4 Non-financial assets and financial liabilities

4.1 Property, plant, and equipment

	30 June 2023 \$	31 December 2022 \$
Plant and equipment – at cost	4,327,353	2,929,464
Accumulated depreciation	(1,932,044)	(1,609,034)
	2,395,309	1,320,430
Motor vehicles – at cost	418,894	424,348
Accumulated depreciation	(191,650)	(143,523)
	227,244	280,825
Land – at cost	-	-
Buildings – at cost	6,925,245	7,316,214
Accumulated amortisation	(3,692,798)	(3,761,330)
	3,232,447	3,554,884
Total property, plant, and equipment	5,855,000	5,156,139

4.1.1 Movements in Carrying Amounts

	Plant and Equipment \$	Motor vehicles \$	Land \$	Buildings \$	Total \$
<i>Carrying amount at 1 January 2022</i>	423,846	386,640	1,099,950	4,077,638	5,988,074
Additions	1,102,608	-	-	48,106	1,150,714
Reclassifications to right-of-use assets	-	-	(1,099,950)	-	(1,099,950)
Depreciation for the period	(281,429)	(99,464)	-	(498,176)	(879,069)
Exchange differences	75,405	(6,351)	-	(72,684)	(3,630)
<i>Carrying amount at 31 December 2022</i>	1,320,430	280,825	-	3,554,884	5,156,139
<i>Carrying amount at 1 January 2023</i>	1,320,430	280,825	-	3,554,884	5,156,139
Transfers between classes	36,779	-	-	(36,779)	-
Additions	1,225,816	-	-	-	1,225,816
Disposals / write-offs	(11,429)	-	-	-	(11,429)
Depreciation for the period	(55,891)	(50,088)	-	(174,965)	(280,944)
Exchange differences	(120,396)	(3,493)	-	(110,693)	(234,582)
<i>Carrying amount at 30 June 2023</i>	2,395,309	227,244	-	3,232,447	5,855,000

4.2 Leases

4.2.1 Right of use assets

	30 June 2023 \$	31 December 2022 \$
Land	730,093	755,412
Buildings	209,456	246,176
	939,549	1,001,588

4.2.2 Lease liabilities

Current	125,315	110,266
Non-current	111,603	164,865
	236,918	275,131

Notes to the condensed consolidated financial statements

for the half-year ended 30 June 2023

Note 5 Equity					
5.1 Issued capital	Note	30 June 2023	31 December 2022	30 June 2023	31 December 2022
		No.	No.	\$	\$
Fully paid ordinary shares		290,240,290	283,524,201	93,817,917	91,907,912
		6 months to 30 June 2023	12 months to 31 December 2022	6 months to 30 June 2023	12 months to 31 December 2022
		No.	No.	\$	\$
5.1.1 Ordinary shares					
At the beginning of the period		283,524,201	279,360,084	91,907,912	90,559,203
<i>Shares issued during the period:</i>					
✔ Issue at nil consideration	5.1.1a	-	1,720,000	-	167,700
✔ Issue at \$0.353 per share	5.1.1b	-	1,500,000	-	529,125
✔ Issue at \$0.430 per share	5.1.1c	-	94,117	-	40,000
✔ Issue at nil consideration	5.1.1d	-	850,000	-	306,000
✔ Issue at \$0.337 per share	5.1.1e	4,037,117	-	1,360,105	-
✔ Issue at \$0.037 per share	5.1.1f	1,950,000	-	71,500	-
✔ Issue at \$0.330 per share	5.1.1g	288,139	-	95,085	-
✔ Issue at \$0.350 per share	5.1.1h	42,857	-	15,000	-
✔ Issue at \$0.350 per share	5.1.1i	107,142	-	37,500	-
✔ Issue at \$0.365 per share (average)	5.1.1j	290,834	-	106,250	-
✔ Vesting of share-based expenses	5.1.1k	-	-	224,565	305,884
Transaction costs relating to share issues		-	-	-	-
At reporting date		290,240,290	283,524,201	93,817,917	91,907,912
a. 04.04.2022	Issued to employees of the Company, at nil consideration, in recognition of their efforts and contribution to the Company, recognised over a three-year vesting period.				
b. 11.04.2022	Issued to investors pursuant to strategic partnership and investment agreements signed.				
c. 13.05.2022	Shares issued to a director in lieu of unpaid Director fees.				
d. 19.12.2022	Shares to Directors as a result of vesting of 850,000 service rights.				
e. 03.01.2023	Issue of shares upon vesting of performance rights.				
f. 22.02.2023	Issued at nil consideration to employees of the Company in recognition of their efforts and contribution to the Company.				
g. 22.02.2023	288,139 shares at \$0.330 per share, issued to an employee pursuant to an employment contract.				
h. 23.03.2023	Issue to a former director who has ceased to be a related party in lieu of historic Director fees.				
i. 01.06.2023	Shares issued in lieu of Director's fees as approved by Shareholders on 30 May 2023.				
j. 01.06.2023	150,549 shares issued as a portion of Managing Director remuneration and 140,285 shares issued as a portion of Finance Director remuneration (135,799 issued at \$0.391 per share and 155,035 issued at \$0.343 per share).				
k.	Vest of shares issued in 2019/2020, 2020/2021, and 2021/2022 to employees, valued at \$28,698, \$84,067, and \$111,800 respectively.				

Notes to the condensed consolidated financial statements for the half-year ended 30 June 2023

Note 5 Equity (cont.)

5.2 Options and rights	Note	30 June	31 December	30 June	31 December
		2023	2022	2023	2022
		No.	No.	\$	\$
✔ Options		23,100,000	24,100,000	-	99,000
✔ Performance rights		6,768,402	7,932,147	587,916	1,753,263
		29,868,402	32,032,147	587,916	1,852,263
		6 months to	12 months to	6 months to	12 months to
		30 June	31 December	30 June	31 December
		2023	2022	2023	2022
		No.	No.	\$	\$
5.2.1 Options and rights movement					
At the beginning of the period		32,032,147	6,757,289	1,852,263	974,088
Options changes during the period:					
✔ 2020 performance rights		-	-	-	812,799
✔ 2021 performance rights	10.2.1	-	-	60,391	120,782
✔ 2022 performance rights	10.2.1	-	2,024,858	75,797	151,594
✔ Options exp. 11.04.26 at \$0.45	5.2.1a	-	6,600,000	-	-
✔ Options exp. 11.04.27 at \$0.55	5.2.1a	-	7,700,000	-	-
✔ Options exp. 11.04.27 at \$0.65	5.2.1a	-	8,800,000	-	-
✔ 2022 options to Jane Morgan	5.2.1b	-	1,000,000	-	99,000
✔ Vest of service rights 2020		-	(850,000)	-	(306,000)
✔ 2023 performance rights	10.2.1	2,873,372	-	58,569	-
✔ Vest of service rights 2020	10.2.1	(4,037,117)	-	(1,360,104)	-
✔ Lapse of options 20.06.25	5.2.1b	(1,000,000)	-	(99,000)	-
At reporting date		29,868,402	32,032,147	587,916	1,852,263

- a. 11.04.2022 A total of 23.1 million options issued for nil consideration to Giovanni Castiglioni with exercises prices between \$0.45 and \$0.65 pursuant to the strategic partnership and investment agreement announced to ASX on 4 April 2022. They were issued for nil consideration.

Grant date	Vesting date	Expiry date	Exercise Price \$	Options No.
11.04.2022	11.04.2022	11.04.2026	0.45	6,600,000
11.04.2022	11.04.2022	11.04.2027	0.55	7,700,000
11.04.2022	11.04.2022	11.04.2027	0.65	8,800,000

- b. 21.04.2022 Issued 1 million options to an advisor for investor relation services provided. These lapsed during the current period.

5.3 Reserves

	30 June	30 June
	2023	2023
	\$	\$
Summary of equity reserves:		
✔ Share-based payment reserve	587,916	1,852,263
✔ Foreign currency translation reserve	(309,262)	475,089
	278,654	2,327,352

Notes to the condensed consolidated financial statements for the half-year ended 30 June 2023

SECTION B. UNRECOGNISED ITEMS

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria. In addition to the items and transactions disclosed below, there are also unrecognised tax amounts.

Note 6 Commitments

There are no material commitments to the Group as at 30 June 2023 (30 June 2023: Nil).

Note 7 Contingent liabilities

There are no contingent liabilities as at 30 June 2023.

Note 8 Events subsequent to reporting date

Other than the following, there have not been any other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

8.1 Non-binding Memorandum of Understanding – Ni Hsin EV

In July 2023, the Company signed a non-binding Memorandum of Understanding (**MOU**) with Ni Hsin EV Tech Sdn. Bhd. (**Ni Hsin EV**), a wholly-owned subsidiary of Malaysian listed company Ni Hsin Group Berhad (Bursa: NIHSIN, 7215) (**Ni Hsin**) in relation to the intention to form a strategic alliance to assemble, market, and distribute Vmoto products in Malaysia.

Under the MOU, Vmoto and Ni Hsin EV have agreed to exercise their best efforts to form a strategic alliance, which will include executing a distribution agreement and entering into a JV structure, subject to reaching certain sales milestones, to assemble the VMT EV's in Malaysia, and to market and distribute VMT EV's through Business-to Consumer (**B2C**), Business-to-Business (**B2B**), and Business-to-Government (**B2G**) distribution channels in Malaysia.

Key terms of the MOU are as follows:

- ✔ Upon entering the MOU, Vmoto and Ni Hsin EV (**the Parties**) agreed to commence discussions and negotiations, in good faith, and in the best common interests of the Parties, with a view to reach and finalise definitive agreements for formalising the intentions and mutual agreement of both Parties in relation to the Proposal as soon as practicable.
- ✔ Execution of formal agreement for Ni Hsin EV to distribute VMT EV's in Malaysia is anticipated to occur within three months from the date of this announcement.
- ✔ The formation of the JV structure is subject to reaching sales milestones that have yet to be formally defined.
- ✔ The MOU will be in effect until 31 December 2025.
- ✔ Any Party, at any time, may provide written notice 30 days in advance to terminate this MOU without cause. Written notice by email is acceptable.
- ✔ As the material terms are subject to execution of formal agreements, and as there is no certainty that any binding transaction will be entered into, the impact on the Company's financials cannot be readily quantified.

8.2 Acquires industrial land in Lishui Economic Development Zone in Nanjing, China

As announcement on 2 May 2023, the Company entered into a strategic agreement to acquire an industrial land in the Lishui Economic Development Zone in Nanjing, China for a consideration of CNY13.5 million (≈AUD2.9 million), which CNY6.8 million (≈AUD1.44 million) has been paid in May 2023.

Subsequent to 30 June 2023, the Company has paid the remaining CNY6.7 million (≈AUD1.44 million) in July 2023. All terms and conditions of the agreement have been fulfilled by the Company and the Chinese government is in the process of issuing land certificate to the Company.

Notes to the condensed consolidated financial statements for the half-year ended 30 June 2023

SECTION C. OTHER INFORMATION

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

Note	9	Earnings per share (EPS)	Note	6 months to 30 June 2023 \$	6 months to 30 June 2022 \$
9.1		Reconciliation of earnings to profit or loss			
		(Loss) / profit for the half-year		5,201,996	7,150,240
		Less: profit attributable to non-controlling equity interest		153,423	(15,742)
		(Loss) / profit used in the calculation of basic and diluted EPS		5,048,573	7,165,982
				6 months to 30 June 2023 No.	6 months to 30 June 2022 No.
9.2		Weighted average number of ordinary shares outstanding during the half-year used in calculation of basic EPS		289,345,717	280,883,181
		Weighted average number of dilutive equity instruments outstanding	9.5	24,044,444	10,655,556
9.3		Weighted average number of ordinary shares outstanding during the half-year used in calculation of diluted EPS		313,390,161	291,538,737
				6 months to 30 June 2023 ¢	6 months to 30 June 2022 ¢
9.4		Earnings per share			
		Basic EPS (cents per share)	9.5	1.74	2.55
		Diluted EPS (cents per share)	9.5	1.61	2.46
9.5		As at 30 June 2023, the Group has 23,100,000 unissued shares under options (30 June 2022: 24,100,000) and 6,768,402 performance rights on issues (30 June 2022: 7,932,147) and considered to be dilutive.			

Note	10	Share-based payments	Note	6 months to 30 June 2023 \$	6 months to 30 June 2022 \$
10.1		Share-based payments:			
		✔ Recognised in profit and loss:			
		▼ Share-based payment expense – Performance rights	10.2.1c	194,757	542,588
		▼ Share-based payment expense – Options		-	99,000
		Gross share-based payments		194,757	641,588

Notes to the condensed consolidated financial statements

for the half-year ended 30 June 2023

Note 10 Share-based payments (cont.)

10.2 Share-based payment arrangements in effect during the period

10.2.1 Service and performance rights

- a. The Company has the following service and performance rights issued to directors in existence during the current reporting period.

Class of Performance Right	Grant date	Expiry date	Number of rights	Vested during the year	Rights exercised	Rights expired	Rights vested at 30 June 2023	Rights unvested at 30 June 2023
2020 performance	16.12.2020	31.12.2022	4,037,117	4,037,117	-	-	4,037,117	-
2021 performance	13.05.2021	31.12.2023	1,870,172	-	-	-	-	1,870,172
2022 performance	13.05.2022	31.12.2024	2,024,858	-	-	-	-	2,024,858
2023 performance	30.05.2023	31.12.2025	2,873,372	-	-	-	-	2,873,372

- b. Vesting of the service rights issued in the period is subject to continuing employment, with no other performance conditions. The performance rights vest subject to:
- ✔ continuing employment,
 - ✔ minimum performance hurdle of a minimum share price compound annual growth rate (CAGR) increases of 5% over the performance period,
 - ✔ no performance rights will vest if CAGR is less than 5% over the respective period,
 - ✔ 50% of the performance rights will vest if CAGR of 10% is achieved, up to maximum of 100% of the performance rights will vest if CAGR of 15% is achieved and pro rata of the performance rights will vest if CAGR is >5% & <10% and >10% & <15%.
- c. Valuation of the performance rights was undertaken using Monte Carlo valuation methodology with the following factors and assumptions being used in determining the fair value of each right on the grant date.

Class of Performance Right	Grant date	Period years	Share price at grant date \$	Risk free rate %	Volatility %	Valuation per right \$
2021 performance	13.05.2021	3	0.425	0.080	70	0.1938
2022 performance	13.05.2022	3	0.375	2.825	70	0.2246
2023 performance	30.05.2023	3	0.275	3.368	65	0.1223

Class of Performance Right	Grant date	Expiry date	Total valuation \$	Expense recorded to	
				30 June 2023 \$	30 June 2022 \$
2020 service	16.12.2020	18.12.2022	306,000	-	73,312
2020 performance	16.12.2020	31.12.2022	1,360,105	-	333,088
2021 performance	13.05.2021	31.12.2023	362,347	60,391	60,391
2022 performance	13.05.2022	31.12.2024	454,783	75,797	75,797
2023 performance	30.05.2023	31.12.2025	351,413	58,569	-
				194,757	542,588

Notes to the condensed consolidated financial statements for the half-year ended 30 June 2023

Note 11 Operating segments

11.1 Segment Financial Performance

	Continuing operations					Total operations \$
	Australia \$	China \$	Europe \$	Singapore \$	Intersegment eliminations \$	
Half-year ended 30 June 2023						
<i>Revenue</i>						
Sales to external customers	-	35,686,376	5,753,183	434,759	-	41,874,318
<i>Results</i>						
Profit or loss before income tax	(401,026)	5,965,077	(447,376)	85,321	-	5,201,996
Half-year ended 30 June 2022						
<i>Revenue</i>						
Sales to external customers	5,682	53,761,102	3,717,046	116,587	-	57,600,417
<i>Results</i>						
Profit or loss before income tax	117,853	6,790,033	240,419	1,935	-	7,150,240

11.2 Segment Financial Position

	Continuing operations					Total operations \$
	Australia \$	China \$	Europe \$	Singapore \$	Intersegment eliminations \$	
As at 30 June 2023						
<i>Assets</i>						
Segment assets	2,252,909	101,133,271	10,720,114	(145,656)	(35,229,029)	78,731,609
<i>Liabilities</i>						
Segment liabilities	198,136	45,097,473	4,748,776	316,747	(35,229,029)	15,132,103
As at 31 December 2022						
<i>Assets</i>						
Segment assets	1,934,198	106,589,854	7,154,439	623,828	(35,316,139)	80,986,180
<i>Liabilities</i>						
Segment liabilities	148,080	52,744,069	4,836,099	37,868	(35,316,139)	22,449,977

Notes to the condensed consolidated financial statements

for the half-year ended 30 June 2023

Note 12 Statement of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the periods presented, unless otherwise stated.

12.1 Basis of preparation

12.1.1 Reporting Entity

Vmoto Limited (**Vmoto** or the **Company**) is a listed public company limited by shares, domiciled, and incorporated in Australia. This interim financial report is intended to provide users with an update on the latest annual financial statements of Vmoto Limited and controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 31 December 2022, together with any public announcements made during the half-year.

12.1.2 Basis of accounting

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The financial statements were authorised for issue on 30 August 2023 the Directors of the Company.

12.1.3 Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group generated a profit for the half-year of \$5,201,996 (30 June 2022: \$7,150,240 profit) and a net cash in-flow from operating activities of \$2,978,131 (30 June 2022: \$6,563,743 in-flow). As at 30 June 2023, the Company had working capital of \$51,828,697 (30 June 2023: \$46,641,764 working capital).

At the date of this report, and having considered the above factors, the Directors are confident that the Group and the Company will be able to continue operations into the foreseeable future.

12.1.4 Comparative figures

Where required by AASBs comparative figures have been adjusted to conform to changes in presentation for the current half-year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

12.1.5 New and Amended Standards Adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

12.2 Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Directors' declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 24, are in accordance with the *Corporations Act 2001* (Cth) and:
 - (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the half-year ended on that date of the Company.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to s303(5) of the *Corporations Act 2001* (Cth) and is signed for and on behalf of the Directors by:

On behalf of the Directors



CHARLES CHEN

Managing Director

Dated this Wednesday, 30 August 2023



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF VMOTO LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Vmoto Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 30 June 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Vmoto Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Basis of Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink that reads "Hall Chadwick".

HALL CHADWICK WA AUDIT PTY LTD

A handwritten signature in black ink that reads "Mark Delaurentis".

MARK DELAURENTIS CA
Director

Dated at Perth this 30th day of August 2023



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