

Settlement with Supersoco Intelligent Technology (Shanghai) Co, Ltd

Global electric vehicle company, **Vmoto Limited (ASX: VMT) (Vmoto or Company)** is pleased to announce that it has reached settlement with Supersoco Intelligent Technology (Shanghai) Co, Ltd (**Soco Shanghai**) in relation to a number of legal actions Vmoto has been forced to take to protect its rights and to ensure Soco Shanghai meets its obligations.

Background

In early 2020, Soco Shanghai and Vmoto's subsidiary, Nanjing Vmoto Co, Ltd (**Nanjing Vmoto**) entered into a joint investment agreement (**Agreement**) to establish a new jointly owned company, Nanjing Vmoto Soco Intelligent Technology Co, Ltd (**Vmoto Soco**). Pursuant to the terms of that Agreement, Vmoto retains exclusive sales and marketing rights for “E-Max” and “Super Soco” products globally, excluding China, while Soco Shanghai retains exclusive sales and marketing rights for “Super Soco” products and is granted exclusive sales and marketing rights for “E-Max” products for the China market.

In addition, Vmoto Soco is the sole and exclusive manufacturer for all Vmoto (E-Max) and Super Soco products for both international and Chinese domestic markets, and Vmoto Soco has the rights to use all brands, patents and moulds of Soco Shanghai for the manufacturing of the products, at no additional cost.

Vmoto Soco is independent from Soco Shanghai and Vmoto and has an independent management team. Vmoto Soco has built solid credibility and close commercial relationships with its suppliers and has developed a strong research and development capability.

Settlement

To avoid the costs, inconvenience and the uncertainty of litigation, both Vmoto and Soco Shanghai agreed to fully and finally settle all claims, with no admission of liability, on the following key terms under the agreements as follows:

- All current or potential future claims brought by Vmoto and its subsidiaries (**Vmoto Group**) against Soco Shanghai and its subsidiaries (**Soco Group**) will be withdrawn and no order as to costs will be made.
- All current or potential future claims brought by Soco Group against Vmoto Group will be withdrawn and no order as to costs will be made.
- Soco Shanghai to transfer all of its remaining Super Soco, Soco, Suke and S logo trademarks in China and internationally to Vmoto Group.
- Soco Shanghai to transfer all of its remaining patents and designs internationally to Vmoto Group. These patents include patents and designs for various models (TS, TC, CUX, TC-MAX, VS1, CPX, TS Hunter and TC Wanderer) that Vmoto currently markets and distributes into international markets under license.

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- Soco Group to transfer all of its moulds for the above models to Vmoto Group.
- Soco Shanghai to transfer the remaining 50% shares of Vmoto Soco to Vmoto, which will take Vmoto's interest in Vmoto Soco to 100%.
- Vmoto Group will pay Soco Group a lump-sum payment of RMB 31 million (~A\$6.5 million¹).

Vmoto's Managing Director, Mr Charles Chen said, "*We are pleased that this matter has settled out of court on what the Board believes are reasonable terms considering the significant additional costs of defending potentially large and time-consuming litigation with uncertainty of court outcome and significant distraction from developing and growing the businesses of Vmoto. Not only does the settlement provide Vmoto Group with full certainty of production and a well-established supply chain by direct ownership of intellectual properties and moulds, it also allows Vmoto to have the exclusive sales and marketing rights to sell Vmoto's products in China, which represents a source of additional potential revenue for the Company.*"

-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), YouTube (**Vmoto Soco**), Instagram (www.instagram.com/vmotosoco), and Facebook (www.facebook.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.

¹ Based on an exchange rate of AU\$1:RMB4.7977 on 26 August 2024

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