



MARKET UPDATE

ANNOUNCEMENT

2 AUGUST 2019

Vmoto Limited (ASX: VMT) is pleased to provide the following update on its activities for the quarter ended 30 June 2019 (2Q19), during which time the Company delivered strong operational and commercial growth and continued to progress its strategy of selling high value electric two-wheel vehicle products into international markets.

Highlights

- **Positive cash flows delivered for 2Q19**
- **Cash position remains strong with A\$5.1 million – up A\$0.2 million on the previous quarter and up A\$0.9 million in total since 31 December 2018**
- **Strong upward sales trend in international markets with 2,371 units sold in Europe, up 124% on 2Q18**
- **International orders up 94% on 1Q19, with orders for 4,452 units as at 30 June**
- **International distribution network expanded further with new exclusive distributors appointed in Argentina and Mexico**
- **Vmoto supplied sharing products to Zig Zag, a renowned city vehicle rental and sharing service provider in Italy**
- **New *CUX Special Edition* launched in partnership with Ducati**

2Q19 Sales Performance

Unit sales for 2Q19 totalled 3,115 units, comprising:

	2Q19	1Q19	2Q18
European customers and distributors	2,371	3,122	1,059
Non-European customers and distributors	714	686	1,750
Chinese customers and distributors	30	13	53
Total	3,115	3,821	2,862

For 2Q19, 2,371 units were sold into European markets, representing an increase of 124% on 2Q18.

Formal European approval for the CU model was received on 21 November 2018, following a minor delay as announced on 29 October 2018. The Company achieved record sales into European markets in 1Q19 as the order backlog was cleared. Sales in 2Q19 reverted to the expected upward trend line with a strong result vis-à-vis 2Q18. As a result of strong order flows from customers, VMT expects the upward sales trend to continue in the coming quarters.

To support European sales growth, the Company is actively pursuing additional sales opportunities in the B2B and B2C sectors, including the sharing and delivery markets. The Company is also actively exploring the potential to collaborate with world-renowned brands in the vehicle and mobility industry.

Growing Order Book

As at 30 June, the Company has firm orders of 4,452 units, up 94% on 1Q19. The increased order book is as a result of higher orders from distributors and demonstrates the rapid growth in adoption rates and demand for the Company's electric vehicles within local European markets.

Orders from international customers and distributors for the B2B E-Max and the B2C Soco models are expected to be delivered in the next three to six months.

International Markets

During and subsequent to the quarter, the Company signed a number of exclusive international distributor agreements, further expanding its distribution into international markets:

Argentina: An exclusive distribution agreement signed with Blumper srl ("Blumper") for the warehousing, distribution and marketing of VMT's B2C range of electric two-wheel vehicles. Blumper focuses on the wholesale and retail sale of cutting-edge electric mobility and drone products. Blumper also has extensive experienced distributing products across Argentina, via its wide network of dealers.

Mexico: An exclusive distribution agreement signed with Vpro Workshop Sa De Cv ("Vpro") for the warehousing, distribution and marketing of the B2C range of electric two-wheel vehicle products in Mexico. Vpro has extensive experience distributing some of the most prestigious international motorcycle brands within the Mexican market. Vpro also has a vast Mexican dealership and after sales service network across the country.

Vmoto has also supplied samples and is in discussions with a number of potential B2C and B2B distributors and customers in Barbados, Brazil, Dominica, Israel, Kazakhstan, Kyrgyzstan, Maldives, Mongolia, Netherlands, Nepal, Panama and Russia.

The Company will update the market with material developments when appropriate.

Vmoto and Ducati Launched CUX Special Edition Ducati electric scooter

Vmoto partnered with Ducati to create the *CUX Special Edition Ducati* electric scooter - the luxury model of the current CUX model.

The *CUX Special Edition Ducati* was showcased during a press conference held at Ducati's headquarter in Bologna, Italy on 3 May 2019. The press conference was well attended by Vmoto's selected international distributors and Ducati's senior management. This included Mr Alessandro Cicognani, Ducati's licensing and corporate partnership director; Mr Dario Marchetti, multiple championship winner and head of prestigious Ducati Riding Experience and Vmoto's Super Soco world brand ambassadors.

Collaborating with Ducati demonstrates the Company's ability to partner with extremely high calibre international motorcycle brands and highlights the high quality of VMT's electric two-wheel vehicles.

European sharing network expanded with Zig Zag

During the Ducati press launch, Vmoto also showcased the sharing version of the CUX, designed for the city vehicle rental service provider, Zig Zag. Over 170 units of the sharing CUX's have been delivered to Zig Zag and its operations in Milan. It is expected that the model will be subsequently rolled out by Zig Zag into other Italian and European cities.

Other Exhibitions and Marketing

Vmoto's Colombian distributor participated in Feria de las dos ruedas Fair held in Medellin, Colombia from 2-5 May 2019. This trade show is one of the most important in Latin America and attracts representatives from all major brands including; Harley Davidson, BMW, Honda, Ducati, and Yamaha. It is also attended by 400-plus exhibitors selling bikes and building exposure with the Colombian market.

Vmoto's Colombian distributor exhibited Vmoto's B2B and B2C products and attracted strong interest in the product ranges. Vmoto's B2C *TC Max* was also selected to be showcased through a live television broadcast by local media.

During the quarter, the Company and its other international distributors also participated in a number of marketing events promoting both consumer models and electric delivery models, including:

- Industrial Design World Expo in Hanover, Germany from 1-5 April 2019
- Barcelona Motorcycle Show held in Barcelona on 4 April 2019
- World Rally Racing held in France from 19-21 April 2019
- Moto GP France held on 18 May 2019
- Feria de las dos ruedas Fair held in Medellin, Colombia from 2-5 May 2019
- VEG Expo held in Vancouver, Canada on 7 May 2019
- Autosalon exhibition held in Slovakia from 30 April 2019 to 5 May 2019
- Urban Drifting exhibition held in Taiwan from 8-19 May 2019
- Superbike Racing held in Spain on 27-28 May 2019
- Moto GP Spain held on 15 June 2019
- Moto GP Italy held on 2 June 2019
- HP Innovation fair held in Mexico from 23-24 June 2019
- Latam Mobility Summit held in Medellin, Colombia from 4-5 June 2019

Financial

As at 30 June 2019, the Group had cash of A\$5.1 million (1Q19: A\$4.9 million). This increase is as a result of receipts from customers for firm orders placed during 2Q19. Cash position of the Group remains strong with A\$5.1 million, up A\$0.2 million on the previous quarter and up A\$0.9 million in total since 31 December 2018.

During 2Q19, the Company's operating facility was repaid in full and expired. A new operating facility on similar terms has been secured. As at 30 June 2019, the Company's drawn down operating facility was RMB5 million (approximately A\$1 million) and the total undrawn operating facility was RMB20 million (approximately A\$4.2 million).

Outlook

Vmoto continues to execute its strategy of selling high value, high performance electric two-wheel vehicles to international markets. This is executed with the sale of the E-max scooters to B2B delivery, sharing and rental customers and the Soco range to B2C customers.

Vmoto continues to receive significant interest and sales leads due to its current network and marketing activities. With the number of additional distributors signed up in 2Q19, increasing firm orders and increasing interest from potential sharing customers, Vmoto's management remains confident that the Company will continue to increase international sales and further consolidate its position as a leading electric two-wheel vehicle manufacturer and provider to the international markets.

The Company sees great potential in the B2B market for its high performance electric two-wheel vehicle delivery products and is in discussions with a number of groups regarding cooperation agreements to secure orders. The Company is also on track to develop a new model of electric delivery scooter expected to be launched in the upcoming EICMA exhibition to be held in November 2019 in Milan.

For further information, please contact:

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About Vmoto

Vmoto Limited (ASX: VMT) is a global scooter manufacturing and distribution group. The Company specialises in high quality "green" electric powered two wheel vehicles and manufactures a range of western designed electric scooters from its low cost manufacturing facilities in Nanjing, China. Vmoto combines low cost Chinese manufacturing capabilities with European design. The group operates through three primary brands: Vmoto (aimed at the value market in Asia), E-Max (targeting the Western B2B markets, with a premium end product) and Super Soco (targeting the Western B2C markets).

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/vmososoco), Instagram ([vmososoco](https://www.instagram.com/vmososoco)) and Twitter ([vmososoco](https://twitter.com/vmososoco)).



Photo: Vmoto supplied sharing products to Zig Zag Italy, the city vehicle rental service provider. These sharing electric scooters will be distributed in Milan first, with more expected to launch in other Italian and European cities.



Photo: Ducati and Vmoto launch *Cux Special Edition Ducati* held in Ducati's headquarter in Bologna, Italy on 3 May 2019.



Photo: Vmoto's Colombian distributor exhibited our B2B and B2C range of electric two-wheel vehicles at Feria de las dos ruedas Fair held in Medellin, Columbia from 2-5 May 2019.



Photo: Vmoto's distributor exhibited our B2B and B2C range of electric two-wheel vehicles at Autosalon exhibition held in Slovakia from 30 April 2019 to 5 May 2019.



Photo: Vmoto's B2C electric two-wheel vehicles with Rebecca Bianchi of Stratos team at the Superbike Racing held in Spain on 27-28 May 2019.



Photo: Vmoto's B2C electric two-wheel vehicles at Moto GP Italy held on 2 June 2019.



Photo: Vmoto's B2C electric two-wheel vehicles at the Moto GP France held on 18 May 2019.



Photo: Vmoto's B2C electric two-wheel vehicles at Moto GP Spain held on 15 June 2019.



Photo: Vmoto's distributor exhibited our B2C range of electric two-wheel vehicle products at the 2019 SMAEB Expo held in Bucharest, Romania from 19-21 April 2019.