



## MARKET UPDATE

ANNOUNCEMENT

3 AUGUST 2020

Vmoto Limited (ASX: VMT) is pleased to provide the following update on its activities for the quarter ended 30 June 2020 (2Q20), 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.

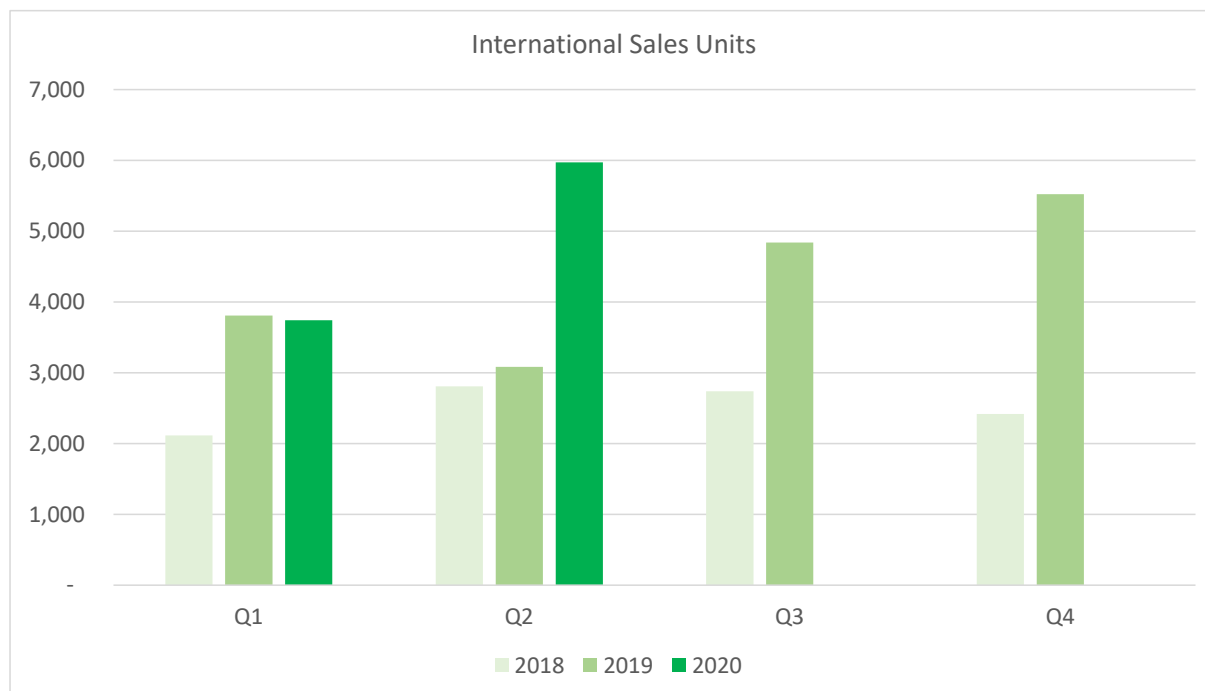
### Highlights

- **Strong positive operational cash flows of ~\$1.5 million delivered for 2Q20**
- **Strong cash position of A\$7.3 million as at 30 June 2020, after fully paid for RMB30 million capital contributions to Nanjing Vmoto Soco Intelligent Technology Co Ltd (“Vmoto Soco Manufacturing”)**
- **Record sales with 6,389 units sold, up 55% on 1Q20 and up 105% on 2Q19**
- **Firm international orders for 6,353 units as at 30 June 2020 and continued significant interest received for Vmoto’s products worldwide**
- **Significant increased interest from business customers including food delivery, parcel delivery and ride-sharing companies for Vmoto’s new B2B products**
- **New exclusive international distributors appointed, and ongoing discussions and samples shared with a significant number of potential new customers**
- **All 2,000 units of Vmoto’s ride-sharing products delivered to Go Sharing, Netherlands and additional order of 1,500 units for delivery later this year**
- **Delivered first order of 60 units of ride-sharing electric scooter to new ride-sharing customer, re.volt, Czech Republic**
- **Vmoto Soco Manufacturing (as announced on 24 February 2020) incorporated and operational**
- **Share Purchase Plan closed heavily oversubscribed in May 2020, raising \$3.95 million**
- **European governments initiatives and impact of Covid-19 on personal transportation are expected to have a longer-term positive impact on Vmoto’s business**

### 2Q20 Sales Performance

Record sales delivered during the quarter with 6,389 units sold, representing an increase of 55% on 1Q20 and 105% on 2Q19. Of these, 5,972 units were sold into international markets.

The chart below illustrates the Company’s unit sales into international markets, comparing Q1-Q4 quarters of FY2018, FY2019 and FY2020:



### **Order Book**

As at 30 June 2020, the Company had firm international orders for 6,353 units and has continued to receive further orders from its existing and new customers post 2Q20.

Vmoto's B2C products continue to generate increased interest and recognition among motorcycle enthusiasts and trendy consumers and Vmoto's B2B products received significant increased interest from B2B customers including food delivery, parcel delivery and ride-sharing operators.

### **A strong B2C and B2B strategy with proven results**

To further support sales growth, the Company is actively pursuing additional opportunities in the B2C and B2B sectors, including the sharing and delivery markets.

**B2B sharing markets:** The Company is now supplying products to 7 sharing operators globally and is actively in advanced discussions with an additional 12 sharing operators.

**B2B delivery markets:** The Company has received a significant increase in interest from business customers including food delivery and parcel delivery companies for its new delivery electric scooter, E-Max VS1 and Vmoto is in advanced discussions with an additional 10 customers.

This comes as a result of the global increase of delivery services due to the global lockdown situation resulting from COVID-19.

**Collaborations:** The Company is also actively exploring opportunities to collaborate with world-renowned brands in the vehicle and mobility industry to replicate its Ducati partnership. We are continuing to engage with Ducati regarding an extended arrangement and further cooperation.

### **Strong and longer-term external growth drivers**

A number of European governments have implemented initiatives, including subsidies to consumers buying electric two-wheel vehicles for personal transportation to support green mobility in the post-lockdown phase, as people have limited access to public transport. In addition to these incentives, there are also a number of government regulations that encourage consumers to use electric vehicles, from which the Company is well positioned to benefit.

The impact of Covid-19 on personal and public transportation and government initiatives are favourable to Vmoto and are expected to have a long-term positive impact as Vmoto's B2C and ride-sharing products enable consumers to travel with flexibility, while adhering to social-distancing rules.

The Company also expects a boost in demand for its food and parcel delivery electric scooter products as communities globally embrace food and parcel home delivery services.

### **International Distribution**

In 2Q20, the Company signed a number of exclusive distribution agreements with international distributors across Armenia, Japan, Costa Rica, Panama and Thailand for the warehousing, distribution and marketing of its B2C range of electric two-wheel vehicle products.

Vmoto has also supplied samples to and/or is in discussions with a number of potential B2C and B2B distributors and customers in Brazil, Bulgaria, Cuba, Dubai, Egypt, Kazakhstan, Maldives, Malaysia, Mongolia, Nepal, Indonesia, Israel, Mexico, Morocco, Nepal, Portugal, Philippines, Romania, Russia, Saudi Arabia, Singapore, Slovenia, South Africa, Spain, Switzerland, Turkey and Ukraine.

The Company will update the market on material developments as appropriate.

### **Ride-Sharing Operations**

#### **Go Sharing, Netherlands**

As announced on 28 January 2020, the Company secured an order of 2,000 units for Vmoto's ride-sharing products from Go Sharing, Netherlands. All 2,000 units have been delivered and Vmoto has secured an order for a further 1,500 units, expected to be delivered from July to December 2020.

#### **re.volt, Czech Republic**

In May 2020, Vmoto delivered 60 units of its ride-sharing products to re.volt, Czech Republic for use in its ride-sharing operations. re.volt is a car and motorcycle ride-sharing company in the Czech Republic which has adopted a model of shared transport powered by green energy.

Vmoto is also in discussion with a number of potential sharing customers in Brazil, Bulgaria, Columbia, France, Greece, India, Mexico, Portugal, Slovakia, Spain, Switzerland and Turkey.

## **Financial**

As at 30 June 2020, the Group had cash of A\$7.3 million, after making the full RMB30 million capital contribution to Vmoto Soco Manufacturing in line with the payment schedule announced on 24 February 2020.

Pleasingly, the Company achieved and delivered strong positive operational cash flows of ~\$1.5 million for 2Q20, driven by cash receipts from customers for firm orders placed and products delivered during the quarter.

As at 30 June 2020, the total amount drawn down under the Company's operating facility was RMB10 million (approximately A\$2.1 million), with RMB15 million (approximately A\$3.1 million) remaining undrawn and available.

## **Corporate**

As announced on 15 May 2020, the Company closes its Share Purchase Plan (SPP) heavily oversubscribed, with a total of \$3.95 million (before costs) received.

This represents a milestone achievement for Vmoto, with such a significant positive response demonstrating the Company's alignment with its shareholders and shareholder support for Vmoto's strategy of selling high quality electric two-wheel vehicles into international markets.

## **Outlook**

Vmoto continues to execute its strategy of selling high value, high performance electric two-wheel vehicles into international markets and continuing to build its B2C distribution network worldwide, and in discussions with a number of potential B2B customers.

With the European governments' initiatives encourage consumers to adopt electric vehicles and the impacts from Covid-19 on personal and public transportation and social distancing, the Company and its business are well positioned to benefit from these for longer term.

The Company's strong sales network continue to grow and the Company ongoing and expanding marketing activities will also continue to increase brand and product awareness and are driving a healthy and growing pipeline of sales leads and opportunities.

Authorised by the Board of Vmoto Limited.

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Photo: Vmoto's new E-Max VS1 in Italy.



Photo: Vmoto's electric two-wheel delivery vehicles with Gareth Wittstock, brother of the Princess of Monaco and a member of the royal family in Monaco.



Photo: Vmoto's CUX Special Edition Ducati supplied to pilot Leandro Tati Mercado of Motocorsa team to ride during 2020 Superbike World Championship



Photo: The test riding and delivery of Vmoto's electric scooters to Misano World Circuit attended by Mr Andrea Albani, Managing Director of Misano World Circuit.



Photo: New store recently opened in Milan, Italy, featuring a full model range.



Photo: Test riding of TS, TC Max and CUX event organised by Poland distributor.



## **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 two primary brands: 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](http://www.vmoto.com)), Facebook ([www.facebook.com/vmotosoco](http://www.facebook.com/vmotosoco)), Instagram ([www.instagram.com/vmotosoco](http://www.instagram.com/vmotosoco)) and YouTube (**Vmoto Soco**).

## **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 encourages shareholders to adopt electronic form of communication channels. Shareholders can update its communications methods by going to [www.computershare.com.au/easyupdate/VMT](http://www.computershare.com.au/easyupdate/VMT).