

Vmoto enters agreement to acquire remaining 50% of Vmoto Soco Italy

Global electric vehicle company **Vmoto Limited (ASX: VMT)** (“Vmoto”, or the “Company”) is pleased to announce that it has entered into an agreement with Giovanni Castiglioni (Castiglioni) and Graziano Milone (Milone), both well-known and experienced European entrepreneurs, investors and executives in the global motorcycle industry, to acquire the remaining 50% interest in the issued capital of Vmoto Soco Italy srl (VSI) and take Vmoto's interest to 100%.

Headquartered in Milan, VSI was established in December 2018 and is one of the leading e-motorcycle and e-scooter companies in Italy. VSI is now actively distributing Vmoto branded e-motorcycle and e-scooter products through its dedicated stores in Milan and Rome, and 128 dealers throughout Italy. VSI has also successfully earned a reputation of distributing high quality and strong performance e-motorcycles and e-scooters in Italy and has developed a number of strategic partnerships with several world-renowned brands, including Ducati, Porsche and Moto-E.

Strategic Objectives

The key strategic objectives and rationale for the acquisition of remaining interest in VSI are:

- Maximising the value of our Italian operations by facilitating increased investment into financial and stock support to our Italian dealers to meet increasing local demands;
- Streamlining the supply and distribution processes to increase efficiency in delivering the products to a growing dealer and sales network;
- Cost synergies and savings through reduction of logistics costs, stock holding costs, parts sourcing and reduction in other operating costs;
- Freeing up Milone and Castiglioni's time from VSI operations to enable focus on creating strategic business development and opportunities, and to increase value for Vmoto Group; and

Transaction Overview

The key terms of the acquisition agreement are as follows:

- Vmoto to acquire Castiglioni's 25% interest by issuing 2,777,778 VMT shares equivalent to EUR 250,000 (A\$416,667) to Castiglioni or his nominee;
- Vmoto to acquire Milone's 25% interest by issuing 2,777,778 VMT shares equivalent to EUR 250,000 (A\$416,667) to Milone or his nominee;

1. Exchange rate for conversion, A\$1 : EUR 0.60

vmotosoco.com

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Official
Electric Scooter
Supplier



- Upon completion of the acquisition, Vmoto's interest in VSI will increase from 50% to 100%;
- Upon signing of this agreement, the put and call option agreement previously signed with Castiglioni and Milone is formally terminated (see announcement dated 4 April 2022);
- Vmoto to issue 2,777,778 VMT shares equivalent to EUR 250,000 (A\$416,667) to each of Castiglioni and Milone for managing the day-to-day operations of VSI from the commencement of VSI until the date of this agreement. Note Castiglioni and Milone have not drawn down any salary from VSI since the commencement of VSI; and
- Upon completion of the acquisition, VSI will appoint an independent Country Manager for Italy to focus on managing the day-to-day operations of VSI.

Alongside with the acquisition of remaining 50% interest in VSI, Vmoto has also appointed Mr. Graziano Milone as B2C Chief Operating Officer of the Vmoto Group, overseeing the global B2C sales and operations. Milone is an experienced entrepreneur with a proven history of success in numerous sectors, including the distribution of motorcycles. Milone has successfully developed and increased sales for a number of renowned international trading and manufacturing groups in Italy and Europe.

Castiglioni will continue to act as global advisor to the Vmoto Group, with an increased focus on developing new sales opportunities, strategic partnerships and business strategies, both in the European market and globally. Since Castiglioni joined Vmoto, the Company has established a strategic alliance with CA Auto Bank founded in Italy in year 1925 and operating in 19 countries, in which CA Auto Bank is now supporting and financing Vmoto's dealers in Italy and Europe. Castiglioni, through his industrial design company, C Creative, has also developed a number of landmark e-motorcycle and e-scooter products for Vmoto and is actively identifying suitable trends of e-motorcycle and e-scooter products in order to target new market segments and to maximise sales and value for the Company.

Charles Chen, Managing Director of Vmoto, said: "The acquisition of VSI is a well thought out strategic move, as it has become clear that to maximise performance in Italy, in conjunction with our existing operations, we need to increase Vmoto's investment in and support of the Italian operations. In addition, after working with Milone and Castiglioni for many years, they have demonstrated their valuable experience and track record in the global motorcycle industry and now is the time to work closer with them at a Group level and on a global basis".

The Shares are expected to be issued on or around 15 April 2024 at a deemed issue price of \$0.15 each and will utilise the Company's 15% placement capacity pursuant to Listing Rule 7.1. The Shares will rank equally with existing fully paid ordinary shares. On completion, the Company will have 406,598,304 Shares on issue.

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

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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/vmotosoco), Instagram (www.instagram.com/vmotosoco) and YouTube (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.

Shareholders Communications

Vmoto is committed to communicating with its shareholders regularly and efficiently and encourage shareholders to adopt electronic form of communication channels. Shareholders can update its communications methods by going to www.computershare.com.au/easyupdate/VMT.

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